

JAN 19 2023

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 and sustainable
9 development into a new 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 pursuant to section 26-35: Hawaii
3 community development authority; Hawaii housing finance and
4 development corporation; office of planning and sustainable
5 development; Hawaii public housing authority; and any other
6 agencies, boards, and 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 26-
16 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 26-
- 9 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); [~~and~~]
- 19 (19) Department of law enforcement (Section 26-14.8) [~~-~~];
- 20 and
- 21 (20) Department of housing (Section 26-) ."



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

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

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

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

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

18 "(a) There is established the Hawaii housing finance and
19 development corporation to be placed within the department of
20 [~~business, economic development, and tourism~~] housing for



1 administrative purposes only. The corporation shall be a public
2 body and a body corporate and politic."

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

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

- 18 (1) Two members to be appointed for four years;
19 (2) Two members to be appointed for three years; and
20 (3) Two members to be appointed for two years.



1 The director of [~~business, economic development, and tourism~~]
2 housing and the director of finance, or their designated
3 representatives, and a representative of the governor's office,
4 shall be ex officio[+], [+] voting members. The corporation shall
5 be headed by the board.

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

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

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

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



1 "§225M-1 Purpose. The purpose of this chapter is to
2 establish an office of planning and sustainable development to
3 assist the governor; the director of housing; the director of
4 business, economic development, and tourism; the legislature;
5 and state and county agencies in maintaining an overall
6 framework to guide the development of the State through a
7 continuous process of comprehensive, long-range, and strategic
8 planning to meet the physical, economic, and social needs of
9 Hawaii's people, and provide for the wise use of Hawaii's
10 resources in a coordinated, efficient, and economical manner,
11 including the conservation of those natural, environmental,
12 recreational, scenic, historic, and other limited and
13 irreplaceable resources which are required for future
14 generations.

15 The establishment of an office of planning and sustainable
16 development in the department of [~~business, economic~~
17 ~~development, and tourism,~~] housing, for administrative purposes,
18 is intended to:

19 (1) Fix responsibility and accountability to successfully
20 carry out statewide planning programs, policies, and
21 priorities;



- 1 (2) Improve the efficiency and effectiveness of the
- 2 operations of the executive branch; and
- 3 (3) Ensure comprehensive planning and coordination to
- 4 enhance the quality of life of the people of Hawaii."

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

7 "(a) There is established the office of planning and
8 sustainable development within the department of [~~business,~~
9 ~~economic development, and tourism~~] housing for administrative
10 purposes only. The head of the office shall be known as the
11 director of the office of planning and sustainable development
12 and referred to in this chapter as director. The director shall
13 have:

- 14 (1) Training in the field of urban or regional planning,
15 public administration, or other related fields;
- 16 (2) Experience in programs or services related to
17 governmental planning; and
- 18 (3) Experience in a supervisory, consultative, or
19 administrative capacity.

20 The director shall be nominated by the governor and, by and with
21 the advice and consent of the senate, appointed by the governor



1 without regard to chapter 76, and shall be compensated at a
2 salary level set by the governor. The director shall be
3 included in any benefit program generally applicable to the
4 officers and employees of the State. The director may retain
5 staff as may be necessary for the purposes of this chapter, in
6 conformity with chapter 76. The director shall report to the
7 director of [~~business, economic development, and tourism~~]
8 housing and shall not be required to report directly to any
9 other principal executive department. The director may also
10 employ staff without regard to chapter 76, as authorized in this
11 chapter and as may be necessary."

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

14 "(b) Every state department, county agency, or other
15 public or private agency or individual providing planning
16 programs and services shall be encouraged to participate
17 actively in the activities of the office of planning and
18 sustainable development. The executive heads of all state
19 departments and agencies shall cooperate with the office of
20 planning and sustainable development by providing information as
21 the governor and the director of [~~business, economic~~



1 ~~development, and tourism]~~ housing deem necessary for the
2 effective discharge of its duties."

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

5 "§225M-4 Allocation of funds. Any of the agencies of the
6 State to which general or special appropriations are made, or a
7 part of whose budget contains an allocation, or which makes an
8 allocation of funds for planning and research, shall consult
9 with the office of planning and sustainable development to
10 ensure that all expenditures are in accordance with, or in
11 furtherance of the goals and objectives of the Hawaii state
12 plan. After first consulting with the director of [~~business,~~
13 ~~economic development, and tourism,~~] housing, the governor may
14 withhold the expenditure of these funds by any agency until the
15 governor is satisfied that the expenditures will implement those
16 goals and objectives."

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

19 "(a) There is established the Hawaii public housing
20 authority to be placed within the department of [~~human services]~~



1 housing for administrative purposes only. The authority shall
2 be a public body and a body corporate and politic."

