

JAN 22 2021

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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HOUSING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. The legislature finds that there are multiple  
3 state agencies responsible for housing. Having so many separate  
4 agencies creates redundancies and bureaucracies that hinder the  
5 work of solving Hawaii's housing crisis. The purpose of this  
6 Act is to consolidate the Hawaii housing finance and development  
7 corporation, Hawaii community development authority, Hawaii  
8 public housing authority, and office of planning into a new  
9 department of housing.

10 PART II

11 SECTION 2. Chapter 26, Hawaii Revised Statutes, is amended  
12 by adding a new section to be appropriately designated and to  
13 read as follows:

14 "§26- Department of housing. (a) The department of  
15 housing shall be headed by a single executive to be known as the  
16 director of housing.

17 (b) The department of housing shall:



- 1        (1) Be responsible for planning, coordinating, and  
2        implementing the provisions of section 226-19;
- 3        (2) Strengthen and revitalize communities by promoting  
4        affordable housing opportunities;
- 5        (3) Work in concert with municipal leaders, public  
6        agencies, community groups, local housing authorities,  
7        and other housing developers in the planning and  
8        development of affordable homeownership and rental  
9        housing units;
- 10       (4) Provide leadership for all aspects of policy and  
11       planning relating to the development, redevelopment,  
12       preservation, maintenance, and improvement of housing  
13       serving all levels of income for individuals and  
14       families; and
- 15       (5) Oversee compliance with applicable statutes,  
16       regulations, and financial assistance agreements for  
17       funded activities through long-term program compliance  
18       monitoring.
- 19       (c) The department may adopt rules pursuant to chapter 91  
20       as may be necessary or desirable to fulfill its mission.



1        (d) The following are placed in the department of housing  
2 for administrative purposes as defined by section 26-35: Hawaii  
3 community development authority, Hawaii housing finance and  
4 development corporation, the office of planning, Hawaii public  
5 housing authority, and any other agencies, boards, and  
6 commissions as shall be provided by law."

7        SECTION 3. Section 26-4, Hawaii Revised Statutes, is  
8 amended to read as follows:

9        "**§26-4 Structure of government.** Under the supervision of  
10 the governor, all executive and administrative offices,  
11 departments, and instrumentalities of the state government and  
12 their respective functions, powers, and duties shall be  
13 allocated among and within the following principal departments  
14 that are hereby established:

- 15        (1) Department of human resources development (Section  
16                26-5)
- 17        (2) Department of accounting and general services (Section  
18                26-6)
- 19        (3) Department of the attorney general (Section 26-7)
- 20        (4) Department of budget and finance (Section 26-8)



- 1 (5) Department of commerce and consumer affairs (Section
- 2 26-9)
- 3 (6) Department of taxation (Section 26-10)
- 4 (7) University of Hawaii (Section 26-11)
- 5 (8) Department of education (Section 26-12)
- 6 (9) Department of health (Section 26-13)
- 7 (10) Department of human services (Section 26-14)
- 8 (11) Department of land and natural resources (Section
- 9 26-15)
- 10 (12) Department of agriculture (Section 26-16)
- 11 (13) Department of Hawaiian home lands (Section 26-17)
- 12 (14) Department of business, economic development, and
- 13 tourism (Section 26-18)
- 14 (15) Department of transportation (Section 26-19)
- 15 (16) Department of labor and industrial relations (Section
- 16 26-20)
- 17 (17) Department of defense (Section 26-21)
- 18 (18) Department of public safety (Section 26-14.6) [-]
- 19 (19) Department of Housing (Section 26- )."

20 SECTION 4. Section 26-14, Hawaii Revised Statutes, is  
 21 amended by amending subsection (d) to read as follows:



1           "(d) The [~~Hawaii public housing authority and the~~] Hawaii  
2 state commission on the status of women [~~are~~] is placed within  
3 the department of human services for administrative purposes  
4 only."

5           SECTION 5. Section 26-18, Hawaii Revised Statutes, is  
6 amended by amending subsection (b) to read as follows:

7           "(b) The following are placed in the department of  
8 business, economic development, and tourism for administrative  
9 purposes as defined by section 26-35: [~~Hawaii community  
10 development authority, Hawaii housing finance and development  
11 corporation~~] Hawaii technology development corporation, land use  
12 commission, natural energy laboratory of Hawaii authority, and  
13 any other boards and commissions as shall be provided by law."

14           SECTION 6. Section 201H-2, Hawaii Revised Statutes, is  
15 amended by amending subsection (a) to read as follows:

16           "(a) There is established the Hawaii housing finance and  
17 development corporation to be placed within the department of  
18 [~~business, economic development, and tourism~~] housing for  
19 administrative purposes only. The corporation shall be a public  
20 body and a body corporate and politic."



