

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

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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation

Before the

SENATE COMMITTEE ON HOUSING

February 05, 2026 at 1:01 p.m.

State Capitol, Room 225

In consideration of

SENATE BILL 2338

RELATING TO HOUSING.

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** Senate Bill 2338, 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. Relunched 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

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
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IN REPLY PLEASE REFER TO:

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Statement of the
Hawaii Public Housing Authority

Before the
SENATE COMMITTEE ON HOUSING

Thursday, February 5, 2026
1:01 PM – Room 225, Hawaii State Capitol

In consideration of
SB 2338
RELATING TO HOUSING

Honorable Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing:

The Hawaii Public Housing Authority (HPHA) offers the following comments and suggested amendment to Senate Bill (SB) 2338. 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, 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.



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

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA

BRENNA H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

BRIAN K. FURUTO
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

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

SENATE COMMITTEE ON HOUSING
Thursday, February 5, 2026
1:01PM
State Capitol, Conference Room 225

In consideration of
SB2338, RELATING TO HOUSING

Chair Chang, Vice Chair Hashimoto, and the members of the committee:

The Department of Human Resources Development (HRD) offers the following comments on SB2338.

The purpose of SB2338 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.



STANFORD CARR DEVELOPMENT, LLC

▪ February 4, 2026

The Honorable Stanley Chang, Chair
The Honorable Troy N. Hashimoto, Vice Chair
and Members of the Senate Committee on Housing

Subject: Testimony: SB 2338 Relating to Housing
Hearing: February 5, 2026, at 1:01 PM, Conference Room 225

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members:

Stanford Carr Development supports SB 2338 which proposes to increase the salary cap for the Executive Director of the Hawaii Housing Finance and Development Corporation (HHFDC) and the Executive Assistant position.

Raising the salary cap will provide much-needed parity between HHFDC and the private sector, thereby strengthening the State's ability to attract and retain highly qualified professionals with the expertise needed to carry out HHFDC's critical mission.

This adjustment will also align compensation levels across key leadership positions within both the HHFDC and the Hawaii Public Housing Authority, ensuring consistency and fairness within the State's housing agencies.

For these reasons, we respectfully urge the Legislature to pass SB 2338.

Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr', written over a white background.

Stanford S. Carr

SB-2338

Submitted on: 2/2/2026 9:16:43 PM

Testimony for HOU on 2/5/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert J Hall	Individual	Comments	Written Testimony Only

Comments:

My name is Robert “Bobby” Hall. I currently serve as Chair of the Board of Directors of the Hawaii Public Housing Authority and have served on the HPHA Board for approximately eight years. I previously served as Executive Director of the Hawaii Public Housing Authority and later as Deputy Director of the Department of Hawaiian Home Lands. I offer the following comments based on my experience in housing governance and administration. While I am Chair of the HPHA Board, these comments are submitted in my individual capacity, as there was insufficient time to convene the full Board to formally authorize testimony on its behalf.

The Hawaii Public Housing Authority operates under a binding Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development. The ACC establishes the respective roles of HUD and the public housing authority and provides that HUD “shall provide maximum responsibility and flexibility to the housing authority in making administrative decisions, consistent with applicable Federal law and HUD requirements” (ACC, Section 2, page 2).

The ACC and prior training that the board received from HUD places responsibility on the housing authority to administer and manage its programs in compliance with federal requirements, including maintaining an organizational and administrative structure capable of carrying out those responsibilities. Under this framework, the Authority is accountable to HUD for program performance, compliance outcomes, and the proper use of federal funds.

HUD enforces these obligations through oversight mechanisms such as audits, performance assessments, and corrective actions where necessary. The ACC assigns responsibility for compliance and performance to the housing authority, regardless of the source of governance constraints that may affect its operations.

From a governance perspective, alignment between responsibility and authority is important to enable boards to carry out their fiduciary duties effectively. When statutory provisions affect the structure of executive or administrative decision-making, boards must consider how those provisions interact with the authority’s federally assigned responsibilities, particularly given the long-term operational, redevelopment, and compliance obligations associated with public housing.

These comments are offered not in the interest of any individual, but to highlight governance considerations relevant to the Authority's federal accountability and long-term stewardship responsibilities on behalf of residents and taxpayers.

Mahalo for the opportunity to provide these comments on SB2338.

Cindy Freitas

makainanqi@gmail.com

Hawai'i County–Specific Impact Statement (Opposition)

He Mele komo a he mele aloha no na kupuna o ke au i hala Aloha mai kakou.

Aloha,

My name is Cindy Freitas and I'm a Native Hawaiian descended of the native inhabitants of Hawai'i prior to 1778 and born and raised in Hawai'i.

I am also a practitioner who still practice the cultural traditional customary practices that was instill in me by my grandparents at a young age from mauka (MOUNTAIN TO SEA) to makai in many areas.

I respectfully **oppose S.B. 2338** because it raises executive salary caps and expands autonomy **without data-driven accountability to Hawai'i County outcomes**. The bill contains no county-level production targets, no AMI-band performance metrics, no delivery timelines, no infrastructure readiness verification, and no equity allocation formula. As a result, there is **no evidence pathway** to ensure that increased compensation yields more affordable housing for Hawai'i County residents—particularly those at $\leq 50\%$ AMI.

Absent mandatory county-by-county reporting and performance benchmarks, S.B. 2338 risks increasing compensation **without improving delivery** where constraints are greatest. Hawai'i County needs measurable results, not assumptions.

For these reasons, I **oppose S.B. 2338 as written** and urge amendments that tie compensation to verified, county-specific housing outcomes.

Mahalo,

Cindy Freitas

SB-2338

Submitted on: 2/3/2026 6:52:33 AM

Testimony for HOU on 2/5/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Oppose	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry Oppose

2338 SB RELATING TO HOUSING.	HOU	CR 225 & Videoconference	Feb 5, 2026 1:01 PM
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