
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 price of owning
2 and renting a home has risen above the ability of working
3 families who earn below fifty per cent of the median income and,
4 accordingly, increasing numbers of working families are unable
5 to find a place to live. There are now six thousand homeless
6 people in Hawaii at any one time. Moreover, family shelters are
7 full, and homeless families must wait three months or longer to
8 get into emergency or transitional shelters.

9 The legislature further finds that Habitat for Humanity
10 builds safe, decent, and affordable homes at zero interest, with
11 mortgages of \$45,000 to \$65,000, and monthly payments ranging
12 from \$300 to \$650 for families with incomes from thirty to fifty
13 per cent of the median income. Families also contribute sweat
14 equity by volunteering five hundred hours toward building their
15 own homes and homes for others. This process strengthens
16 communities by bringing together people from all walks of life
17 to participate in building affordable homes that provide a



1 stable environment for raising children for families who might
2 otherwise become homeless.

3 Hawaii Habitat for Humanity has established a statewide
4 Fund for Humanity, a revolving loan fund that makes zero
5 interest loans to the seven home-building Habitat for Humanity
6 affiliates across the islands. Habitat affiliates are found in
7 Honolulu and Leeward Oahu, Hilo and Kona on the Big Island,
8 Maui, Kauai, and Molokai. A grant from the State for \$4,000,000
9 would provide two hundred loans at \$20,000 per home. These zero
10 interest loans would each leverage approximately \$40,000 in
11 additional funds per home. Leveraged funds come from other
12 major donors, churches, and a variety of fundraising activities.
13 A grant would also assist in leveraging land at no cost from the
14 State, the counties, and the department of Hawaiian home lands.
15 On twenty-year mortgages, the \$20,000 loans will be repaid at
16 the rate of \$1,000 per year per home. Within ten years, the
17 repayments will be able to fund another one hundred homes for
18 \$2,000,000 and in twenty years, the loan repayment will have
19 funded another two hundred homes for low-income families.

20 Each home also leverages five hundred hours of sweat equity
21 from new homeowners and a total of approximately seven thousand
22 hours of community building labor. In order for the Habitat



1 affiliates to increase their capacity to add to the number of
2 homes built in their communities, each \$20,000 home loan will be
3 accompanied by an allocation of an additional \$2,000 per home
4 for capacity building at the affiliate level. The total funding
5 for this capacity building will total \$400,000. In order for
6 Hawaii Habitat for Humanity to increase its capacity to manage
7 the additional \$4,400,000 for two hundred revolving home loans
8 and two hundred capacity building grants, Hawaii Habitat for
9 Humanity requires \$100,000 for administration, which amounts to
10 2.23 per cent per loan. The legislature finds that the total
11 cost of \$4,500,000 to prevent homelessness of at-risk working
12 families is far less than the cost of providing shelter for two
13 hundred families or of building two hundred affordable rental
14 units.

15 SECTION 2. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$4,500,000, or so
17 much thereof as may be necessary for fiscal year 2006-2007, as a
18 grant pursuant to chapter 42F, Hawaii Revised Statutes, to the
19 Hawaii Habitat for Humanity to fund the building of two hundred
20 homes, capacity building for Habitat affiliates, and
21 administrative costs pursuant to this Act.



1 The sum appropriated shall be expended by the Hawaii
2 housing finance and development administration for the purposes
3 of this Act.

4 SECTION 3. This Act shall take effect upon its approval,
5 except that section 2 shall take effect on July 1, 2006.



Report Title:

Housing; Habitat for Humanity; Grant

Description:

Appropriates \$4,500,000 to Habitat for Humanity as a grant pursuant to the grants and subsidies law for zero interest loans to build 200 homes in the State. (SD1)

