

PROPOSED

THE SENATE
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

S.B. NO. 2773
S.D. 1

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 closure of Del
2 Monte Fresh Produce will result in significant negative impacts
3 to Kunia pineapple workers. Housing ranks among their primary
4 concerns. Currently, many employees and their families live in
5 plantation homes owned by the company at Kunia Camp. With the
6 closure of Del Monte Fresh Produce, many of these families face
7 the possibility of losing their homes. Housing is a fundamental
8 need, to which every person should have access.

9 With the loss of their jobs, many employees will undergo a
10 transition period as they seek new employment, participate in
11 job training programs, or seek other opportunities. While
12 incomes may be greatly diminished, these employees must continue
13 to make their housing payments and meet other living expenses.
14 Many former employees in transition may find it difficult to
15 qualify for loans under conventional loan-writing standards.

16 The purpose of this omnibus Act is to address the housing
17 needs of pineapple workers who are displaced by the closure of



1 Del Monte Fresh Produce and in danger of losing their homes at
2 Kunia Camp. Specifically, this Act provides for the following:

- 3 (1) A grant program to finance the purchase of existing
4 homes by their current occupants;
- 5 (2) Mortgage loans at below market interest rates for
6 eligible borrowers to purchase their homes;
- 7 (3) Rent supplements to enable eligible families to rent
8 safe, decent, and sanitary housing elsewhere in the
9 private market;
- 10 (4) Rental assistance to owners of Kunia Camp housing who
11 maintain existing units at affordable rents for
12 displaced workers and their families;
- 13 (5) Loans or grants for the preservation and substantial
14 rehabilitation of existing rental housing units;
- 15 (6) Funds for the demolition and reconstruction of
16 dilapidated housing units; and
- 17 (7) Funds for direct downpayment loans to eligible
18 borrowers for the purchase of their homes.

19 SECTION 2. There is appropriated out of the dwelling unit
20 revolving fund of the State of Hawaii the sum of \$ _____, or
21 so much thereof as may be necessary for fiscal year 2006-2007,
22 to provide grants for displaced Del Monte pineapple workers and

1 their families to purchase their existing homes in Kunia Camp;
 2 provided that the Hawaii housing finance and development
 3 administration shall by rule apply section 201G-127, Hawaii
 4 Revised Statutes, relating to restrictions on transfer, and
 5 section 201G-129, Hawaii Revised Statutes, relating to
 6 restrictions on use, to real property purchased pursuant to this
 7 section; and provided further, that this appropriation shall not
 8 lapse at the end of the 2006-2007 fiscal year, and that any
 9 amount that is unencumbered as of June 30, 2007, shall lapse
 10 into the dwelling unit revolving fund as of that date.

11 SECTION 3. The Hawaii housing finance and development
 12 administration, with the approval of the director of finance and
 13 the governor, is authorized pursuant to part III, chapter 39,
 14 Hawaii Revised Statutes, and part III, chapter 201G, Hawaii
 15 Revised Statutes, to issue revenue bonds in an aggregate
 16 principal amount not to exceed \$, at such times and in
 17 such amounts as it deems advisable, for the purpose of carrying
 18 out the provisions of subpart B of part III of chapter 201G,
 19 Hawaii Revised Statutes, relating to housing loan and mortgage
 20 programs.

1 The proceeds of such revenue bonds shall be deposited into
2 the Kunia housing project bond special fund created pursuant to
3 section 201G-170, Hawaii Revised Statutes.

4 SECTION 4. There is appropriated out of the Kunia housing
5 project bond special fund the sum of \$, or so much
6 thereof as may be necessary for fiscal year 2006-2007, to
7 provide low-interest loans to former employees and their
8 surviving spouses displaced by the closure of Del Monte Fresh
9 Produce at Kunia Camp; provided that this appropriation shall
10 not lapse at the end of the 2006-2007 fiscal year, and that any
11 amount that is unencumbered as of June 30, 2007, shall lapse
12 into the Kunia housing project bond special fund as of that
13 date. Loans may be made for up to \$, each to provide
14 for the payment of monthly mortgage loan payments, which may
15 include principal and interest payments, real property taxes,
16 and insurance. The loans shall be limited to one loan per
17 household, and the rate of interest on loans made pursuant to
18 the Act shall not exceed per cent a year. Interest earnings
19 on funds appropriated and loans made pursuant to this Act may be
20 used for administrative and other expenses necessary for
21 administering the loan program. Loans made pursuant to this Act
22 may not require repayment to begin for a period of years



