

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

February 23, 2012 3:30 P.M.
Room 308, Hawaii State Capitol

In consideration of
House Bill 1398
Relating to the Hawaii Public Housing Authority

Honorable Chair and Members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding House Bill 1398, relating to the Hawaii Public Housing Authority (HPHA).

The HPHA supports enactment of the measure, which would add a section to Chapter 356D to explicitly authorize our agency to enter into public-private partnerships for the increased development of new public housing developments, as well as the improvement of existing public housing units. The public-private partnership model for the improvement of public housing projects is currently being encouraged by the U.S. Department of Housing and Urban Development (HUD) and the HPHA has demonstrated the success that is possible through such agreements with the mixed finance public-private partnership at Kuhio Park Terrace. The value of this project is manifest: \$150 million in capital repairs have been removed from the agency's backlog of physical needs and the Agency is requesting to reappropriate \$13,450,000 from the current Biennium Capital Improvement Program (CIP) budget previously allocated to this property.

This measure proposes a statutory amendment that would provide the agency with greater flexibility and control over the process. It would offer certain limited exemptions from the procurement code and allow the exercise of rulemaking authority to go forward to other housing developments statewide and further reduce the capital needs of the HPHA. Such future projects would lessen HPHA reliance on diminishing Federal Capital Funds and State CIP funds while enabling our agency to improve our existing public housing stock and investigate the development of new affordable options statewide.

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The HPHA appreciates the opportunity to provide the House Committee on Finance with the agency's position regarding H.B. 1398. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support.



**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
HOUSE COMMITTEE
ON
FINANCE

February 23, 2012

3:30 P.M.

HB 1398

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.

Chair Oshiro, Vice Chair Lee, and committee members, thank you for the opportunity to testify on HB 1398 that authorizes the authority to develop a partnership or development agreement with a private party, that would be exempt from public disclosure and open competition pursuant to HRS chapter 103D.

The State Procurement Office (SPO) opposes the exemption language on page 2, lines 13 to 21 of this bill. Any governmental agency with the authority to expend funds should be in compliance with Chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with procurement system; fosters effective broad-based competition and increases public confidence in public procurement.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts.

There is no compelling reason to statutorily exempt the HPHA from the requirements of HRS chapter 103D. To legislate that any one agency should be exempt from compliance with HRS chapter 103D conveys a sense of disproportionate equality in the law's application.

Thank you.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

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February 22, 2012

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Insulators & Allied Workers Local 132

PETER GANABAN
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Roofers' International Union of
America Local 368

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Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers
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Iron Workers Local 625

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District Council 50
Painters & Allied Trades Local 1791
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Local 1926
Drywall, Tapers & Finishers
Local 1944
Glaziers, Architectural Metal &
Glassworkers Local 1889

PANE MEATOGA
Operating Engineers Local 3

RONAN KOZUMA
Hawaii Teamsters & Allied
Workers Local 996

VAUGHN CHONG
Roofers, Waterproofers & Allied
Workers United Union of Roofer
Local 221

Honorable Representative Marcus Oshiro, Chair
Honorable Representative Marilyn Lee, Vice Chair
Members of the Committee on Finance
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT** with Comments of HB1398 RELATING TO PUBLIC FUNDS

Hearing: Thursday, February 23, 2012, 3:30 p.m. Conference Room 308

Honorable Chair, Vice Chair and Committee Members;

The Hawaii Building & Construction Trades Council, AFL-CIO which was originally chartered in October of 1958 is comprised of 16 out of 17 construction trade unions throughout Hawaii. With an estimated membership of 20,000 statewide, our primary mission is to provide employment opportunities and living wages for many of Hawaii's working men and women we represent.

The Council SUPPORTS the general intent of HB1398, which authorizes the Hawaii public housing authority to develop public housing projects under a partnership or development agreement with a private party.

Portions of this measure promote the development of additional safe and affordable public housing for the well-being of Hawaii's residents. The Council agrees that public-private partnerships can serve as a viable option that may create such opportunities, however, we are concerned with sections of this bill that "broadly" exempt such prospective public housing projects from chapters 103 and 103D and how the proposed exemptions may affect the continued applicability of chapters 104 and other industry-related provisions. Further, such sweeping exemptions may adversely impact our members and their opportunity to work on such projects.

Although generally speaking we support such well-intended measures, we remain cautious of changes to, or exemptions from the existing procurement process which are in place to ensure the fair and equitable disposition of state projects. As such, we respectfully request that your committee consider the removal of language providing such exemptions from chapters 103 and 103D.

Thank you for the opportunity to provide comments on HB1398.

Respectfully;
Kika G. Bukoski
Hawaii Building and Construction Trades Council

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Wednesday, February 22, 2012 11:55 PM
To: FINTestimony
Cc: info@hawaiiibuildingtrades.org
Subject: Testimony for HB1398 on 2/23/2012 3:30:00 PM

Testimony for FIN 2/23/2012 3:30:00 PM HB1398

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: KIKA G. BUKOSKI
Organization: HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL
E-mail: info@hawaiiibuildingtrades.org
Submitted on: 2/22/2012

Comments:

PLEASE ACCEPT THE ATTACHED SUPPORT OF THE INTENT WITH COMMENTS AND REQUESTED AMENDMENTS.
MAHALO