



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.  
GOVERNOR

CHASON ISHII  
CHAIRPERSON

CRAIG K. NAKAMOTO  
EXECUTIVE DIRECTOR

Statement of

**Craig K. Nakamoto, Executive Director**  
Hawaii Community Development Authority

before the

**SENATE COMMITTEE ON HOUSING**

and the

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

Tuesday, February 7, 2023

1:30 PM

State Capitol, Conference Room 225 & Videoconference

In consideration, of

**S.B. 338**

**RELATING TO THE DEPARTMENT OF HOUSING.**

Chairs Chang and McKelvey, Vice Chairs Kanuha and Gabbard, and members of the Committees.

The Hawaii Community Development Authority (HCDA) offers **comments** on **S.B. 338** which creates the Department of Housing and places the HCDA, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, and the Office of Planning and Sustainable Development under a new Department of Housing for administrative purposes.

We support the intent of the measure which is to consolidate those agencies into a Department of Housing to coordinate and facilitate the development of housing.

As a redevelopment agency, HCDA's primary mission is to establish community development plans, determine programs and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition.

As drafted, the measure raises structural issues with respect to HCDA:

1. Page 7, Lines 1 to 11: Is the intention to replace, on the HCDA board, the Director of the department of business, economic development, and tourism with the Director Housing? If yes, that change needs to be made Chapter 206E-3(b), *Hawaii Revised Statutes*.
2. Page 14, Line 7 and Line 17: "Hawaii Community Development Corporation" should be replaced with "Hawaii Community Development Authority."

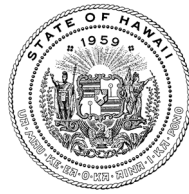
**LATE**

3. Salary of the New Director of the Department of Housing. We note that the measure does not amend Section 26-52, *Hawaii Revised Statutes*, to provide for the salary of the new director of the department of housing.

Recognizing the importance of producing more housing units, HCDA is striving to be part of the larger solution in our some of our community development districts through our own proactive housing projects. We would be happy to discuss these with the committees.

Thank you for the opportunity to share our thoughts on this measure.

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kāla*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON HOUSING AND GOVERNMENT OPERATIONS  
ON  
SENATE BILL NO. 338

**February 7, 2023**  
**1:30 p.m.**  
**Room 225 and Videoconference**

RELATING TO THE DEPARTMENT OF HOUSING

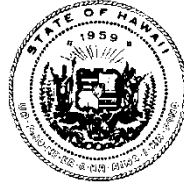
The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 338 proposes to establish the Department of Housing as a principal department of the State by transferring the Hawai'i Community Development Authority, Hawai'i Housing Finance and Development Corporation, Office of Planning and Sustainable Development, and Hawai'i Public Housing Authority to the new department for administrative purposes.

B&F would like to point out that there are bills being heard this session that create additional principal departments. Article V, Section 6, of the Hawai'i Constitution, specifies that there be ". . . not more than twenty principal departments . . ." Currently, there are 19 principal departments with the establishment of the Department of Law Enforcement by Act 278, SLH 2022.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

**STATE OF HAWAII**  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

IN REPLY, PLEASE REFER TO:

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

Before the  
**SENATE COMMITTEE ON HOUSING**  
&  
**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**Tuesday, February 7, 2023**  
**1:30 PM – Room 225, Hawaii State Capitol**

In consideration of  
**SB 338**  
**RELATING TO THE DEPARTMENT OF HOUSING**

Honorable Chair Chang and Honorable Chair McKelvey, and Members of the Senate Committee on Housing and Senate Committee on Government Operations, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 338, relating to the department of housing.

The Hawaii Public Housing Authority (HPHA) appreciates the intent of SB 338 provides the following comments and requests amendments. This measure creates the Department of Housing. Places the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, the Office of Planning and Sustainable Development, and Hawaii Public Housing Authority under the Department of Housing for administrative purposes.

We respectfully request removing the HPHA from this measure as this measure would interfere with the HPHA's Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and federal and state mandated roles and responsibilities of the Agency's Board of Directors. HUD mandates that the HPHA Board of Directors (Board) is the "legally and financially responsible governing body of a Public Housing Authority (PHA) and the first line of accountability for the PHA's performance".

The HPHA is a single purpose entity, governed by an eleven-member Board of Directors that are appointed by the governor (Chapter 356D-3 and 356D-4 Hawaii Revised Statutes), and it provides policy guidance to the Agency in accordance with federal and state law. Any conflict with this important role between the Board and the proposed State Director of Housing will interfere with the Board's obligations.

