



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
Richard C. Lim
Director
Department of Business, Economic Development and Tourism
before the

HOUSE COMMITTEE ON HOUSING

March 10, 2014 at 8:30 a.m.
State Capitol, Room 329

In consideration of
S.B. 2799, S.D. 2
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

Chair Hashem, and Members of the House Committee on Housing.

DBEDT **supports** S.B. 2799, S.D. 2, an Administration bill. S.B. 2799, S.D. 2 authorizes the HHFDC Board of Directors to set the salary of the HHFDC Executive Director up to an unspecified amount. Under current law, the HHFDC Board of Directors conducts an annual performance review of the Executive Director in order to set the salary level, up to the statutory maximum of eighty-five percent of the salary of the Director of the Department of Human Resources Development. This is the lowest of all state housing finance agencies nationwide. Passage of this bill would allow the HHFDC Board of Directors to set an appropriate compensation level for the current Executive Director and to attract and retain qualified individuals in the future.

DBEDT respectfully requests that the Committee pass this bill. Thank you for the opportunity to testify.



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
Ralph Mesick
Chair, Board of Directors
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 10, 2014 at 8:30 a.m.
State Capitol, Room 329

In consideration of
S.B. 2799, S.D. 2
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

The HHFDC **supports** S.B. 2799, S.D. 2, an Administration bill. S.B. 2799, S.D. 2 authorizes the HHFDC Board of Directors to set the overall compensation of the HHFDC Executive Director, subject to an as yet unspecified dollar limit. The HHFDC is a comprehensive agency with 71 authorized positions and over \$1 billion in assets. The Executive Director is the chief administrator of an agency that is responsible for facilitating the development of housing that is affordable to lower- and moderate-income households. HHFDC has assisted in the development of 3,263 affordable units statewide over the last five years, with 4,827 more units in the pipeline.

In a recent national search for an executive director, only a few of the over 50 applicants possessed the desired skill set for the position. We believe this is largely due to the statutory maximum salary of 85% of that of the Director of the Department of Human Resources Development which makes it the lowest of state housing finance agencies nationwide. HHFDC is fortunate to have hired a highly qualified and committed individual who was willing to accept the set salary.

The ability to provide the Executive Director with a salary that is reasonable and not excessive is a critical governance tool for the HHFDC Board. Coupled with the existing oversight tools of establishing and monitoring goals and objectives and conducting annual performance evaluations, we believe the passage of S.B. 2799, S.D. 1 will support HHFDC in meeting its housing mission.

Thank you for the opportunity to testify.

woodson1-Brina

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 10, 2014 5:37 AM
To: HSGtestimony
Cc: thirr33@gmail.com
Subject: Submitted testimony for SB2799 on Mar 10, 2014 08:30AM

SB2799

Submitted on: 3/10/2014

Testimony for HSG on Mar 10, 2014 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Arvid Tadao Youngquist	Sky Ohana	Oppose	Yes

Comments: Chair, HSG Committee Vice Chair, HSG Committee The Right Honorable HSG Committee Members The Sky Ohana opposes this measure which is part of the GOV Package and introduced by Sen. Kim (by request). On surface it is a reasonable request. But comparing one individual's pay scale side by side with others nationwide may be a stretch. The comparison should be with the rest of the State of Hawaii Executive Branch appointees, all of which are working hard, and some, I venture to say would perhaps be getting a lot less than others serving in less than Director's positions. Please assure that this comparison is executed before you act upon this matter...before the election cycle culminates in August 2014. It is with no doubt the ideally, the individual for whom this measure is considered is "responsible" for numerous tasks on his table, but it does not follow that all those tasks are equally, or whether they are funded, or that they are in effect on going...as some of your measures often have effective date of not 2050, but future dates, i.e. 2017, etc. Please consider tabling this matter for one-two hearing cycles for more input from other than the original three (3) agencies that submitted testimonies in support. Sky Ohana suspects that it is no "accident" that groups such as Save Kakaako, OHA, and even former Gov. Ben Cayetano, may feel that this individual's Agency might be perceived as a "rogue agency". I know that makes it sound like it were a sinister group...but we mean it in the "best way". Mahalo. Arvid Tadao Youngquist, Founder/Administrator Note: Registered Voter, CD1, First U.S. Congressional District, Kalihi Valley

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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