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STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
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Statement of
BRENN A. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON HOUSING
Wednesday, February 4, 2026
9:00AM
State Capitol, Conference Room 430

In consideration of
HB1714, RELATING TO HOUSING

Chair Evslin, Vice Chair Miyake, and the members of the committee:

The Department of Human Resources Development (HRD) offers the following comments on HB1714.

The purpose of HB1714 is to expand personnel authority for the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA), including authority over positions, salaries, and employment contracts.

In its current form, the measure would allow individual agencies to operate outside the State's centralized personnel and collective bargaining framework. This would bring inconsistency, risk legal conflict, and erosion of uniform employment standards across the Executive Branch.

Page 2, lines 4–6, the bill amends HRS §201H-2(a) to provide that HHFDC shall have autonomy in personnel matters, including establishing and filling positions and setting salaries.

Whether civil service or exempt, State employees do not have employment contracts. The terms and conditions of State employment are governed by applicable statutes, rules, policies, executive orders, and collective bargaining agreements. Granting a single agency broad autonomy in personnel matters risks creating inconsistencies with these statewide requirements.

On page 2, lines 7-11, the bill authorizes HHFDC to employ exempt personnel and to enter into employment contracts of up to two years.

Allowing one State agency to enter into employment contracts would likely conflict with existing statutes, rules, policies, executive orders, and collective bargaining agreements that govern State employment and benefits. This approach introduces the risk of unequal treatment among State employees and may violate established labor and personnel laws.

On page 3, lines 3-10, the bill amends HRS §356D-2(b) to grant HPHA similar autonomy in personnel matters, including authority to set salaries and enter into employment contracts.

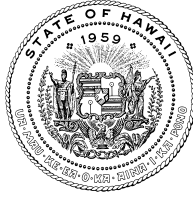
Under current law, only the Governor has authority, pursuant to chapter 89, Hawai'i Revised Statutes, to bargain with exclusive representatives for employees covered by collective bargaining agreements and to effectuate changes for excluded employees through executive orders. No department or agency should be permitted to exercise autonomous personnel authority that bypasses this centralized process.

If the Committee chooses to move this measure forward, HRD respectfully requests that the amendments discussed above be stricken to preserve the integrity of the State's centralized personnel system and collective bargaining structure.

We are available to answer any questions or provide further information as needed.

JOSH GREEN, M.D.
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DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation

Before the

HOUSE COMMITTEE ON HOUSING

February 04, 2026 at 9:00 a.m.

State Capitol, Room 430

In consideration of

HOUSE BILL 1714

RELATING TO HOUSING.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** House Bill 1714, which seeks to increase the salary cap for HHFDC's Executive Director to an amount not exceeding the Governor's salary and adjust the Deputy Executive Director's salary cap to 95% of the Executive Director's salary.

HHFDC plays a vital role in the State's strategic housing policy as it significantly contributes to the increase of affordable housing options for local residents. As the lead agency for financing and facilitating affordable housing development, HHFDC manages crucial programs that support the State's strategy and introduce innovative initiatives. The agency's efforts ensure that housing policies translate into tangible units for families. Enhancing HHFDC's leadership through competitive salaries is crucial for sustaining progress and achieving the State's ambitious housing goals.

Over the last decade, the scale and complexity of our operations have grown considerably:

1. **Affordable Units Delivered:** Prior to 2015, HHFDC facilitated the development of about 700 units per year. In 2025, HHFDC facilitated the delivery of 1,460 units, more than double the average of 10 years ago. Over the next five years, HHFDC projects that 10,875 units will be delivered under its various programs, an average of over 2,000 units per year. This represents a nearly 200 percent increase in annual production.
2. **LIHTC Applications.** Prior to 2015, HHFDC on average received less than 15 applications seeking financing for the LIHTC program. In 2015, HHFDC received 32

applications, more than double the number received 10 years ago. This has heightened the responsibility of the agency to thoroughly evaluate and vet applications.