1 SECTION 7. Section 201H-3, Hawaii Revised Statutes, is  
2 amended by amending subsections (a) and (b) to read as follows:

3 "(a) There is created a board of directors of the Hawaii  
4 housing finance and development corporation consisting of nine  
5 members, of whom six shall be public members appointed by the  
6 governor as provided in section 26-34. At least four of the  
7 public members shall have knowledge and expertise in public or  
8 private financing and development of affordable housing. Public  
9 members shall be appointed from each of the counties of  
10 Honolulu, Hawaii, Maui, and Kauai. At least one public member  
11 shall represent community advocates for low-income housing,  
12 affiliated with private nonprofit organizations that serve the  
13 residents of low-income housing. The public members of the  
14 board shall serve four-year staggered terms; provided that the  
15 initial appointments shall be as follows:

16 (1) Two members to be appointed for four years;

17 (2) Two members to be appointed for three years; and

18 (3) Two members to be appointed for two years.

19 The director of [~~business, economic development, and tourism~~]  
20 housing and the director of finance, or their designated  
21 representatives, and a representative of the governor's office,



1 shall be ex officio[+], [+] voting members. The corporation shall  
2 be headed by the board.

3 (b) The board of directors shall select a chairperson and  
4 vice chairperson from among its members; provided that the  
5 chairperson shall be a public member. The director of  
6 [~~business, economic development, and tourism,~~] housing, director  
7 of finance, and the governor's representative shall be  
8 ineligible to serve as chairperson of the board."

9 SECTION 8. Section 206E-3, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) There is established the Hawaii community development  
12 authority, which shall be a body corporate and a public  
13 instrumentality of the State, for the purpose of implementing  
14 this chapter. The authority shall be placed within the  
15 department of [~~business, economic development, and tourism~~]  
16 housing for administrative purposes."

17 SECTION 9. Section 225M-1, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "**§225M-1 Purpose.** The purpose of this chapter is to  
20 establish an office of planning to assist the governor, the  
21 director of housing, and the director of business, economic



1 development, and tourism in maintaining an overall framework to  
2 guide the development of the State through a continuous process  
3 of comprehensive, long-range, and strategic planning to meet the  
4 physical, economic, and social needs of Hawaii's people, and  
5 provide for the wise use of Hawaii's resources in a coordinated,  
6 efficient, and economical manner, including the conservation of  
7 those natural, environmental, recreational, scenic, historic,  
8 and other limited and irreplaceable resources which are required  
9 for future generations.

10 The establishment of an office of planning in the  
11 department of [~~business, economic development, and tourism,~~  
12 housing, for administrative purposes, is intended to:

- 13 (1) Fix responsibility and accountability to successfully  
14 carry out statewide planning programs, policies, and  
15 priorities;
- 16 (2) Improve the efficiency and effectiveness of the  
17 operations of the executive branch; and
- 18 (3) Ensure comprehensive planning and coordination to  
19 enhance the quality of life of the people of Hawaii."

20 SECTION 10. Section 225M-2, Hawaii Revised Statutes, is  
21 amended by amending subsection (a) to read as follows:



1           "(a) There is established within the department of  
2   ~~[business, economic development, and tourism]~~ housing an office  
3   of planning. The head of the office shall be known as the  
4   director of the office of planning, referred to in this chapter  
5   as director. The director shall have: training in the field of  
6   urban or regional planning, public administration, or other  
7   related fields; experience in programs or services related to  
8   governmental planning; and experience in a supervisory,  
9   consultative, or administrative capacity. The director shall be  
10  nominated by the governor and, by and with the advice and  
11  consent of the senate, appointed by the governor without regard  
12  to chapter 76, and shall be compensated at a salary level set by  
13  the governor. The director shall be included in any benefit  
14  program generally applicable to the officers and employees of  
15  the State. The director shall retain such staff as may be  
16  necessary for the purposes of this chapter, in conformity with  
17  chapter 76. The director shall report to the director of  
18  ~~[business, economic development, and tourism]~~ housing and shall  
19  not be required to report directly to any other principal  
20  executive department."



1 SECTION 11. Section 225M-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) Every state department, county agency, or other  
4 public or private agency or individual providing planning  
5 programs and services shall be encouraged to participate  
6 actively in the activities of the office of planning. The  
7 executive heads of all state departments and agencies shall  
8 cooperate with the office of planning by providing information  
9 as the governor and the director of [~~business, economic~~  
10 ~~development, and tourism~~] housing deem necessary for the  
11 effective discharge of its duties."

12 SECTION 12. Section 225M-4, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§225M-4 Allocation of funds.** Any of the agencies of the  
15 State to which general or special appropriations are made, or a  
16 part of whose budget contains an allocation, or which makes an  
17 allocation of funds for planning and research, shall consult  
18 with the office of planning to ensure that all expenditures are  
19 in accordance with, or in furtherance of the goals and  
20 objectives of the Hawaii state plan. After first consulting  
21 with the director of [~~business, economic development, and~~



1 ~~tourism,~~ housing, the governor may withhold the expenditure of  
2 these funds by any agency until the governor is satisfied that  
3 the expenditures will implement those goals and objectives."

4 SECTION 13. Section 356D-2, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) There is established the Hawaii public housing  
7 authority to be placed within the department of [~~human services~~]  
8 housing for administrative purposes only. The authority shall  
9 be a public body and a body corporate and politic."

