

Honolulu, Hawaii

FEB 17, 2006

RE: H.B. No. 2966
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2966 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this bill is to further implement the division of the Housing and Community Development Corporation of Hawaii (HCDCH) into two separate agencies, including:

- (1) Changing the names of the new agencies to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA);
- (2) Authorizing the HHFDC to set the salaries of its executive director and executive assistant, subject to the approval of the Governor;
- (3) Expanding the details of the various programs under HHFDC and HPHA to conform to those under HCDCH and to further clarify the duties of HHFDC and HPHA; and
- (4) Appropriating funds as follows:
 - (a) \$708,300 to purchase equipment for HHFDC;
 - (b) An unspecified amount of funds for HHFDC;



- (c) \$366,303 for positions for HHFDC;
- (d) \$1,800,000 for renovations to HPHA's School Street office; and
- (e) \$99,427 for positions for HPHA.

HCDCH testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the provisions authorizing HHFDC and HPHA to set the salaries of the executive director and executive assistant and returning it to the current provision that allows the executive director to be paid a salary not to exceed 85 percent of the Director of Human Resources Development and the executive assistant to be paid a salary not to exceed 90 percent of the executive director's salary;
- (2) Removing the Director of Finance and a representative of the Governor's Office from the HHFDC Board;
- (3) Expanding the use of the State Rent Supplement Program (Program) by authorizing HPHA to use Program funds for project-based operating subsidies for state low-income housing units transferred to private organizations to operate and manage the units;
- (4) Authorizing HPHA to determine the Program payments through administrative rules;
- (5) Removing the restriction against public assistance recipients being considered "qualified tenants" for purposes of the Program; and
- (6) Making technical, nonsubstantive amendments for clarity, style, and consistency.

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 H.B. No. 2966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2966, H.D. 1, and be referred to the Committee on Finance.



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

Michael P. Kahikina
MICHAEL P. KAHIKINA, Chair