3. 201H-38 Applications. In 2015, HHFDC processed two 201H-38 applications for zoning and fee exemptions. Additionally, we accepted two Dwelling Unit Revolving Fund (DURF) loan applications. By 2025, this number grew to four 201H-38 applications and three DURF applications, reflecting an increase in workload to meet the growing demand for affordable housing solutions statewide.
4. Units monitored for compliance to ensure projects adhere to affordability requirements. In FY 2015, HHFDC monitored compliance for 110 affordable housing projects statewide, encompassing a total of 10,269 units. By FY 2025, HHFDC monitored compliance for 173 affordable housing projects statewide, encompassing a total of 16,436 units. This represents more than a 50 percent increase in responsibilities.
5. Personnel. Employed staff members have increased from 49 employees at the end of FY 2015 to 63 at the end of FY 2025. A 28 percent increase in staffing to manage expanded programs.

This growth reflects rising demand for affordable housing, increasingly complex financing structures, greater volume of projects using HHFDC's programs, heightened competition for financing and tax credits, increased bond issuances, and a substantially larger portfolio of units to monitor. In addition to these core responsibilities, HHFDC has taken on expanded functions that require specialized expertise, including:

1. Hale Kama'aina Single Family Mortgage Loan Program. A new initiative to help local residents achieve homeownership by offering a competitive, fixed-rate 30-year mortgage for first-time homebuyers.
2. Down Payment Loan Assistance Program. Relaunched to provide low-interest loans for upfront housing costs, complementing the Hale Kama'aina mortgage program.
3. Bond Volume Cap Recycling Program. A new initiative that preserves and reuses expiring Private Activity Bond authority, potentially recycling \$100M annually to support up to 500 additional affordable units.
4. Rent-to-Own Program. A new initiative establishing a path for homeownership for local households in projects to be built by HHFDC.
5. Dwelling Unit Revolving Fund Equity Pilot (DEP) Program. Allows HHFDC to invest in for-sale units by purchasing equity shares, reducing buyers' costs and expanding homeownership opportunities.
6. Mixed-Income Project Financing. Structuring deals that integrate affordable and market-rate units, balancing financial feasibility with policy goals.
7. ProLink Housing Software Implementation. Modernization of loan management and compliance reporting with a cloud-based platform for real-time tracking and streamlined developer interactions.
8. Processing Environmental Assessment Exemptions. Ensuring compliance with Hawaii's environmental regulations while expediting affordable housing projects.

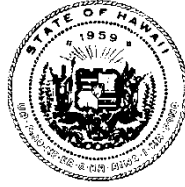
9. Disaster Recovery. Implemented the national award-winning Hawaii Fire Relief Housing Program following the August 8, 2023 Lahaina wildfire and continued management of the Hale O Laie facility to house survivors.

These responsibilities demand leadership and staff with deep knowledge of housing development, finance, regulatory compliance, and innovative program development. Currently, HHFDC's salary limitations put us at a disadvantage compared with the private sector. This disparity makes it difficult to recruit and retain top talent who can manage these responsibilities effectively.

By granting HHFDC autonomy in personnel matters and aligning compensation with the scope of these critical positions, this bill will strengthen our ability to deliver on the State's commitment to increasing the affordable housing supply.

Thank you for considering our testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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IN REPLY PLEASE REFER TO:

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Statement of the
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON HOUSING

Wednesday, February 4, 2026
9:00 A.M. – Room 430, Hawaii State Capitol

In consideration of
HB 1714
RELATING TO HOUSING

Honorable Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing:

The Hawaii Public Housing Authority (HPHA) offers the following comments and suggested amendment to House Bill (HB) 1714. This measure increases the salary cap of the Executive Director of Hawaii Housing Finance and Development Corporation (HHFDC) to an amount not to exceed the Governor's salary; renames the Executive Assistant to the Deputy Executive Director and increases that position's salary cap to 95% of the Executive Director salary; limits employment contracts for the HHFDC and the HPHA to terms not exceeding two years, unless approved by the Legislature; and provides HHFDC with autonomy in personnel matters.

For the benefit of the public and members of the Committee, particularly those who are newly serving, HPHA respectfully clarifies that the Authority's statutory mandate and day-to-day responsibilities extend well beyond the administration of two programs.

