

Honolulu, Hawaii

**FEB 17 2023**

RE: S.B. No. 871  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Housing and Government Operations, to which was referred S.B. No. 871 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal the Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC);
- (2) Require HHFDC to employ an Executive Director to be nominated by the Governor, subject to the advice and consent of the Senate; and
- (3) Transfer the duties and powers of the Board to the Executive Director.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one individual. Your Committees received comments on this measure from the League of Women Voters of Hawaii, and Civil Beat Law Center for the Public Interest.



Your Committees find that members of the Board of HHFDC reflect the diversity of the State, ensuring that the interests and concerns from each county are represented. According to testimony received by your Committees, the 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. Amendments to this measure are therefore necessary to address this concern.

Your Committees additionally note the concerns raised in testimony as to whether this measure violates Article XI, section 2 of the Hawaii State Constitution, relating to the management and disposition of natural resources, and whether additional language is needed to require the Executive Director to file a public financial disclosure statement. Your Committees find that the Attorney General has held that lands held by HHFDC fall under the exception for lands set aside for public use and therefore does not violate the State Constitution. Your Committees further find that existing state law requires executive directors for all State agencies and departments disclose their financial interests and therefore additional language in this measure is not necessary to clarify these concerns.

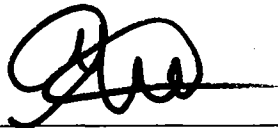
Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have repealed the Board of HHFDC; and
- (2) Clarifying that the purpose of the Board is to serve in an advisory capacity to the Executive Director in carrying out the powers and duties under Chapter 201H, Hawaii Revised Statutes, relating to HHFDC.

As affirmed by the records of votes of the members of your Committees on Housing and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 871, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 871, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Housing and  
Government Operations,



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ANGUS L.K. MCKELVEY, Chair



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STANLEY CHANG, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>SB 871</b>	Committee Referral: <b>HOU/<del>SOB</del><sup>GVO</sup>, JDC/WAM</b>	Date: <b>02/14/2023</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)		✓		
AQUINO, Henry J.C.				✓
RHOADS, Karl	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>3</b>	<b>1</b>		<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