1 after the loan agreement is executed. Loan proceeds distributed
 2 may be made directly to the borrower's note and mortgage holder
 3 to ensure timely payment of the borrower's mortgage payment.
 4 Guidelines for administering this loan program shall be adopted
 5 by the Hawaii housing finance and development administration.

6 SECTION 5. There is appropriated out of the rental
 7 assistance revolving fund of the State of Hawaii the sum of
 8 \$, or so much thereof as may be necessary for fiscal
 9 year 2006-2007, to provide rent subsidies through the state rent
 10 supplement program to eligible Del Monte pineapple workers and
 11 their families seeking safe, decent, and sanitary housing in the
 12 private market; provided that this appropriation shall not lapse
 13 at the end of the 2006-2007 fiscal year, and that any amount
 14 that is unencumbered as of June 30, 2007, shall lapse into the
 15 rental assistance revolving fund as of that date.

16 SECTION 6. There is appropriated out of the rental
 17 assistance revolving fund of the State of Hawaii the sum of
 18 \$, or so much thereof as may be necessary for fiscal
 19 year 2006-2007, to finance rental assistance subsidies to owners
 20 who contract to provide lower rents to eligible tenants
 21 displaced from Kunia Camp; provided that this appropriation
 22 shall not lapse at the end of the 2006-2007 fiscal year, and



1 that any amount that is unencumbered as of June 30, 2007, shall
2 lapse into the rental assistance revolving fund as of that date.

3 SECTION 7. There is appropriated out of the rental housing
4 trust fund of the State of Hawaii the sum of \$, or so
5 much thereof as may be necessary for fiscal year 2006-2007, to
6 provide loans or grants for the preservation and substantial
7 rehabilitation of rental housing units at Kunia Camp; provided
8 that this appropriation shall not lapse at the end of the
9 2006-2007 fiscal year, and that any amount that is unencumbered
10 as of June 30, 2007, shall lapse into the rental housing trust
11 fund as of that date.

12 SECTION 8. There is appropriated out of the dwelling unit
13 revolving fund of the State of Hawaii the sum of \$, or
14 so much thereof as may be necessary for fiscal year 2006-2007,
15 to provide funds for the demolition and reconstruction of
16 dilapidated housing units at Kunia Camp; provided that this
17 appropriation shall not lapse at the end of the 2006-2007 fiscal
18 year, and that any amount that is unencumbered as of
19 June 30, 2007, shall lapse into the dwelling unit revolving fund
20 as of that date.

21 SECTION 9. There is appropriated out of the dwelling unit
22 revolving fund of the State of Hawaii the sum of \$, or



1 so much thereof as may be necessary for fiscal year 2006-2007,
2 to provide funds for direct downpayment loans to eligible
3 borrowers displaced from Del Monte Fresh Produce to purchase
4 their existing homes in Kunia Camp; provided that this
5 appropriation shall not lapse at the end of the 2006-2007 fiscal
6 year, and that any amount that is unencumbered as of
7 June 30, 2007, shall lapse into the dwelling unit revolving fund
8 as of that date.

9 SECTION 10. The sums appropriated by this Act shall be
10 expended by the Hawaii housing finance and development
11 administration for the purposes of this Act.

12 SECTION 11. This Act shall take effect upon July 1, 2006.

PROPOSED

Report Title:

Housing Assistance; Kunia; Omnibus

Description:

For displaced pineapple workers at Kunia, Oahu, appropriates funds for conversion of rental housing to owner occupancy; low-interest mortgage loans for home purchase; rent subsidies and rental assistance; preservation and rehabilitation of existing housing units; demolition and reconstruction of dilapidated units; and direct downpayment loans for eligible borrowers. (SD1)