The HPHA is the State's only public housing authority that owns, operates, develops, and redevelops housing. HPHA provides direct housing services to thousands of residents, manages and modernizes a statewide portfolio of federally subsidized and publicly owned housing assets, administers federal and state funded rental assistance programs, oversees a large and geographically dispersed workforce throughout the State, and carries continuous operational, development, and federal compliance responsibilities under the oversight of the U.S. Department of Housing and Urban Development (HUD). HPHA undertakes the full continuum of housing activities—from planning and acquisition to construction, redevelopment, long-term ownership, operations, and resident services.

In addition to operating existing federal and state public housing programs, HPHA plans, develops, acquires, rehabilitates, modernizes, and redevelops housing under both federal and state authorities. This



includes participation in mixed-finance and mixed-income development and the use of federal repositioning programs such as the Rental Assistance Demonstration (RAD) and Faircloth-to-RAD. HPHA is involved in all stages of development—not only financing, but also planning, resident relocation, procurement under federal rules, construction oversight, coordination of financing sources, and continued ownership and operation following redevelopment. Many of these projects extend over five to ten years or longer.

HPHA operates under continuous federal oversight by HUD and is subject to regular performance assessments, physical inspections, financial audits, civil rights and fair housing reviews, and potential oversight by the HUD Office of Inspector General. Compliance failures can result in serious consequences, including funding loss or federal intervention, underscoring the importance of strong governance, experienced leadership, and institutional stability.

HPHA manages a large, geographically dispersed workforce statewide, including property management staff, maintenance and skilled trades, compliance personnel, development professionals, resident services coordinators, and administrative staff. The Authority must address labor relations, workforce safety, emergency response, procurement, and operational continuity across multiple islands, further distinguishing HPHA from agencies with primarily programmatic or policy-based functions.

Nationally, there are approximately 3,300 public housing authorities, the vast majority of which are local or regional in scope. HPHA is one of only three statewide public housing authorities in the nation and is the only public housing authority in Hawaii that owns and operates public housing. HPHA also operates at the intersection of state and federal housing systems, including housing that is developed and operated using tax credit financing and other state and federal resources, while retaining long-term ownership, operational accountability, and compliance responsibilities.

The HPHA humbly requests to have the same autonomy in personnel matters language added to the HPHA's statute: "provided that the authority shall have autonomy in personnel matters, including establishing and filling positions and setting salaries."

Finally, as the Committee considers this measure, HPHA also notes that the Authority operates under a binding Annual Contributions Contract with HUD, under which the Board is held fully accountable for management, operations, and compliance. Given the breadth, scale, and complexity of HPHA's responsibilities described above, it is important that governance authority and accountability remain aligned when establishing executive and administrative structures, so that the Board can effectively discharge its fiduciary responsibilities.

Thank you for the opportunity to provide this testimony and for your continued commitment to Hawaii's housing needs.

HB-1714

Submitted on: 2/1/2026 10:21:38 PM

Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert J Hall	Hawaii Public Housing Authority Board	Oppose	Written Testimony Only

Comments:

My name is Robert Hall and I am in opposition of HB 1714 as proposed, in particular the two-year limitation on employment contracts for the lead administrators of both HHFDC and HPHA. You cannot administer meaningful housing programs and effectively address the housing crisis of Hawaii within a 2 year window. The ability to attract the best possible candidates to lead these agencies with meaningful success is diminished with a two year limitation. The bill further imposes limitations on the accountability on the board of directors which may lead to unintended consequences..

Mahalo for allowing me to provide this testimony

Robert J Hall

HB-1714

Submitted on: 2/3/2026 11:59:15 PM

Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle R Stefanik	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill. The residents of Hawai'i are struggling and the cost of living is too high here. Until the state gets the economy under control no government office should benefit by increased wages. This is an item that should not be raised especially when we are being told that the Tax Cuts that were already passed are going to be "Paused" or removed. Please DO NOT vote for this increase!!! Please VOTE with your constituents in mind, the people who have to pay for this increase and vote NO.