
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 the Hawaii public
3 housing authority both provide critical services to address
4 Hawaii's affordable housing crisis. The Hawaii housing finance
5 and 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 not 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 director 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 director position are necessary, not merely to reward
15 the greater responsibilities of the housing agencies over the
16 last ten years, but also to greatly expand the housing agencies'
17 development plans.

18 Accordingly, the purpose of this Act is to:

- 19 (1) Increase the salary cap for the executive director of
20 the Hawaii housing finance and development corporation



- 1 to an amount that does not exceed the governor's
2 salary;
- 3 (2) Rename the position of executive assistant to deputy
4 executive director for the Hawaii housing finance and
5 development corporation and increases the salary cap
6 for the deputy executive director;
- 7 (3) Establish the finance director position within the
8 Hawaii housing finance and development corporation;
- 9 (4) Require the Hawaii housing finance and development
10 corporation to measure personnel performance according
11 to the number of units delivered by program type,
12 state funding per unit, the rate at which funds
13 revolve, and the range of household incomes served;
- 14 (5) Provide the Hawaii housing finance and development
15 corporation and Hawaii public housing authority with
16 autonomy in personnel matters; and
- 17 (6) Establish a cap on the term of employment contracts
18 for the Hawaii housing finance and development
19 corporation and Hawaii public housing authority.

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



1 "(a) There is established the Hawaii housing finance and
2 development corporation to be placed within the department of
3 business, economic development, and tourism for administrative
4 purposes only~~[-]~~; provided that the corporation shall have
5 autonomy in personnel matters, including establishing and
6 filling positions and setting salaries. The corporation shall
7 be a public body and a body corporate and politic.

8 (b) The corporation shall employ, exempt from chapter 76
9 and section 26-35(a)(4), an executive director [~~and an executive~~
10 ~~assistant~~], a deputy executive director, and a finance
11 director. The executive director shall be paid a salary not to
12 exceed the salary of the [~~director of business, economic~~
13 ~~development, and tourism.~~] governor. The [~~executive assistant~~]
14 deputy executive director shall be paid a salary not to exceed
15 [~~ninety~~] ninety-five per cent of the executive director's
16 salary. The finance director shall be paid a salary set by the
17 board; provided that the salary may exceed the salary of the
18 executive director. The finance director shall oversee all
19 finance programs of the corporation and develop new initiatives
20 to deliver housing to a range of household incomes as
21 efficiently as possible and with the least use of state



1 resources. The finance director shall possess experience
2 relevant to:

- 3 (1) Public finance and housing finance, including the
4 administration of revolving loan funds and complex
5 capital structuring;
6 (2) Bond issuance, debt management, and credit
7 underwriting;
8 (3) Asset and portfolio management, including risk
9 assessment and mitigation strategies for long-term
10 loan portfolios; and
11 (4) Strategic financial planning and regulatory compliance
12 with federal and state housing programs.

13 The corporation may employ, subject to chapter 76, technical
14 experts and officers, agents, and employees, permanent and
15 temporary, as required. The corporation may also employ
16 officers, agents, and employees, prescribe their duties and
17 qualifications, and fix their salaries, not subject to chapter
18 76, when in the determination of the corporation, the services
19 to be performed are unique and essential to the execution of the
20 functions of the corporation. Unless approved by the
21 legislature by concurrent resolution, the corporation shall not



1 offer any employment contract that exceeds two years. The
 2 corporation may call upon the attorney general for legal
 3 services as it may require. The corporation may delegate to one
 4 or more of its agents or employees its powers and duties as it
 5 deems proper. The corporation shall measure personnel
 6 performance according to the number of units delivered by
 7 program type, state funding per unit, rate at which funds
 8 revolve, and the range of household incomes served."

9 SECTION 3. Section 356D-2, Hawaii Revised Statutes, is
 10 amended by amending subsections (a) and (b) to read as follows:

11 "(a) There is established the Hawaii public housing
 12 authority to be placed within the department of human services
 13 for administrative purposes only~~[-]~~; provided that the authority
 14 shall have autonomy in personnel matters, including establishing
 15 and filling positions and setting salaries. The authority shall
 16 be a public body and a body corporate and politic.

17 (b) The authority shall employ, exempt from chapter 76 and
 18 section 26-35(a)(4), an executive director, an executive
 19 assistant, a chief financial management advisor, a property
 20 management branch chief, a chief planner, and a redevelopment
 21 officer, whose salaries shall be set by the board established



1 under section 356D-3; provided that no salary shall exceed the
2 governor's salary. The authority may employ, subject to
3 chapter 76, technical experts and officers, agents, and
4 employees, permanent or temporary, as required. The authority
5 may also employ officers, agents, and employees; prescribe their
6 duties and qualifications; and fix their salaries, not subject
7 to chapter 76, when in the determination of the authority, the
8 services to be performed are unique and essential to the
9 execution of the functions of the authority; provided that if
10 the authority hires an officer, agent, or employee in a capacity
11 not subject to chapter 76, the authority shall include in an
12 annual report to the legislature, to be submitted [~~not~~] no later
13 than twenty days prior to the convening of each regular session,
14 the position descriptions and reasons for hiring the personnel
15 in a civil service exempt capacity. Unless approved by the
16 legislature by concurrent resolution, the authority shall not
17 offer any employment contract that exceeds two years. The
18 authority may call upon the attorney general for legal services
19 as it may require. The authority may delegate to one or more of
20 its agents or employees the powers and duties it deems proper."



1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 2050.

4



Report Title:

HHFDC; HPHA; Executive Director; Deputy Executive Director;
Finance Director; Salary; Autonomy; Personnel Matters;
Employment Contracts

Description:

Increases the salary cap of the Executive Director of Hawaii Housing Finance and Development Corporation to an amount that does not exceed the Governor's salary. Renames the Executive Assistant to the Deputy Executive Director and increases that position's salary cap to 95% of the Executive Director salary. Establishes the position of Finance Director of the Hawaii Housing Finance and Development Corporation. Requires HHFDC to consider additional measures of personnel performance. Prohibits HHFDC and Hawaii Public Housing Authority employment contracts that exceed 2 years, unless approved by the Legislature. Provides HHFDC and HPHA with autonomy in personnel matters. Effective 7/1/2050. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

