

JAN 17 2024

S.B. NO. 2028

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HOUSING.

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

PART I

SECTION 1. The legislature finds that there are multiple state agencies responsible for housing. The existence of multiple separate agencies creates redundancies and bureaucracies that hinder the work of solving Hawaii's housing crisis. The purpose of this Act is to consolidate the Hawaii housing finance and development corporation, Hawaii community development authority, Hawaii public housing authority, and office of planning and sustainable development into a new department of housing.

PART II

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

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



1 (b) The department of housing shall:

2 (1) Be responsible for planning, coordinating, and
3 implementing the provisions of section 226-19;

4 (2) Strengthen and revitalize communities by promoting
5 affordable housing opportunities;

6 (3) Work in concert with municipal leaders, public
7 agencies, community groups, local housing authorities,
8 and other housing developers in the planning and
9 development of affordable homeownership and rental
10 housing units;

11 (4) Provide leadership for all aspects of policy and
12 planning relating to the development, redevelopment,
13 preservation, maintenance, and improvement of housing
14 for individuals and families at all levels of income;
15 and

16 (5) Oversee compliance with applicable statutes,
17 regulations, and financial assistance agreements for
18 funded activities through long-term program compliance
19 monitoring.

20 (c) The department may adopt rules pursuant to chapter 91
21 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
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 corrections and rehabilitation (Section
19 26-14.6); [~~and~~]
- 20 (19) Department of law enforcement (Section 26-14.8) [~~+~~];
21 and



1 (20) Department of housing (Section 26-) ."

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

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

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

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

17 SECTION 6. Section 26-52, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§26-52 Department heads and executive officers.** The
20 salaries of the following state officers shall be as follows:



(1) The salary of the superintendent of education shall be set by the board of education at a rate no greater than \$250,000 a year. The superintendent shall be subject to an annual performance evaluation that is in alignment with other employee evaluations within the department of education and are based on outcomes determined by the board of education; provided that nothing shall prohibit the board of education from conditioning a portion of the salary on performance;

(2) The salary of the president of the ~~University~~ university of Hawaii shall be set by the board of regents;

(3) Effective July 1, 2004, the salaries of all department heads or executive officers of the departments of accounting and general services, agriculture, attorney general, budget and finance, business, economic development, and tourism, commerce and consumer affairs, corrections and rehabilitation, Hawaiian home lands, health, housing, human resources development, human services, labor and industrial relations, land and natural resources, law enforcement, taxation, and



1 transportation shall be as last recommended by the
2 executive salary commission. Effective July 1, 2007,
3 and every six years thereafter, the salaries shall be
4 as last recommended by the commission on salaries
5 pursuant to section 26-56, unless rejected by the
6 legislature; and

7 (4) The salary of the adjutant general shall be \$85,302 a
8 year. Effective July 1, 2007, and every six years
9 thereafter, the salary of the adjutant general shall
10 be as last recommended by the commission on salaries
11 pursuant to section 26-56, unless rejected by the
12 legislature, except that if the state salary is in
13 conflict with the pay and allowance fixed by the
14 tables of the regular Army or Air Force of the United
15 States, the latter shall prevail."

16 SECTION 7. Section 225M-1, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§225M-1 Purpose.** The purpose of this chapter is to
19 establish an office of planning and sustainable development to
20 assist the governor; the director of housing; the director of
21 business, economic development, and tourism; the legislature;



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

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

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



SECTION 8. Section 356D-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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

SECTION 9. Sections 201H-2, 201H-3, 206E-3, and 225M-2, Hawaii Revised Statutes, are amended by substituting the phrase "department of housing" wherever the phrase "department of business, economic development, and tourism" appears, as the context requires.

SECTION 10. Sections 201H-3, 206E-3, 225M-2, 225M-3, and 225M-4, Hawaii Revised Statutes, are amended by substituting the phrase "director of housing" wherever the phrase "director of business, economic development, and tourism" appears, as the context requires.

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

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



- 1 (A) Hawaii housing finance and development
2 corporation pursuant to chapter 201H, Hawaii
3 Revised Statutes;
4 (B) Hawaii community development authority pursuant
5 to chapter 206E, Hawaii Revised Statutes; and
6 (C) Office of planning and sustainable development
7 pursuant to chapter 225M, Hawaii Revised
8 Statutes; and

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

13 (b) All officers and employees whose functions are
14 transferred by this Act shall be transferred with their
15 functions and shall continue to perform their regular duties
16 upon their transfer, subject to the state personnel laws and
17 this Act.

18 No officer or employee of the State having tenure shall
19 suffer any loss of salary, seniority, prior service credit,
20 vacation, sick leave, or other employee benefit or privilege as
21 a consequence of this Act, and such officer or employee may be



1 transferred or appointed to a civil service position without the
2 necessity of examination; provided that the officer or employee
3 possesses the minimum qualifications for the position to which
4 transferred or appointed; and provided that subsequent changes
5 in status may be made pursuant to applicable civil service and
6 compensation laws.

7 An officer or employee of the State who does not have
8 tenure and who may be transferred or appointed to a civil
9 service position as a consequence of this Act shall become a
10 civil service employee without the loss of salary, seniority,
11 prior service credit, vacation, sick leave, or other employee
12 benefits or privileges and without the necessity of examination;
13 provided that such officer or employee possesses the minimum
14 qualifications for the position to which transferred or
15 appointed.

16 If an office or position held by an officer or employee
17 having tenure is abolished, the officer or employee shall not
18 thereby be separated from public employment, but shall remain in
19 the employment of the State with the same pay and classification
20 and shall be transferred to some other office or position for
21 which the officer or employee is eligible under the personnel



1 laws of the State as determined by the head of the department or
2 the governor.

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

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



1 and effect. Effective July 1, 2024, every reference to the
2 department of business, economic development and tourism and the
3 department of human services as they pertain to the transferred
4 agencies in those deeds, leases, contracts, loans, agreements,
5 permits, or other documents shall be construed as a reference to
6 the department of housing.

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

15 SECTION 12. This Act does not affect rights and duties
16 that matured, penalties that were incurred, and proceedings that
17 were begun before its effective date.

18 SECTION 13. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



1 SECTION 14. This Act shall take effect on July 1, 2024.

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INTRODUCED BY:

A handwritten signature in black ink, consisting of stylized, cursive letters, is written over a horizontal line.



S.B. NO. 2028

Report Title:

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

Description:

Establishes 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. Replaces the Director of Business, Economic Development, and Tourism with the Director of Housing on the Hawaii Community Development Authority.

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