
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the Hawaii housing
2 finance and development corporation and Hawaii public housing
3 authority both provide critical services to address Hawaii's
4 affordable housing crisis. The Hawaii housing finance and
5 development corporation oversees the financing of affordable
6 housing and the Hawaii public housing authority manages the
7 State's public housing programs and housing choice vouchers.
8 Through these two entities, the supply of affordable housing in
9 Hawaii has grown, with billions of dollars financed and more
10 than six thousand public housing units currently being managed.
11 The legislature further finds that the executive directors
12 of the two entities face different compensation limitations,
13 with the executive director of the Hawaii public housing
14 authority being paid no more than the governor, and the
15 executive director of the Hawaii housing finance and development
16 corporation being paid a lower salary of no more than the
17 director of business, economic development, and tourism--a



1 difference of more than \$10,000. In addition, the salary of the
2 executive assistant of the Hawaii housing finance and
3 development corporation is also capped at a percentage of the
4 executive director's salary.

5 The legislature further finds that the Hawaii housing
6 finance and development corporation would benefit from the
7 creation of a finance manager position to oversee all finance
8 programs of the corporation.

9 The legislature believes that increasing certain salary
10 caps will help the State compete with the private sector for
11 highly skilled individuals and further increase the supply of
12 affordable housing in Hawaii. Additionally, the legislature
13 recognizes that an increase in salary caps and the creation of a
14 finance manager position are necessary, not merely to reward the
15 greater responsibilities of the housing agencies over the last
16 ten years, but also to greatly expand the housing agencies'
17 development plans.

18 Accordingly, the purpose of this Act is to:

19 (1) Exempt all positions under the Hawaii housing finance
20 and development corporation (HHFDC) from civil service
21 requirements and from the requirement that the



1 employment actions and job descriptions of HHFDC
2 officers and employees be subject to approval by the
3 director of business, economic development, and
4 tourism;

5 (2) Increase the salary cap for the executive director of
6 HHFDC to an amount that does not exceed the governor's
7 salary;

8 (3) Rename the position of executive assistant to deputy
9 executive director for HHFDC and increase the salary
10 cap for the deputy executive director;

11 (4) Establish the finance manager position within HHFDC;
12 and

13 (5) Establish a cap on the term of employment contracts
14 for HHFDC and the Hawaii public housing authority.

15 SECTION 2. Section 201H-2, Hawaii Revised Statutes, is
16 amended by amending subsections (a) and (b) to read as follows:

17 "(a) There is established the Hawaii housing finance and
18 development corporation to be placed within the department of
19 business, economic development, and tourism for administrative
20 purposes only. The corporation shall be a public body and a
21 body corporate and politic. All employees covered under



1 subsection (b) shall be exempt from the requirements of chapter
2 76 and section 26-35(a) (4).

3 (b) The corporation shall employ [~~7, exempt from chapter 76~~
4 ~~and section 26-35(a) (4),~~] an executive director [and an
5 ~~executive assistant.~~] a deputy executive director, and a
6 finance manager. The executive director shall be paid a salary
7 not to exceed the salary of the [~~director of business, economic~~
8 ~~development, and tourism.~~] governor. The [~~executive assistant~~]
9 deputy executive director shall be paid a salary not to exceed
10 [~~ninety~~] ninety-five per cent of the executive director's
11 salary. The finance manager shall be paid a salary set by the
12 board. The corporation may employ [~~7, subject to chapter 76,~~]
13 technical experts and officers, agents, and employees, permanent
14 and temporary, as required. The corporation may also employ
15 officers, agents, and employees, prescribe their duties and
16 qualifications, and fix their salaries, not subject to chapter
17 76, when in the determination of the corporation, the services
18 to be performed are unique and essential to the execution of the
19 functions of the corporation. The corporation shall not offer
20 an employment contract entered into on or after the effective
21 date of this Act that exceeds three years. The corporation may



1 call upon the attorney general for legal services as it may
2 require. The corporation may delegate to one or more of its
3 agents or employees its powers and duties as it deems proper."

4 SECTION 3. Section 356D-2, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The authority shall employ, exempt from chapter 76
7 and section 26-35(a)(4), an executive director, an executive
8 assistant, a chief financial management advisor, a property
9 management branch chief, a chief planner, and a redevelopment
10 officer, whose salaries shall be set by the board established
11 under section 356D-3; provided that no salary shall exceed the
12 governor's salary. The authority may employ, subject to
13 chapter 76, technical experts and officers, agents, and
14 employees, permanent or temporary, as required. The authority
15 may also employ officers, agents, and employees; prescribe their
16 duties and qualifications; and fix their salaries, not subject
17 to chapter 76, when in the determination of the authority, the
18 services to be performed are unique and essential to the
19 execution of the functions of the authority; provided that if
20 the authority hires an officer, agent, or employee in a capacity
21 not subject to chapter 76, the authority shall include in an



1 annual report to the legislature, to be submitted [~~not~~] no later
 2 than twenty days prior to the convening of each regular session,
 3 the position descriptions and reasons for hiring the personnel
 4 in a civil service exempt capacity. The authority shall not
 5 offer an employment contract entered into on or after the
 6 effective date of this Act that exceeds three years. The
 7 authority may call upon the attorney general for legal services
 8 as it may require. The authority may delegate to one or more of
 9 its agents or employees the powers and duties it deems proper."

10 SECTION 4. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

HHFDC; HPHA; Executive Director; Deputy Executive Director;
Finance Manager; Salary; Employment Contracts

Description:

Exempts all positions under the Hawaii Housing Finance and Development Corporation (HHFDC) from civil service requirements and from the requirement that the employment actions and job descriptions of HHFDC officers and employees be subject to approval by the Director of Business, Economic Development, and Tourism. Increases the salary cap for the Executive Director of HHFDC. Renames the position of Executive Assistant to Deputy Executive Director for HHFDC and increases the salary cap for the Deputy Executive Director. Establishes the Finance Manager position within HHFDC. Establishes a cap on the term of employment contracts for HHFDC and the Hawaii Public Housing Authority. Effective 7/1/3000. (HD1)

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