
A BILL FOR AN ACT

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to authorize the
2 Hawaii housing finance and development corporation, subject to
3 the approval of the governor, to set the salary of the executive
4 director and the executive assistant of the corporation.

5 SECTION 2. Section 201H-2, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) The corporation shall employ, exempt from chapter 76
8 and section 26-35(a)(4), an executive director and an executive
9 assistant. [~~The executive director shall be paid a salary not
10 to exceed eighty five per cent of the salary of the director of
11 human resources development. The executive assistant shall be
12 paid a salary not to exceed ninety per cent of the executive
13 director's salary.] The corporation shall set the salary of the
14 executive director and executive assistant, subject to the
15 approval of the governor. The corporation may employ, subject
16 to chapter 76, technical experts and officers, agents, and
17 employees, permanent and temporary, as required. The~~

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1 corporation may also employ officers, agents, and employees,
2 prescribe their duties and qualifications, and fix their
3 salaries, not subject to chapter 76, when in the determination
4 of the corporation, the services to be performed are unique and
5 essential to the execution of the functions of the corporation.
6 The corporation may call upon the attorney general for legal
7 services as it may require. The corporation may delegate to one
8 or more of its agents or employees its powers and duties as it
9 deems proper."

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:



BY REQUEST

JAN 22 2007

HB 1265

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development and Tourism.

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

PURPOSE: To authorize the Hawaii Housing Finance and Development Corporation's Board of Directors to set the salaries of the Executive Director and the Executive Assistant, subject to the approval of the Governor, in order to attract and retain qualified executives.

MEANS: Amend section 201H-2(b), Hawaii Revised Statutes.

JUSTIFICATION: The Hawaii Housing Finance and Development Corporation (HHFDC) is a comprehensive housing finance agency with approximately \$1.6 billion in assets. The HHFDC operates over 1,445 rental units statewide. The HHFDC also administers various financing and development programs including the Low-Income Housing Tax Credit, Rental Housing Trust Fund, and Hula Mae Single and Multi-Family Revenue Bond programs.

The salary of the Executive Director as established by statute is not to exceed 85 percent of the salary of the Director of Human Resources Development, and the salary of the Executive Assistant is not to exceed 90 per cent of the Executive Director's salary. The Economic Momentum Commission found that this has limited the HHFDC's ability to recruit experienced and qualified executives.

A national survey of executive officer salary ranges for comparable housing finance agencies shows that salaries are substantially higher than those currently allowed. In 2005, the average executive

director salary was \$123,758, and the median was \$116,234. Only two states reported lower executive director salaries than Hawaii.

Impact on the public: None.

Impact on the department and other agencies:
The HHFDC would be better able to attract and retain qualified, experienced executives.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	BED 160
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.