

**HB 1314**

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON HOUSING**

February 9, 2015 at 8:30 a.m.  
State Capitol, Room 329

In consideration of  
**H.B. 1314**  
**RELATING TO HOUSING.**

The HHFDC ***supports the intent*** of H.B. 1314, provided that it does not adversely impact priorities as indicated in the Executive Biennium Budget. The HHFDC and its predecessor agencies have previously administered housing programs that assist special groups of people, such as the lessees in Kahana Valley or Milolii, and persons displaced by the Kilauea lava flow.

Thank you for the opportunity to testify.

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON HOUSING  
ON  
HOUSE BILL NO. 1314

February 9, 2015

RELATING TO HOUSING

House Bill No. 1314 revises Chapter 201H, HRS, by establishing an Emergency Home Relocation Special Fund to provide infrastructure development, grants, and loans to assist persons dispossessed of their homes as a result of a natural disaster, as that term is defined in Section 171.85, HRS. The bill designates the Hawaii Housing Finance and Development Corporation, administratively attached to the Department of Business, Economic Development and Tourism (DBEDT), to administer the special fund.

We defer to DBEDT regarding the merits of the bill; however, as a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the HRS. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1314, it is difficult to determine whether the fund will be self-sustaining.

I encourage the Legislature to scrutinize the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.