

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 2302, House Draft 1**  
**Relating to Capital Improvement Projects**

Honorable Chair and Members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding House Bill 2302, as amended by House Draft 1, relating to capital improvement projects.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which would, in pertinent part to the HPHA, amend Section 76-16, Hawaii Revised Statutes (HRS), to temporarily exempt from the civil service persons hired or contracted to perform both repair or maintenance work on vacant housing units and planning, design, engineering, or permit processing work for capital improvement projects of state agencies. The measure further seeks to appropriate \$5,000,000 in General Obligation bonds to renovate the HPHA's uninhabitable public housing units and to provide limited exemption from the contest provisions of Chapter 103D, HRS.

The HPHA supports the proposed amendments to Section 76-16, HRS, which will enable our agency to expeditiously and efficiently expend the capital improvement program (CIP) funds allocated in the current biennium budget. Under Act 164, Session Laws of Hawaii 2011, the HPHA was appropriated more than \$78,000,000 in CIP funds to make much needed capital repairs to our housing units statewide. In the supplemental year, the Executive Administration's budget is requesting more than \$18,000,000 more to assist the agency with its capital needs.

The most recent Physical Needs Assessment performed in 2009 identified a capital repair backlog agency-wide of more than \$350,000,000. By successfully completing the mixed-finance public-private partnership to redevelop the Kuhio Park Terrace towers, the backlog has been reduced by approximately \$150,000,000. This leaves

approximately \$200,000,000 remaining from the 2009 estimate, which has undoubtedly risen since that time. With the exemption provided by this measure, our agency will have the flexibility to procure contractors to help stimulate jobs in both the public and the private sector and improve the living environment for all of our tenants statewide.

While the HPHA appreciates the overall concept and intent of this bill, as it includes initiatives supportive of our goals and objectives, but we are concerned about certain budget implications of the proposal. As mentioned, Part 2, Section 7 of the measure authorizes the Director of Finance to appropriate \$5,000,000 from the General Fund of the State to assist the HPHA. The HPHA supports this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. We would request that this Committee support further appropriations within the Budget Bill, House Bill 2012, to support our efforts to eliminate our capital repair backlog.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the agency's position regarding H.B. 2302, H.D. 1. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

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The Twenty-Sixth Legislature, State of Hawaii  
House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association  
February 23, 2012

H.B. 2302, H.D. 1 – RELATING TO  
CAPITAL IMPROVEMENT PROJECTS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of the sections of H.B. 2302, H.D. 1, which temporarily exempt from civil service employees who are hired to repair and maintain vacant housing units, and employees who are hired to perform planning, design, engineering or processing work for state or county capital improvement projects.

While we can strongly support the renovation of public housing, we respectfully question the necessity for "temporary exemptions" in order to expedite the construction and improvement of public housing units and infrastructure -- have the State and County Employers attempted to recruit for these positions without any success? What are the reasons why the positions remain unfilled? Are better recruitment alternatives needed? How many positions will this legislation impact? Why is the "temporary exemption" for the duration of three (3) years, versus a shorter trial period, in which the Employer can continue to recruit and fill the positions? Further, we question if the Employer has provided adequate justification to exempt the types of employment that have customarily and historically been performed by civil service employees.

As written, this legislation is in stark and direct contrast to the intent of Act 253, SLH 2000, and Act 300, SLH 2006, which require the Director of the Department of Human Resources Development to review exempt positions and determine whether the positions should remain exempt permanently or convert the position to civil service. It also usurps the result of S.B. 1090, introduced in the 2011 Session, in which the Employer and the Union mutually agreed to collaboratively identify and facilitate conversion of exempt positions throughout the executive branch.

Past legislative intent has been to convert exempt positions, not circumvent the civil service system. We respectfully request the committee to defer action on this proposed legislation.

Thank you for the opportunity to testify in strong opposition to H.B. 2302, H.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director



CATHOLIC CHARITIES HAWAII

**TESTIMONY RE: HB 2302 HD1- SUPPORT/COMMENTS - RELATING TO CAPITOL IMPROVEMENT PROJECTS**

TO: Representative Marcus Oshiro, Chair, Representative Marilyn Lee, Vice Chair, and Members, Committee on Finance

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i

HEARING: **Thursday, February 23, 2012; 3:30 pm; CR 308**

Chair Oshiro, Vice Chair Lee, and members of the Committee on Finance:

Thank you for the opportunity to testify on this housing bill. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawai'i. Catholic Charities Hawai'i strongly supports GO bond funding to renovate public housing stock.

Catholic Charities Hawai'i continues to support funding to renovate vacant units in public housing. Public housing is a valuable resource to stabilize families and to move the homeless who are ready to rent into affordable housing. The federal subsidies, as well as the tenants' rent, that come along with the occupied units also help support the ongoing maintenance of these projects. To build new units would cost millions vs the relatively low cost to rehab a unit and put it back into occupancy. The waiting list is long so every unit is valuable. With over 300 vacant units, this funding is critical to get these units back into service.

The inventory of the State's public housing needs infusion of funding to not only make sure that vacant units are filled, but also to ensure that minor maintenance problems are addressed in a timely manner. If not, these can later require major repairs at a much higher cost. The bottom line is that the State must provide decent and safe housing to the tenants. We owe it to the many tenants who have patiently waited for repairs, to now put monies into these projects.

Thank you for considering the needs of the residents for decent housing and the needs of applicants for affordable housing. We urge you to pass Part II of this bill.

