

STAND. COM. REP. NO. 1465-26

Honolulu, Hawaii

MAR 30 , 2026

RE: S.B. No. 2338
S.D. 1
H.D. 2

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

Madame:

Your Committee on Labor, to which was referred S.B. No. 2338, S.D. 1, H.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) Exempt all positions under the Hawaii Housing Finance and Development Corporation (HHFDC) 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;
- (2) Increase the salary cap for the Executive Director of HHFDC;
- (3) Rename the position of Executive Assistant to Deputy Executive Director for HHFDC and increase the salary cap for the Deputy Executive Director;
- (4) Establish the Finance Manager position within HHFDC; and

2026-2685 SB2338 HD2 HSCR HMSO



- (5) Establish a cap on the term of employment contracts for HHFDC and the Hawaii Public Housing Authority.

Your Committee received testimony in support of this measure from the Board of Directors of the Hawaii Housing Finance and Development Corporation and Hawaii Housing Finance and Development Corporation. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. 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 ability to expand and maintain affordable housing depends heavily on recruiting and retaining highly qualified leadership within HHFDC, yet existing statutory salary caps limit the State's competitiveness when compared to private-sector compensation. These constraints place an added burden on existing staff, contribute to vacancy and turnover challenges, and undermine the stability needed to support workers, residents, and communities that rely on affordable housing programs. This measure strengthens workforce capacity and ensures expanded access to safe, stable, and affordable homes.

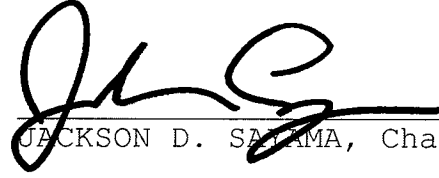
Your Committee has amended this measure by:

- (1) Deleting language that would have required the Finance Manager's salary to be set by the Board of Directors of HHFDC;
- (2) Reinstating HHFDC's authority to employ certain positions under the civil service system; and
- (3) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2338, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2338, S.D. 1, H.D. 2.



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

A handwritten signature in black ink, appearing to read 'J. Sakuma', written over a horizontal line.

JACKSON D. SAKUMA, Chair



