



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 WAYS AND MEANS

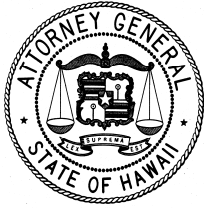
March 28, 2019 at 10:15 a.m.
State Capitol, Room 211

In consideration of
H.B. 1408, H.D. 1, S.D. 1
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION BUDGET.**

The HHFDC *offers the following comments* on H.B. 1408, H.D. 1, S.D. 1. We do not believe that Part II of this bill is necessary, because HHFDC's operating budget request items are already contained in H.B. 2, H.D. 1, S.D. 1, C.D. 1 Relating to the State Budget.

HHFDC has concerns with Part III of the S.D. 1, which establishes a new Office of the Housing Advocate, to be placed within the Office of the Governor. The S.D. 1 amends the statute establishing the Dwelling Unit Revolving Fund (DURF) to allow it to be used to fund the Office of the Housing Advocate in the Office of the Governor. However, absent any budgeted amount for this proposed new Office, there is no limit on expenditures for this new office, and, therefore, no way for the HHFDC Board to adopt a viable DURF budget. Without knowing how much will be available, this adversely impacts commitments of DURF funds to affordable housing developments statewide.

Thank you for the opportunity to provide written comments on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

H.B. NO. 1408, H.D. 1, S.D. 1., RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION BUDGET.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Thursday, March 28, 2019

TIME: 10:15 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): WRITTEN TESTIMONY ONLY. (For more information, call Sandra A. Ching, Deputy Attorney General, 587-3075)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill appropriates additional operating funds for the fiscal biennium beginning July 1, 2010, and ending June 30, 2021, for the Hawai'i Housing Finance and Development Corporation (HHFDC) and establishes the office of the housing advocate within the Office of the Governor, to be funded by the Dwelling Unit Revolving Fund.

Sections 8 and 9 of the bill appear to violate the single subject requirement of article III, section 14, of the Hawai'i Constitution. That section states in part that "[e]ach law shall embrace but one subject, which shall be expressed in its title." This bill is entitled, "Relating to the Hawaii Housing Finance and Development Corporation Budget." However, sections 8 and 9 add a new chapter to the Hawaii Revised Statutes (HRS), to establish an office of the housing advocate to be placed within the Office of the Governor, not HHFDC. The creation of the office of the housing advocate does not appear to relate to HHFDC's budget or the bill's title.

The bill does amend section 201H-191, HRS, to allow the Dwelling Unit Revolving Fund (DURF) to fund the office of the housing advocate. Although DURF has been administered by HHFDC to fund housing programs, however, there is no indication in the bill that HHFDC's budget will be affected by this statutory change.

By placing the office of the housing advocate within the Office of the Governor, the bill also violates article V, section 6, of the Hawai'i Constitution, which requires all executive and administrative offices, departments and instrumentalities of the State to be placed within the principal departments of the executive branch unless they are temporary and for a special purpose. The Office of the Governor is not a principal department of the executive branch. See HRS § 26-4; see *also* Attorney General Opinion No. 96-1 (February 16, 1996), page 1. Nor does the bill make the office of the housing advocate temporary. See page 8, lines 16-19 (the housing advocate shall be appointed to term of four years to run concurrent with the term of the Governor).

To avoid these constitutional violations, we recommend deleting sections 8 and 9 of the bill.

Thank you for the opportunity to provide these comments.

LATE

HB-1408-SD-1

Submitted on: 3/27/2019 8:28:09 PM

Testimony for WAM on 3/28/2019 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Democrats Legislative Priorities Committee	Support	No

Comments:



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Thursday, March 28, 2019 at 10:15 A.M.
Conference Room 211, State Capitol**

LATE

**RE: HB 1408 HD1 SD1 RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION BUDGET**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) **supports** HB 1408 HD 1 SD 1, which would appropriate funds for the fiscal biennium 2019-2021 operating budget of the Hawaii Housing Finance and Development Corporation. The Bill would also establish the office of the housing advocate to work with all state agencies that manage land to advocate for solutions to the State's housing shortage, and monitor, comment, and report on the State's production of affordable housing units, the development and implementation of laws, regulations, and policies relating to affordable housing.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

Part 3 of the bill establishes the Office of Housing Advocate in the Office of the Governor. Organizationally, we believe that this is the appropriate place for this office. Similar to how the State Homeless Coordinator is located in the Office of the Governor as it allows for cutting across the different “Silos” agencies create and forces multiple agencies to work toward a common goal.

We believe this type of focused effort is critical to address Hawaii’s housing crisis. We note that the Housing Advocate will be a proponent of both government and private housing projects, as we need to increase the supply of housing at all price points.

We are in strong support of H.B. 1408 HD 1 SD 1, and appreciate the opportunity to provide our views on this matter.



LATE

**TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS
State Capitol, Conference Room 211
415 South Beretania Street
10:15 AM**

March 28, 2019

RE: HOUSE BILL NO. 1408 HD 1, SD 1, RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in **strong support** of H.B. 1408 HD 1, SD 1, which would appropriate funds for the fiscal biennium 2019-2021 operating budget of the Hawaii Housing Finance and Development Corporation. The Bill would also establish the office of the housing advocate to work with all state agencies that manage land to advocate for solutions to the State's housing shortage, and monitor, comment, and report on the State's production of affordable housing units, the development and implementation of laws, regulations, and policies relating to affordable housing.

Part 3 of the bill establishes the Office of Housing Advocate in the Office of the Governor. Organizationally, we believe that this is the appropriate place for this office. This would be similar to the office of the State Homeless Coordinator, which is located in the Office of the Governor. This model allows for cutting across the different agencies, and forces multiple agencies to work toward a common goal.

We believe this type of focused effort is critical to address Hawaii's housing crisis. We note that the Housing Advocate should be a proponent of both government and private housing projects, as we need to increase the supply of housing at all price points.

We are in strong support of H.B. 1408 HD 1, SD 1, and appreciate the opportunity to share our views on this matter.