

Reviewed and Approved by Executive Director: *Wayne K. Kishida*
October 5, 2022

FOR INFORMATION

I. SUBJECT

Discussion Regarding Revising the Threshold for Expenditures Requiring Pre-Approval from the Authority.

II. BACKGROUND

Section 206E-4 (4), Hawaii Revised Statutes, grants the Authority the power to make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter.

February 16, 2011: The Authority Empowered the Executive Director to expend up to \$25,000 in funds from the Hawaii Community Development Revolving Fund and Kalaeloa Community Development District Revolving Fund without seeking approval from the Authority.

August 3, 2016: Proposed criteria to allow the Executive Director to execute contracts greater than \$25,000 without seeking approval from the Authority. No motion was made.

III. DISCUSSION

This purpose of this discussion is to propose governance streamlining.

Sharing the following information to support revising the threshold for expenditures requiring pre-approval from the Authority.

1. HCDA Staff must comply with the State Procurement Code – requesting board approval does not affect the steps taken prior to expending funds.
2. Contracts are listed in the Monthly Financial Highlights – the Authority will remain informed of any newly executed contracts.
3. Consistency with other agencies – the Hawaii Housing Finance and Development Corporation does not require board approval to execute contracts and contracts over \$25,000 are presented during their board meetings.
4. Approval History – since January 2021, the Authority approved 13 requests to expend totaling approximately \$4.8 million.

Prepared By: Gareth Sasaki, Administrative Services Officer *Gareth Sasaki*