While the HPHA's development efforts are very important in combatting the State's housing crisis, please consider that the HPHA was strategically administratively attached to the Department of Human Services (DHS) to address the needs of the over 45,000 low-income families and individuals that both the HPHA and DHS serve. Grants and programs include but are not limited to:

- U.S. Department of Housing and Urban Development (HUD) Foster Youth to independence program which involves working with the Child Welfare Services Branch to provide qualified foster youth to receive a Section 8 voucher through the HPHA.
- HUD Mainstream program which involves working with the DHS Med-Quest Division to assist our qualified disabled families to receive a Section 8 voucher through the HPHA.
- Working with the DHS Homeless Branch to create Kamaoku Kauhale on HPHA land in Kalaeloa.
- Working with the Governor's Coordinator on Homelessness and the Hawaii Interagency Council on Homelessness to coordinate housing efforts for our extremely low-income families and individuals.
- Working with DHS in sharing information to screen eligibility and continued occupancy of public housing and Section 8 applicants through the DHS Hawaii Automated Welfare Information (HAWI) system.
- Including the knowledge of DHS through the HPHA Board of Directors meetings. (The DHS Director is an Ex-officio member)

As you know, originally, the Hawaii Housing Authority (HHA) was a unified housing agency. It was divided into the Housing Finance and Development Corporation (HFDC), and a smaller HHA. The two were subsequently merged into the HCDCH in 1998. The suggestion from the Affordable Housing Task Force, pursuant to SCR 135, SD1, 2004, resulted in the Legislature following that suggestion and Act 196, SLH 2005, as amended by Act 180, SLH 2006, and separated the HCDCH to create the HPHA with enabling statutes to plan, develop, construct, and finance housing projects, and to manage the State's subsidized housing, and the HHFDC as the affordable housing financing agency.

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



**SENATE COMMITTEES ON HOUSING, AND GOVERNMENT OPERATIONS  
Hawaii State Capitol  
1:30 PM**

February 7, 2023

RE: SB 338, RELATING TO DEPARTMENT OF HOUSING

Chairs Chang & McKelvey, Vice Chairs Kanuha & Gabbard; and members of the committees:

My name is Max Lindsey, Government Relations Committee Chair of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

**BIA Hawaii supports the intent of SB 338**, which Creates the Department of Housing. Places the Hawai'i Community Development Authority, Hawai'i Housing Finance and Development Corporation, Office of Planning and Sustainable Development, and Hawai'i Public Housing Authority under the Department of Housing for administrative purposes.

The state has numerous initiatives which are intended to increase the supply of housing on state-owned lands, but because different responsibilities and jurisdictions lie within different departments within the state, there is a problem with proper coordination. Placing the necessary Departments under one umbrella may begin to alleviate this issue, however, a housing advocate position with experience in Departmental coordination that is able to identify and prioritize state owned lands suitable for housing and/or mixed use development would also be a necessity.

We appreciate the opportunity to provide our comments on this matter.

**LATE**



Monday, February 6, 2023

Aloha Chair Chang, Vice Chair Kanuha, and Members of the Committee,

**I'm writing to express Hawai'i YIMBY's support of SB 338**, which would reorganize HCDA, HHFDC, HPHA, and OPSD into a standalone state Department of Housing led by an appointed Director.

The cost of housing is the number one issue in Hawai'i politics. It is a meta-issue from which many other problems the state faces arise, from homelessness to the shortage of nurses and other skilled workers. In the seriousness with which we've come to recognize the housing crisis as a major problem, we've demonstrated that it sits at the highest level of concern for our state government, alongside other domains with top-level agencies to address them.

Yet our agencies responsible for housing are buried in other departments. Over and over, we've heard that this diffusion of responsibility creates coordination problems, slowdowns, and roadblocks. The Governor has appointed a Housing Chief who is diligently working on overcoming these issues. But her ability to be successful will inherently be limited without direct control over the state agencies involved. A Department of Housing that unites them would be a powerful solution to this coordination problem.

Many states, including California, Massachusetts, Texas, Maryland, Connecticut, Virginia, Arizona and more, have recognized the primacy of housing as a state concern and created a state Department of Housing. It's time for Hawai'i to do the same.

We urge your support for this bill. Thank you for the opportunity to testify.

Mahalo,  
Matt Popovich

Hawai'i YIMBY  
[hawaiiyimby.com](http://hawaiiyimby.com) | [matt@hawaiiyimby.com](mailto:matt@hawaiiyimby.com)

**LATE**

**SB-338**

Submitted on: 2/6/2023 2:37:46 PM

Testimony for HOU on 2/7/2023 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Galen Fox	Individual	Support	Written Testimony Only

Comments:

**Please pass SB 338.** Our housing crisis is huge. We are a beautiful state with wonderful people, yet we lose more people per capita to other states than all but four — cold and rusty Illinois and New York, poverty-stricken West Virginia, and job-challenged Louisiana. People who love Hawaii leave anyway because they can't afford shelter here. It's why a majority of native Hawaiians are now on the mainland. How sad!

It's time for housing our residents can afford. We need a cabinet department solely dedicated to building homes for us, not the rich. We need SB 338!