
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. According to the Corporation for Enterprise
2 Development (Corporation) 2007-2008 "Scorecard for Hawaii," the
3 State "lacks a comprehensive asset policy framework." In the
4 Corporation's survey ranking the 50 states and the District of
5 Columbia, it reported that Hawaii families "face significant
6 challenges" both in purchasing a home and sustaining financial
7 security. It goes on to state that Hawaii households have
8 "unusually low net worth," are among the "most likely in the
9 nation to have zero or negative net worth," and "lack sufficient
10 savings to subsist above the poverty level for three months."
11 As the survey ranked Hawaii at 44th and 48th among the 51
12 jurisdictions in home affordability and rate of homeownership,
13 respectively, it seems that the dream of homeownership remains
14 out of reach for far too many. In 2006, 59 per cent of
15 households paid more than 30 per cent of their incomes for
16 shelter each month. The gap between average wages earned by
17 renters and the cost of rent in Hawaii is the highest in the



1 nation. Average shelter costs for renter households rose by 40
2 per cent between 2003 and 2006. In the last four years, the
3 median sale price for a single-family home exceeded \$600,000.
4 In this situation, the majority of families desiring to own a
5 single-family dwelling are not able to find one that is
6 affordable.

7 These financial hardships have also led to an increase in
8 the incidence of homelessness in Hawaii. According to the 2007
9 Hawaii homeless service utilization report prepared by the
10 University of Hawaii center on the family and the Hawaii public
11 housing authority, the most frequently cited reason for
12 homelessness among those surveyed was "financial problem".
13 Close to 16,000 individuals accessed state services for the
14 homeless between July 1, 2005, and June 30, 2006. Nearly one in
15 five Hawaii residents is at risk of homelessness or of becoming
16 one of the state's "hidden" homeless.

17 One alternative to this crisis that holds real promise for
18 the State of Hawaii is self-help housing. Self-help housing is
19 a low-cost form of housing development through which low-income
20 and poor families are given the opportunity to build their own
21 homes with the help of other homeowners and volunteers. Through
22 the intense physical process of building their own homes,



1 families provide significant "sweat equity" toward asset-
2 building which can, in turn, strengthen ties among participant
3 families, invest in community improvement, and create legacies
4 to last for generations. A coalition of self-help housing
5 providers is already active in Hawaii, and if it is successful
6 in obtaining sufficient funding, is ready to expand the self-
7 help housing model dramatically throughout the state over the
8 next five years.

9 The purpose of this Act is to establish a self-help housing
10 trust fund to provide technical assistance grants, construction
11 grants, long-term zero-interest loans, long-term loans for land
12 acquisition, and predevelopment costs.

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

16 " . SELF-HELP HOUSING TRUST FUND

17 §201H- Self-help housing trust fund; established. (a)

18 There is established the self-help housing trust fund to be
19 administered by the corporation.

20 (b) A certain amount from the fund that is authorized by
21 the legislature and set by the corporation may be used for
22 administrative expenses solely incurred by the corporation.



1 Fund moneys shall not be used to finance the administrative
2 expenses of any project or entity to which fund moneys have been
3 allocated in the form of a grant or loan.

4 (c) Fund moneys shall be used for the following purposes
5 and in the following order of priority:

6 (1) Technical assistance grants not to exceed \$20,000 per
7 home;

8 (2) Construction grants;

9 (3) Long-term zero-interest loans; and

10 (4) Long-term loans for land acquisition; and

11 (5) Predevelopment costs.

12 (d) The corporation shall adopt rules pursuant to chapter
13 91 to carry out the purposes of this subpart.

14 **§201H- Eligible fund applicants.** Eligible applicants
15 shall include nonprofit self-help housing organizations that
16 offer self-help services in the state, have an option on the
17 land they intend to develop, and are otherwise deemed qualified
18 in accordance with the eligibility rules adopted by the
19 corporation in accordance with this subpart.

20 **§201H- Additional powers.** Nothing in this subpart shall
21 be construed as limiting any powers, rights, privileges, or
22 immunities conferred to the corporation by any other law. The



1 powers conferred by this subpart shall be in addition and
2 supplemental to those powers conferred."

3 SECTION 3. Section 247-7, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§247-7 Disposition of taxes.** All taxes collected each
6 fiscal year under this chapter shall be deposited as follows:

- 7 (1) Ten per cent shall be paid into the land conservation
8 fund established pursuant to section 173A-5;
- 9 (2) Fifty per cent shall be paid into the rental housing
10 trust fund established by section 201H-202; and
- 11 (3) Twenty-five per cent shall be paid into the natural
12 area reserve fund established by section 195-9;
13 provided that the funds paid into the natural area
14 reserve fund shall be annually disbursed by the
15 department of land and natural resources in the
16 following priority:
- 17 (A) To natural area partnership and forest
18 stewardship programs after joint consultation
19 with the forest stewardship committee and the
20 natural area reserves system commission;
- 21 (B) Projects undertaken in accordance with watershed
22 management plans pursuant to section 171-58 or



1 watershed management plans negotiated with
2 private landowners, and management of the natural
3 area reserves system pursuant to section 195-3;
4 and

5 (C) The youth conservation corps established under
6 chapter 193[-]; and

7 (4) Fifteen per cent shall be paid into the self-help
8 housing trust fund established by section 201H- ."

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on June 29, 2008;
12 provided that the amendments made to section 247-7, Hawaii
13 Revised Statutes, by this Act shall not be repealed when that
14 section is reenacted on June 30, 2008, pursuant to section 4 of
15 Act 222, Session Laws of Hawaii 2007.



Report Title:

Self-help Housing Trust Fund; Conveyance Tax Allocation

Description:

Establishes the Self-Help Housing Trust Fund (Fund) to provide assistance, grants, or loans to develop self-help housing. Allocates 15 percent of conveyance tax proceeds to be deposited into the Fund. (HB3427 HD1)

