
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that self-help housing is
2 the lowest-cost means of producing affordable housing for
3 very-low-income and low-income households. Self-help housing
4 programs target families who are unable to buy clean, safe
5 housing through conventional methods, and provides assistance to
6 very-low-income and low-income households to construct their own
7 homes. The savings from the reduction in labor costs allows
8 otherwise ineligible families to own their own homes.

9 In Hawaii, more than 1,100 homes have been constructed
10 using the self-help housing method for very-low-income, low-
11 income, and moderate-income families. Additional funding,
12 especially in the area of technical assistance, could allow
13 self-help housing programs in the state to provide an average of
14 50 additional units per year on the production schedules. There
15 is limited funding for technical assistance, which includes
16 funding for construction supervision, development of
17 construction plans, contractor payment processing, project



1 bidding, subcontractor monitoring, recruiting and qualifying
2 self-help builders, and family guidance and motivation
3 throughout the entire self-help housing process. The typical
4 technical assistance cost per self-help housing unit is \$20,000.
5 Although there are other sources of funding available for the
6 construction of homes, additional funding to cover technical
7 assistance costs will provide additional benefits to self-help
8 housing programs and allow these programs to provide more
9 housing opportunities to families in need.

10 The purpose of this Act is to establish a self-help housing
11 trust fund to be administered by the Hawaii housing finance and
12 development corporation to provide funds for land acquisition,
13 infrastructure costs, and technical assistance to self-help
14 housing programs in the state.

15 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
16 amended by adding a new subpart under part III to be
17 appropriately designated and to read as follows:

18 " . SELF-HELP HOUSING TRUST FUND

19 **§201H- Definitions.** As used in this subpart, unless the
20 context otherwise requires:

21 "Fund" means the self-help housing trust fund established
22 in this subpart.



1 "Self-help housing" means a model of housing production in
2 which purchasers reduce the cost of their homes by contributing
3 "sweat equity" - their own labor in the construction of their
4 own homes.

5 "Technical assistance" means any assistance necessary to
6 carry out housing efforts by or for very-low-income and low-
7 income households to improve the quality or quantity of housing
8 available to meet their needs, including construction
9 supervision and planning, contractor payment processing and
10 bidding, subcontractor monitoring, recruiting and qualifying
11 self-help housing builders, and guiding and educating families
12 throughout the entire self-help housing process.

13 **§201H- Self-help housing trust fund.** (a) There is
14 established the self-help housing trust fund to be administered
15 by the corporation.

16 (b) An amount from the fund, to be set by the corporation
17 and authorized by the legislature, may be used for
18 administrative expenses incurred by the corporation in
19 administering the fund; provided that fund moneys shall not be
20 used to finance day-to-day administrative expenses of projects
21 that are allotted fund moneys.

22 (c) The following may be deposited into the fund:



- 1 (1) Appropriations made by the legislature;
- 2 (2) Private contributions;
- 3 (3) Interest;
- 4 (4) Other returns; and
- 5 (5) Moneys from other sources.
- 6 (d) The moneys available in the fund shall be used to
- 7 provide, in whole or in part, additional funding to self-help
- 8 housing organizations for land acquisition, infrastructure, and
- 9 technical assistance costs generated from self-help housing
- 10 projects in the state. Permitted uses of the fund may include
- 11 but are not limited to:
- 12 (1) Construction supervision and planning;
- 13 (2) Contractor payment processing and bidding;
- 14 (3) Subcontractor monitoring;
- 15 (4) Recruiting and qualifying self-help housing builders;
- 16 (5) Guiding and educating families throughout the entire
- 17 self-help housing process; or
- 18 (6) Other self-help housing services or activities as
- 19 provided in rules adopted by the corporation pursuant
- 20 to chapter 91.
- 21 (e) Funds available for technical assistance of the self-
- 22 help housing project shall be limited to \$20,000 per unit.



1 (f) The corporation shall submit an annual report to the
2 legislature no later than twenty days prior to the convening of
3 each regular session describing the projects funded, its efforts
4 to develop self-help housing projects, a description of
5 proposals submitted for self-help housing projects and action
6 taken on the proposals, and any barriers to developing self-help
7 housing projects.

8 **§201H- Eligible organizations for funds.** Eligible
9 organizations for funds shall be limited to tax-exempt
10 charitable organizations under the Internal Revenue Code Section
11 501(c)(3), in accordance with rules adopted by the corporation
12 pursuant to chapter 91, that offer self-help housing services in
13 the state and have an option on the land they intend to develop.

14 **§201H- Eligible self-help housing projects.** (a) Self-
15 help housing projects eligible for technical assistance funding
16 shall be based solely on the readiness to use moneys available
17 in the fund, such as whether the project site is ready for house
18 construction or the track record of the eligible self-help
19 housing organization in producing self-help housing units.

20 (b) Technical assistance funding for self-help housing
21 projects shall be limited to projects targeted to very-low-
22 income, low-income, and moderate-income families. For the



1 purposes of this subpart, the applicable median family income
2 shall be the median family income for the county or standard
3 metropolitan statistical area in which the project is located as
4 determined by the United States Department of Housing and Urban
5 Development, as adjusted from time to time.

6 (c) The corporation may include other eligibility criteria
7 as it deems necessary to carry out the purposes of this subpart.

8 **§201H- Additional powers.** The powers conferred upon the
9 corporation by this subpart shall be in addition and
10 supplemental to the powers conferred by any other law, and
11 nothing in this subpart shall be construed as limiting any
12 powers, rights, privileges, or immunities conferred."

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$5,000,000 or so much
15 thereof as may be necessary for fiscal year 2008-2009 to be
16 deposited into the self-help housing trust fund to be used to
17 provide additional funding for land acquisition, infrastructure,
18 and technical assistance costs generated by self-help housing
19 projects in the state.

20 SECTION 4. There is appropriated out of the self-help
21 housing trust fund the sum of \$5,000,000 or so much thereof as
22 may be necessary for fiscal year 2008-2009 to be used to provide



1 additional funding for land acquisition, infrastructure, and
2 technical assistance costs generated by self-help housing
3 projects in the state.

4 The sum appropriated shall be expended by the Hawaii
5 housing finance and development corporation for the purposes of
6 this Act.

7 SECTION 5. This Act shall take effect on July 1, 2008.



Report Title:

Self-Help Housing Trust Fund; Appropriation

Description:

Establishes the Self-help Housing Trust Fund under the Hawaii Housing Finance and Development Corporation to provide funding for land acquisition, infrastructure, and technical assistance costs generated by self-help housing projects. Appropriates funds. (HB3403 HD1)

