

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 2338
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred S.B. No. 2338, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide the Hawaii Housing Finance and Development Corporation (HHFDC) and Hawaii Public Housing Authority (HPHA) with autonomy in personnel matters;
- (2) Rename the Executive Assistant position for HHFDC to Deputy Executive Director;
- (3) Increase the salary cap of the Executive Director and Deputy Executive Director of HHFDC;
- (4) Authorize HHFDC to employ a Finance Director to oversee all finance programs and develop new initiatives to deliver housing to residents of the State;
- (5) Prohibit employment contracts for HHFDC and the Hawaii Public Housing Authority from exceeding two years unless approved by the Legislature; and



- (6) Require HHFDC to measure personnel performance according to certain metrics.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Board of Directors of the Hawaii Housing Finance and Development Corporation. Your Committee received comments on this measure from the Department of the Attorney General and Hawaii Public Housing Authority.

Your Committee finds that the State's main housing agencies face increasing difficulty recruiting and retaining highly qualified leadership due to salary caps that lag behind private sector compensation and comparable public-sector positions. Your Committee further finds that the Hawaii Housing Finance and Development Corporation, in particular, is constrained by a compensation ceiling that is lower than that of its counterpart agency, the Hawaii Public Housing Authority, and which does not reflect the complexity or statewide impact of its work in financing affordable housing. This measure is intended to strengthen the Hawaii Housing Finance and Development Corporation's ability to deliver on the State's commitment to increasing the affordable housing supply.

Your Committee has amended this measure by:


- (1) Deleting language that would have provided HHFDC and HPHA autonomy in personnel matters;
- (2) Clarifying that all HHFDC employees, rather than only select positions, are exempt from civil service requirements and from the requirement that the employment actions and job descriptions of HHFDC officers and employees be subject to approval by the Director of Business, Economic Development, and Tourism;
- (3) Changing the title of "Finance Director" to "Finance Manager";
- (4) Deleting the responsibilities and experience requirements of the Finance Manager and language that would have authorized the Finance Manager's salary to exceed the Executive Director's salary;



- (5) Removing the requirement for legislative approval by Concurrent Resolution and extending the maximum allowable term of employment contracts offered by HHFDC and HPHA from two years to three years;
- (6) Specifying that the limitation on the length of employment contracts offered by HHFDC and HPHA applies to employment contracts entered into on or after the effective date of this measure;
- (7) Deleting language that would have required HHFDC to measure personnel performance based on project outcomes;
- (8) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2338, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2338, S.D. 1, H.D. 1, and be referred to your Committee on Labor.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



LUKE A. EVSLIN, Chair



