

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY PLEASE REFER TO:

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

LATE

Statement of
DONN MENDE
Chairperson of the Board of Directors
Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

February 07, 2023 at 1:30 p.m.
State Capitol, Room 225

In consideration of
S.B. 871
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

Aloha Chairs Chang and McKelvey:

I write to you in my capacity as the chairperson of the Board of Directors (the Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) in **strong opposition** to S.B. 871 and urge you to hold this bill in your respective committees. This misguided measure eliminates the HHFDC Board and makes the Executive Director's position one that is appointed by the Governor instead of hired by the board.

Since its inception in 2006, HHFDC has facilitated the development of over 13,700 affordable and workforce units statewide. Our financing programs, which include Low-Income Housing Tax Credits (LIHTCs) and the Rental Housing Revolving Fund (RHRF), have produced more affordable housing in the state than any other program by encouraging public-private partnerships with qualified affordable housing developers and investors. We need to keep this momentum going.

HHFDC has established and enjoyed a reputation as being a highly regarded agency in state government that is focused on results. My own experience on the Board confirms this.

I believe that HHFDC's track record of success is due, in part, to its nine-member board of directors which represents each county and ensures that the interests and concerns of all counties are heard, represented and supported. Additionally, the independence of the Board allows HHFDC to make decisions quickly as the need arises.

The current structure has been and continues to work well and should be left in place so we urge the committee to hold this bill in committee.

Sincerely,

Donn Mende

HHFDC Board Chair

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

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LATE

Statement of
GARY MACKLER

Vice Chair of the Board of Directors
Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

February 07, 2023 at 1:30 p.m.
State Capitol, Room 225

In consideration of
S.B. 871
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

Aloha Chairs Chang and McKelvey:

I write to you in my capacity as the vice chair of the Board of Directors (the Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) in **strong opposition** to S.B. 871 and urge you to hold this bill in your respective committees. This measure eliminates the HHFDC Board and makes the Executive Director's position one that is appointed by the Governor instead of hired by the Board.

Since its creation in 2006, HHFDC has established and enjoyed a reputation as being one of the best-regarded agencies in State government. My own experience on the Board confirms that this is indeed the case. The agency has demonstrated its ability to actively and responsibly manage significant sums of monies. The legislature, for several years now, has demonstrated its confidence in the board and the present structure by making historic appropriations into HHFDC's financing programs. Last year alone, the legislature infused a record \$300 million (under Act 236) into HHFDC because it believed in the work of the board and the agency to facilitate the delivery of affordable housing.

During that same year, HHFDC was able to quickly implement a provision in that Act to award about \$142 million to RHRF Tier 2 housing projects aimed at housing our gap

income group. **This is a great example of how HHFDC was able to implement a new RHRF Tier 2 program, and award the resources to real housing projects in the same year the funds were appropriated.**

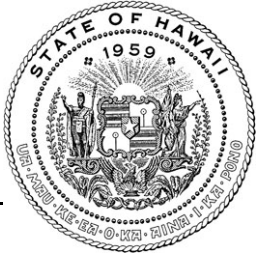
I also strongly believe in the need to have all the counties represented at the table when it comes to housing development and financing policies as well as decisions on housing projects within each of the nine board members community areas. We need to ensure that the interests and concerns of all counties are heard, represented and protected. Elimination of the board will stifle neighbor island representation in policy decisions that can impact resource distribution and housing production on an equitable statewide basis.

We urge you to maintain the agency's current structure and hold this bill in committee.

Sincerely,

Gary Mackler

HHFDC Board Vice Chair



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
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LATE

Statement of
CHRIS J. SADAYASU
Director

Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON HOUSING
AND**

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

February 07, 2023, at 1:30 p.m.

State Capitol, Room 225

In consideration of

S.B. 871

**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

Chairs Chang and McKelvey, Vice Chairs Kanuha and Gabbard and Members of the Committees.

As the DBEDT director, I am an ex-officio member of the Board of Directors (the Board) of the Hawaii Housing Finance and Development Corporation (HHFDC). I am in strong **opposition to S.B. 871** and I urge you to hold this bill in your respective committees. This measure eliminates the HHFDC Board and makes the Executive Director's position one that is appointed by the Governor.

