

**HB 1045**

Linda Lingle  
GOVERNOR



KAREN SEDDON  
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

IN REPLY REFER TO

Statement of  
**Karen Seddon**  
Hawaii Housing Finance and Development Corporation  
Before the

### SENATE COMMITTEE ON WAYS AND MEANS

April 3, 2009, 9:45 a.m.  
Room 211, State Capitol

In consideration of  
**H.B. 1045, H.D. 1, S.D. 1**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.**

The HHFDC is in **strong support** of H.B. 1045, H.D. 1, S.D. 1, which makes necessary housekeeping amendments to Chapter 201H, Hawaii Revised Statutes, and clarifies the HHFDC's authority to collect service fees to recoup program administrative expenses. This bill is the House counterpart to S.B. 863, S.D. 2, which was deferred by the House.

Although at first glance, the bill's provisions may seem insignificant, they are in fact very important in terms of improving the HHFDC's ability to administer its programs. In section 2 of Act 198, Session Laws of Hawaii ("SLH") 2005, the Legislature added a new section to chapter 201G, HRS, to provide express authority for HHFDC to modify and amend development agreements with eligible developers that were entered into by its predecessor, the Housing Finance and Development Corporation. Section 201G-114.5 was inadvertently omitted from Act 180, SLH 2006, which established the HHFDC and created chapter 201H, HRS to replace chapter 201G, HRS. Similarly, this bill also corrects a drafting error in section 201H-10, HRS, by deleting two inadvertent references to "public" housing.

This bill also clarifies the HHFDC's authority to establish and collect reasonable application or service fees for loans, grants, or other HHFDC affordable housing financing and development assistance programs by amending HHFDC's general powers accordingly. Such service fees allow the HHFDC to cover its administrative costs of running HHFDC's programs, thereby preserving more of its fiscal assets for developing and preserving affordable housing statewide.

Thank you for the opportunity to provide written comments in support of this bill.