



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

SENATE COMMITTEE ON HOUSING

January 29, 2019 at 1:30 p.m.
State Capitol, Room 225

In consideration of

S.B. 15

**MAKING AN APPROPRIATION TO THE
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.**

HHFDC supports S.B. 15 with requested amendments to our base expenditure ceiling.

The following three operating requests transfer existing positions and their associated funds among HHFDC's three organizational divisions to conform to HHFDC's recently completed reorganization.

1. Budget Neutral Transfer of Positions and Associated Funds Due to Reorganization
 - a. BED160/HA: Transfer out of 7.0 FTE positions and funds to BED160/HD and transfer in of 2.0 FTE positions and funds from BED160/HD and 1.0 FTE position and funds from BED160/HF for a net decrease of 4.0 FTE and reduction of \$592,645 in Personal Services and Other Current Expenses in FY 2021 and FY 2021.
 - b. BED160/HD: Transfer in of 7.0 FTE positions and funds from BED160/HA and transfer out of 2.0 FTE positions and funds to BED160/HA for a net increase of 5.0 FTE and \$688,031 in Personal Services and Other Current Expenses in FY 2020 and FY 2021.
 - c. BED160/HF: Transfer out of 1.0 FTE position and \$95,386 in Personal Services of \$95,386 to BED160/HA

2. BED160/HA Operational Ceiling Increase. \$228,048 in FY2020 and \$285,048 in FY2021. This request is needed to cover salary and fringe adjustments for vacant positions, anticipated rent increases for HHFDC's office, document management services, and other administrative expenses.
3. BED160/HD Operational Ceiling Increase. \$81,891 in FY 2020 and the same in FY 2021. This request is needed to cover salary and fringe adjustments for vacant positions, collections services, and other administrative expenses.
4. BED160/HF Operational Ceiling Increase. \$315,350 in FY 2020 and \$323,350 in FY 2021. This request is needed to cover salary and fringe adjustments for vacant positions, compliance monitoring services, and other administrative expenses.

Accordingly, we respectfully request that this bill be amended to read as follows:

SECTION 1. The purpose of this Act is to provide funding for the operations of the Hawaii housing finance and development corporation for the fiscal biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 2. The following sums, or so much thereof as may be sufficient to accomplish the purposes and programs designated herein, are hereby appropriated or authorized, as the case may be, from the means of financing specified to the Hawaii housing finance and development corporation for the fiscal biennium beginning July 1, 2019, and ending June 30, 2021. The total expenditures and the number of positions in each fiscal year of the biennium shall not exceed the sums and the position ceilings indicated for each fiscal year, except as provided elsewhere in this Act or as provided by general law.

BED 160 - Hawaii housing finance and development corporation			
OPERATING	BED	3,100,000N	3,100,000N
		29.00*	29.00*
		41.00#	41.00#
	BED	11,771,751W	11,836,751W
	BED	3,000,000P	3,000,000P

SECTION 3. The sums appropriated shall be expended by the Hawaii housing finance and development corporation for the purposes of this Act.

SECTION 4. This Act, upon its approval, shall take effect on July 1, 2019.

Thank you for the opportunity to testify.