

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1314, H.D. 1

February 27, 2015

RELATING TO HOUSING

House Bill No. 1314, H.D. 1, revises Chapter 201H, HRS, by establishing an Emergency Home Relocation Special Fund to provide infrastructure development, grants, and loans to assist persons dispossessed of their homes as a result of a natural disaster, as that term is defined in Section 171.85, HRS. The bill designates the Hawaii Housing Finance and Development Corporation, administratively attached to the Department of Business, Economic Development and Tourism (DBEDT), to administer the special fund.

We defer to DBEDT regarding the merits of the bill; however, as a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the HRS. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1314, H.D. 1, it is difficult to determine whether the fund will be self-sustaining.

I encourage the Legislature to review the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 27, 2015 at 1:30 p.m.
State Capitol, Room 308

In consideration of
H.B. 1314, H. D. 1
RELATING TO HOUSING.

The HHFDC **supports the intent** of H.B. 1314, H.D. 1, provided that it does not adversely impact priorities as indicated in the Executive Biennium Budget. The HHFDC and its predecessor agencies have previously administered housing programs that assist special groups of people, such as the lessees in Kahana Valley or Milolii, and persons displaced by the Kilauea lava flow.

Thank you for the opportunity to testify.