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# A BILL FOR AN ACT

RELATING TO HOUSING.

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

**PART I**

1  
2 SECTION 1. The legislature finds that the affordable  
3 housing crisis continues to be one of the State's most  
4 significant and challenging social problems and is a critical  
5 issue for many Hawaii residents. As the cost of home ownership  
6 and rentals increases, the State must continue to assist  
7 residents to obtain affordable housing.

8 This Act provides that assistance by:

- 9 (1) Appropriating funds to assist developers in  
10 contracting for third party review and certification  
11 to expedite the processing and issuance of building  
12 permits for affordable housing projects;
- 13 (2) Establishes a self-help housing trust fund under the  
14 Hawaii housing finance and development corporation to  
15 provide funding for self-help housing projects; and
- 16 (3) Increases the Hula Mae multifamily revenue bond  
17 authorization from \$400,000,000 to \$500,000,000 to not







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

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

14 SECTION 4. Chapter 201H, Hawaii Revised Statutes, is  
 15 amended by adding a new subpart under part III to be  
 16 appropriately designated and to read as follows:

17 " . SELF-HELP HOUSING TRUST FUND

18 §201H-A Definitions. As used in this subpart, unless the  
 19 context otherwise requires:

20 "Fund" means the self-help housing trust fund established  
 21 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-B 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-C 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-D 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 5. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$ or so  
15 much thereof as may be necessary for fiscal year 2008-2009 to be  
16 deposited into the self-help housing trust fund.

17 SECTION 6. 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   **PART IV**

5           SECTION 7. Act 291, Session Laws of Hawaii 1980, as  
6 amended by Act 304, Session Laws of Hawaii 1996, as amended by  
7 Act 185, Session Laws of Hawaii 2004, as amended by Act 231,  
8 Session Laws of Hawaii 2007, is amended by amending section 11  
9 to read as follows:

10           "SECTION 11. **Issuance of revenue bond; amount authorized.**  
11 Revenue bonds may be issued by the Hawaii housing finance and  
12 development corporation pursuant to part III, chapter 39 and  
13 subpart A of part III of chapter 201H, Hawaii Revised Statutes,  
14 in an aggregate principal amount not to exceed [~~\$400,000,000,~~  
15 \$500,000,000 at such times and in such amounts as the Hawaii  
16 housing finance and development corporation deems advisable for  
17 the purpose of undertaking and maintaining any of the housing  
18 loan programs under subpart A of part III of chapter 201H,  
19 Hawaii Revised Statutes, relating to the funding or purchasing  
20 of eligible project loans."

21   **PART V**



1 SECTION 8. In codifying the new sections added by section  
2 4 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5 SECTION 9. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 10. This Act shall take effect upon its approval;  
8 provided that sections 2, 5, and 6 shall take effect on July 1,  
9 2008.



**Report Title:**

Affordable Housing Package; Self-Help Housing Trust Fund;  
Housing Loan and Mortgage Program; Appropriation

**Description:**

Appropriates funds for expedited third party review of affordable projects. Establishes a self-help housing trust fund. Increases the Hula Mae multifamily revenue bond authorization to \$500,000,000. (SD1)

