



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2338, S.D. 1, H.D. 2, RELATING TO HOUSING.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Thursday, April 2, 2026

**TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Klemen Urbanc, Deputy Attorney General

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Chair Todd and Members of the Committee:

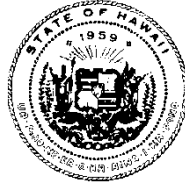
The Department of the Attorney General provides the following comments on this bill.

The bill amends section 201H-2, Hawaii Revised Statutes (HRS), to (1) expand the types of positions within the Hawaii Housing Finance and Development Corporation (HHFDC) that are exempt from the requirement that the Director of the Department of Business, Economic Development, and Tourism approve all employment actions and job descriptions of HHFDC officers and employees under section 26-35(a)(4), HRS; (2) rename the HHFDC Executive Assistant position as the Deputy Executive Director; (3) establish the position of HHFDC Finance Manager; and (4) raise the Executive Director's salary cap to match the Governor's salary, and set the Deputy Executive Director's salary cap at ninety-five percent of the Executive Director's salary. The bill also amends sections 201H-2 and 356D-2, HRS, to limit employment contracts entered by HHFDC and HPHA, respectively, to terms of no more than three years.

Regarding the three-year limit on HHFDC and HPHA employment contracts (page 4, lines 18-20, and page 6, lines 3-5, respectively), the bill amends sections 201H-2(b), and 356D-2(b), HRS, to apply the limit to contracts "entered into on or after the effective date of this Act." To avoid uncertainty, we recommend amending the bill to replace "the effective date of this Act" on page 4, lines 19-20, and page 6, lines 4-5, with "the effective date of Act , Session Laws of Hawaii 2026."

Thank you for the opportunity to provide these comments.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**HAWAII PUBLIC HOUSING AUTHORITY**  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

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Statement of the  
**Hawaii Public Housing Authority**

Before the  
**House Committee on Finance**

**Thursday, April 2, 2026**  
**2:00 PM – Room 308, Hawaii State Capitol**

In consideration of  
**SB 2338, SD1, HD2**  
**RELATING TO HOUSING**

Honorable Chair Todd, Vice Chair Takenouchi and members of the House Committee on Finance:

The Hawaii Public Housing Authority (HPHA) offers the following **comments** on Senate Bill (SB) 2338, SD1, HD2.

The HPHA is one of largest PHAs in the nation that 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, and carries continuous operational, development, and federal compliance responsibilities under the oversight of the U.S. Department of Housing and Urban Development (HUD).

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.



Statement of  
**GARY MACKLER, CHAIR**  
Hawaii Housing Finance and Development Corporation  
Board of Directors  
Before the

**HOUSE COMMITTEE ON FINANCE**

April 2, 2026 at 2:00 p.m.  
State Capitol, Room 308

In consideration of  
**SENATE BILL 2338, SD1, HB2 (HSCR1465-26)**  
**RELATING TO HOUSING**

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

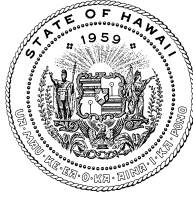
On February 12, 2026, the HHFDC Board of Directors discussed and unanimously approved a For Action in **support** of Senate Bill 2338 which seeks to 1) increase the salary cap for HHFDC's Executive Director to align maximum compensation with the Hawaii Public Housing Authority (HPHA) Executive Director, 2) retitle the position of HHFDC's Executive Assistant to Deputy Executive Director and, 3) provide HHFDC with autonomy in personnel matters including establishing and filling positions and setting salaries.

For reference, a copy of the For Action is attached. As noted, the complexity of HHFDC's core responsibilities and expanded responsibilities requires that we recruit and retain talented executives to effectively manage the Corporation.

Thank you for considering this testimony.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



DEAN MINAKAMI  
EXECUTIVE DIRECTOR

## STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

### HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813

FAX: (808) 587-0600

Statement of

### DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation  
Before the

### HOUSE COMMITTEE ON FINANCE

April 02, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

### SENATE BILL 2338, SENATE DRAFT 1, HOUSE DRAFT 2 RELATING TO HOUSING.

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports with comments** SB2338, SD1, HD2, which exempts all positions under HHFDC from civil service requirements, increases the salary cap for the Executive Director of HHFDC, renames the position of Executive Assistant to Deputy Executive Director for HHFDC, and increases the salary cap for the Deputy Executive Director. Establishes the Finance Manager position within HHFDC. Establishes a cap on the term of employment contracts for HHFDC and the Hawaii Public Housing Authority.

The HHFDC Board submitted its testimony supporting this bill, and we stand on their testimony.

We would like to request the removal of the finance manager position in section 201H-2(b). The proposed language changes to the language contained in SB2338, SD1, HD2, are highlighted in yellow below.

SECTION 2. Section 201H-2, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) There is established the Hawaii housing finance and development corporation to be placed within the department of business, economic development, and tourism for administrative purposes only. The corporation shall be a public body and a body corporate and politic. All employees covered under subsection (b) shall be exempt from the requirements of section 26-35(a)(4).

(b) The corporation shall employ, exempt from chapter 76 [~~and section 26-35(a)(4),~~] an executive director [~~and an executive assistant.~~] **and a deputy executive director, and**

a finance manager. The executive director shall be paid a salary not to exceed the salary of the [director of business, economic development, and tourism.] governor. The [executive assistant] deputy executive director shall be paid a salary not to exceed [ninety] ninety-five per cent of the executive director's salary. The corporation may employ, subject to chapter 76, technical experts and officers, agents, and employees, permanent and temporary, as required. The corporation may also employ officers, agents, and employees, prescribe their duties and qualifications, and fix their salaries, not subject to chapter 76, when in the determination of the corporation, the services to be performed are unique and essential to the execution of the functions of the corporation. The corporation shall not offer an employment contract entered into on or after the effective date of this Act that exceeds three years. The corporation may call upon the attorney general for legal services as it may require. The corporation may delegate to one or more of its agents or employees its powers and duties as it deems proper."

Thank you for considering our testimony.