Since its creation in 2006, HHFDC has established and enjoyed a reputation as being one of the best-regarded agencies in State government. During my own brief time on the board, I have seen how efficiently and quickly decisions can be made within the current structure confirming that this reputation is well deserved.

I believe that this is, in part, due its independent, nine-member board of directors (whose members serve staggered terms) with representation from each of the counties ensuring that the interests and concerns of all counties are heard, represented and protected. Elimination of the Board will stifle neighbor island representation in policy decisions that can impact resource distribution and housing production on an equitable statewide basis.

Thank you for the opportunity to testify.



SENATE COMMITTEE ON HOUSING
SENATE COMMITTEE ON GOVERNMENT OPERATIONS
Tuesday, February 7, 2023, 1:30 pm, State Capitol Room 225 & Videoconference
SB 871
Relating to the Hawaii Housing Finance and Development Corporation

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Chang, Chair McKelvey, and Committee Members:

The League has the following comments concerning SB 871.

Because Hawaii Housing Finance and Development Corporation (HHFDC) functions include “management” and “disposition” of property, we suggest you consult the Attorney General about whether SB 871 would comply with Article XI Section 2 of the Hawaii Constitution.

The legislature shall vest in one or more executive boards or commissions powers for the management of natural resources owned or controlled by the State, and such powers of disposition thereof as may be provided by law; but land set aside for public use, other than for a reserve for conservation purposes, need not be placed under the jurisdiction of such a board or commission.

Assuming Article XI Section 2 of the Hawaii Constitution allows the Legislature to replace the HHFDC board with an appointed executive director, we recommend amending SB 871 to require that the HHFDC executive director file a public financial disclosure statement under Section 84-17, Hawaii Revised Statutes.

Thank you for the opportunity to submit testimony.

THE CIVIL BEAT
LAW CENTER FOR THE PUBLIC INTEREST

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Senate Committee on Housing
Honorable Stanley Chang, Chair
Honorable Dru Mamo Kanuha, Vice Chair

Senate Committee on Government Operations
Honorable Angus L.K. McKelvey, Chair
Honorable Mike Gabbard, Vice Chair

**RE: Testimony Commenting on S.B. 871, Relating to the
Hawaii Housing Finance and Development Corporation**
Hearing: February 7, 2023 at 1:30 p.m.

Dear Chairs and Members of the Committees:

My name is Brian Black. I am the Executive Director of the Civil Beat Law Center for the Public Interest, a nonprofit organization whose primary mission concerns solutions that promote governmental transparency. Thank you for the opportunity to submit testimony **commenting on the financial disclosure portion of S.B. 871.**

In 2014, the Legislature determined that the functions performed by the Hawaii Housing Finance and Development Corporation were important enough to justify publishing the financial disclosure statements of the HHFDC board members. 2014 Haw. Sess. Laws Act 230. The Legislature's conclusion in 2014 holds true today.

The proposed replacement of the HHFDC board with an executive director does not change the important nature of the functions performed. It only consolidates that power in the hands of one person. HHFDC performs a critical role that requires publication of financial disclosure statements to permit public scrutiny of conflicts.

The Law Center respectfully requests that the Legislature consider adding the newly created HHFDC executive director to the list of published financial disclosure statements required by HRS § 84-17(d).

Thank you again for the opportunity to provide comments on the S.B. 871.

LATE

SB-871

Submitted on: 2/6/2023 3:33:12 PM

Testimony for HOU on 2/7/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Galen Fox	Individual	Support	Written Testimony Only

Comments:

Pass SB 871. Decade after decade, elected officials promise to fix housing. It's time to hold folks accountable for "all talk, no action." We need a law that builds affordable housing on a big scale, at no cost to taxpayers (SB 865). We need to prioritize low cost housing by creating a Department of Housing (SB 338). And we need a move past failure to fix housing.

The Hawaii Housing Finance and Development Corporation's (HHFDC) board bears responsibility for housing inaction. They've been charged with building low-cost homes. They haven't delivered. It's time to pass the baton. Abolish the HHFDC board. Put responsibility for low cost housing on the shoulders of someone directly answerable to the governor. One move, one big change (enact SB 871), and Hawaii benefits.