
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 add an average of 50
14 additional units per year to production schedules. There is
15 limited funding for technical assistance, which includes funding
16 for construction supervision, development of construction plans,
17 contractor payment processing, project bidding, subcontractor



1 monitoring, recruiting and qualifying self-help builders, and
2 family guidance and motivation throughout the entire self-help
3 housing process. The typical technical assistance cost per
4 self-help housing unit is \$20,000. Although there are other
5 sources of funding available for the construction of homes,
6 additional funding to cover technical assistance costs will
7 provide additional benefits to self-help housing programs and
8 allow these programs to provide more housing opportunities to
9 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 self-help housing projects.** (a) Funds
9 under this subpart shall only be provided to self-help housing
10 organizations that are tax-exempt charitable organizations under
11 the Internal Revenue Code Section 501(c)(3) that offer self-help
12 housing services in the state and have an option on the land
13 they intend to develop.

14 (b) Technical assistance funding for self-help housing
15 projects shall be limited to projects targeted to very-low-
16 income, low-income, and moderate-income families. For the
17 purposes of this subpart, the applicable median family income
18 shall be the median family income for the county or standard
19 metropolitan statistical area in which the project is located as
20 determined by the United States Department of Housing and Urban
21 Development, as adjusted from time to time. Technical
22 assistance funding shall be provided based on the readiness of



1 the project to use moneys available in the fund, such as whether
2 the project site is ready for house construction or the track
3 record of the eligible self-help housing organization in
4 producing self-help housing units.

5 (c) The corporation may adopt rules pursuant to chapter 91
6 and include other eligibility criteria as it deems necessary to
7 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 \$ 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.

17 SECTION 4. There is appropriated out of the self-help
18 housing trust fund the sum of \$ or so much thereof as
19 may be necessary for fiscal year 2008-2009 to be used to provide
20 additional funding for land acquisition, infrastructure, and
21 technical assistance costs generated by self-help housing
22 projects in the state.



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

4 SECTION 5. This Act shall take effect on July 1, 2020.



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. Effective 7/1/2020. (HB3403 HD2)