10 PART III

11 SECTION 14. In addition to the amendments made by part II  
12 of this Act, the revisor of statutes shall substitute  
13 "department of housing" for every reference to the "department  
14 of business, economic development, and tourism" and "department  
15 of human services" as appropriate to reflect the transfer of the  
16 Hawaii housing finance and development corporation, Hawaii  
17 community development corporation, office of planning, and  
18 Hawaii public housing authority to the department of housing.

19 SECTION 15. (a) All rights, powers, functions, and duties  
20 of the:



1           (1) Department of business, economic development, and  
2           tourism as they pertain to the:

3           (A) Hawaii housing finance and development  
4           corporation pursuant to chapter 201H, Hawaii  
5           Revised Statutes;

6           (B) Hawaii community development corporation pursuant  
7           to chapter 206E, Hawaii Revised Statutes; and

8           (C) Office of planning pursuant to chapter 225M,  
9           Hawaii Revised Statutes; and

10          (2) Department of human services as they pertain to the  
11          Hawaii public housing authority pursuant to chapter  
12          356D, Hawaii Revised Statutes,

13          are transferred to the department of housing.

14          (b) All employees who occupy civil service positions and  
15          whose functions are transferred to the department of housing by  
16          this Act shall retain their civil service status, whether  
17          permanent or temporary. Employees shall be transferred without  
18          loss of salary, seniority (except as prescribed by applicable  
19          collective bargaining agreements), retention points, prior  
20          service credit, any vacation and sick leave credits previously  
21          earned, and other rights, benefits, and privileges, in



1 accordance with state personnel laws and this Act; provided that  
2 the employees possess the minimum qualifications and public  
3 employment requirements for the class or position to which  
4 transferred or appointed, as applicable; provided further that  
5 subsequent changes in status may be made pursuant to applicable  
6 civil service and compensation laws.

7 Any employee who, prior to this Act, is exempt from civil  
8 service and is transferred as a consequence of this Act may  
9 retain the employee's exempt status, but shall not be appointed  
10 to a civil service position as a consequence of this Act. An  
11 exempt employee who is transferred by this Act shall not suffer  
12 any loss of prior service credit, vacation or sick leave credits  
13 previously earned, or other employee benefits or privileges as a  
14 consequence of this Act; provided that the employees possess  
15 legal and public employment requirements for the position to  
16 which transferred or appointed, as applicable; provided further  
17 that subsequent changes in status may be made pursuant to  
18 applicable employment and compensation laws. The director of  
19 housing may prescribe the duties and qualifications of these  
20 employees and fix their salaries without regard to chapter 76,  
21 Hawaii Revised Statutes.



1           (c) All rules, policies, procedures, guidelines, and other  
2 material adopted or developed by the transferred agencies to  
3 implement provisions of the Hawaii Revised Statutes that are  
4 reenacted or made applicable to the department of housing by  
5 this Act shall remain in full force and effect until amended or  
6 repealed by the department of housing pursuant to chapter 91,  
7 Hawaii Revised Statutes. In the interim, every reference to the  
8 department of business, economic development, and tourism and  
9 department of human services as they pertain to the transferred  
10 agencies in those rules, policies, procedures, guidelines, and  
11 other material is amended to refer to the department of housing,  
12 as appropriate.

13           (d) All deeds, leases, contracts, loans, agreements,  
14 permits, or other documents executed or entered into by or on  
15 behalf of the department of business, economic development and  
16 tourism and the department of human services as they pertain to  
17 the transferred agencies, pursuant to the provisions of the  
18 Hawaii Revised Statutes that are reenacted or made applicable to  
19 the department of housing by this Act shall remain in full force  
20 and effect. Effective July 1, 2021, every reference to the  
21 department of business, economic development and tourism and the



1 department of human services as they pertain to the transferred  
2 agencies in those deeds, leases, contracts, loans, agreements,  
3 permits, or other documents shall be construed as a reference to  
4 the department of housing.

5 (e) All appropriations, records, equipment, machines,  
6 files, supplies, contracts, books, papers, documents, maps, and  
7 other personal property heretofore made, used, acquired, or held  
8 by the department of business, economic development and tourism  
9 and the department of human services as they pertain to the  
10 transferred agencies relating to the functions transferred to  
11 the department of housing shall be transferred with the  
12 functions to which they relate.

13 SECTION 16. This Act does not affect rights and duties  
14 that matured, penalties that were incurred, and proceedings that  
15 were begun before its effective date.

16 SECTION 17. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 18. This Act shall take effect on July 1, 2021.

19

INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 740

**Report Title:**

Hawaii Community Development Authority; Hawaii Housing Finance and Development Corporation; Office of Planning; Hawaii Public Housing Authority; Department of Housing

**Description:**

Creates the department of housing. Places the Hawaii community development authority, Hawaii housing finance and development corporation, the office of planning, and Hawaii public housing authority under the department of housing for administrative purposes.

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