



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

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DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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

SENATE COMMITTEE ON WAYS AND MEANS

February 26, 2014 at 9:00 a.m.
State Capitol, Room 211

In consideration of
S.B. 2799, S.D. 1
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

Chair Ige, and Members of the Senate Committee on Ways and Means.

DBEDT **supports** S.B. 2799, S.D. 1 an Administration bill. S.B. 2799, S.D. 1 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 comment in support of this bill.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

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

SENATE COMMITTEE ON WAYS AND MEANS

February 26, 2014 at 9:00 a.m.
State Capitol, Room 211

In consideration of
S.B. 2799, S.D. 1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

The HHFDC Board of Directors supports S.B. 2799, S.D. 1, which would allow 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 submit written comments in support of this bill.