3 SECTION 14. Act 278, Session Laws of Hawaii 2022, is
4 amended by amending section 3 to read as follows:

5 "SECTION 3. Section 26-4, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§26-4 Structure of government. Under the supervision of
8 the governor, all executive and administrative offices,
9 departments, and instrumentalities of the state government and
10 their respective functions, powers, and duties shall be
11 allocated among and within the following principal departments
12 that are hereby established:

- 13 (1) Department of human resources development (Section 26-
14 5);
- 15 (2) Department of accounting and general services (Section
16 26-6);
- 17 (3) Department of the attorney general (Section 26-7);
- 18 (4) Department of budget and finance (Section 26-8);
- 19 (5) Department of commerce and consumer affairs (Section
20 26-9);
- 21 (6) Department of taxation (Section 26-10);



1 SECTION 15. In addition to the amendments made by part II
2 of this Act, the revisor of statutes shall substitute
3 "department of housing" for every reference to the "department
4 of business, economic development, and tourism" and "department
5 of human services" as appropriate to reflect the transfer of the
6 Hawaii housing finance and development corporation, Hawaii
7 community development corporation, office of planning and
8 sustainable development, and Hawaii public housing authority to
9 the department of housing.

10 SECTION 16. (a) All rights, powers, functions, and duties
11 of the:

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

14 (A) Hawaii housing finance and development
15 corporation pursuant to chapter 201H, Hawaii
16 Revised Statutes;

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

19 (C) Office of planning and sustainable development
20 pursuant to chapter 225M, Hawaii Revised
21 Statutes; and



1 (2) Department of human services as they pertain to the
2 Hawaii public housing authority pursuant to chapter
3 356D, Hawaii Revised Statutes,
4 are transferred to the department of housing.

5 (b) All employees who occupy civil service positions and
6 whose functions are transferred to the department of housing by
7 this Act shall retain their civil service status, whether
8 permanent or temporary. Employees shall be transferred without
9 loss of salary, seniority (except as prescribed by applicable
10 collective bargaining agreements), retention points, prior
11 service credit, any vacation and sick leave credits previously
12 earned, and other rights, benefits, and privileges, in
13 accordance with state personnel laws and this Act; provided that
14 the employees possess the minimum qualifications and public
15 employment requirements for the class or position to which
16 transferred or appointed, as applicable; provided further that
17 subsequent changes in status may be made pursuant to applicable
18 civil service and compensation laws.

19 Any employee who, prior to this Act, is exempt from civil
20 service and is transferred as a consequence of this Act may
21 retain the employee's exempt status, but shall not be appointed



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

13 (c) All rules, policies, procedures, guidelines, and other
14 material adopted or developed by the transferred agencies to
15 implement provisions of the Hawaii Revised Statutes that are
16 reenacted or made applicable to the department of housing by
17 this Act shall remain in full force and effect until amended or
18 repealed by the department of housing pursuant to chapter 91,
19 Hawaii Revised Statutes. In the interim, every reference to the
20 department of business, economic development, and tourism and
21 department of human services as they pertain to the transferred



1 agencies in those rules, policies, procedures, guidelines, and
2 other material is amended to refer to the department of housing,
3 as appropriate.

4 (d) All deeds, leases, contracts, loans, agreements,
5 permits, or other documents executed or entered into by or on
6 behalf of the department of business, economic development and
7 tourism and the department of human services as they pertain to
8 the transferred agencies, pursuant to the provisions of the
9 Hawaii Revised Statutes that are reenacted or made applicable to
10 the department of housing by this Act shall remain in full force
11 and effect. Effective July 1, 2023, every reference to the
12 department of business, economic development and tourism and the
13 department of human services as they pertain to the transferred
14 agencies in those deeds, leases, contracts, loans, agreements,
15 permits, or other documents shall be construed as a reference to
16 the department of housing.

17 (e) All appropriations, records, equipment, machines,
18 files, supplies, contracts, books, papers, documents, maps, and
19 other personal property heretofore made, used, acquired, or held
20 by the department of department of business, economic
21 development and tourism and the department of human services



1 relating to the functions transferred to the department of
2 housing shall be transferred with the functions to which they
3 relate.

4 SECTION 17. This Act does not affect rights and duties
5 that matured, penalties that were incurred, and proceedings that
6 were begun before its effective date.

7 SECTION 18. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 19. This Act shall take effect on July 1, 2023,
10 provided that section 15 of this Act shall take effect on
11 January 1, 2024.

12

INTRODUCED BY:

 A handwritten signature in black ink, appearing to be 'R. L. S.', is written over a horizontal line.



S.B. NO. 338

Report Title:

Hawaii Community Development Authority; Hawaii Housing Finance and Development Corporation; Office of Planning and Sustainable Development; 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, Office of Planning and Sustainable Development, and Hawaii Public Housing Authority under the Department of Housing for administrative purposes.

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

