

JAN 18 2008

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 and low income households. Self-help housing programs
4 targets families who are unable to buy clean, safe housing
5 through conventional methods, and provides assistance to very-
6 low and low income households to construct their own homes. The
7 savings from the reduction in labor costs allows otherwise
8 ineligible families to own their own homes.

9 In Hawaii, more than one thousand one hundred homes have
10 been constructed using the self-help housing method for very-
11 low, low, 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 fifty additional units per year on the production schedules.
15 There is limited funding for technical assistance, which
16 includes 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 technical
13 assistance to self-help housing programs in the State.

14 SECTION 2. 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 TECHNICAL ASSISTANCE TRUST FUND**
18 **§201H-A Definitions.** As used in this subpart, unless a
19 different meaning is clearly required by the context:

20 "Fund" means the self-help housing technical assistance
21 trust fund established 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 and low income
7 households to improve the quality or quantity of housing
8 available to meet their needs, including but not limited to
9 construction supervision and planning, contractor payment
10 processing and bidding, subcontractor monitoring, recruiting and
11 qualifying self-help housing builders, and guiding and educating
12 families throughout the entire self-help housing process.

13 **§201H-B Self-help housing technical assistance trust fund.**

14 (a) There is established the self-help housing technical
15 assistance trust fund to be administered 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 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 technical assistance costs generated
9 from self-help housing projects in the State. Permitted uses of
10 the fund may include but are not limited to construction
11 supervision and planning, contractor payment processing and
12 bidding, subcontractor monitoring, recruiting and qualifying
13 self-help housing builders, guiding and educating families
14 throughout the entire self-help housing process, or other self-
15 help housing services or activities as provided in rules adopted
16 by the corporation pursuant to chapter 91.

17 (e) Funds available for technical assistance of the self-
18 help housing project shall be limited to \$20,000 per unit.

19 (f) The corporation shall submit an annual report to the
20 legislature no more than twenty days prior to the convening of
21 each regular session describing the projects funded, its efforts
22 to develop self-help housing projects, a description of



1 proposals submitted for self-help housing projects and action
2 taken on the proposals, and any barriers to developing self-help
3 housing projects.

4 **§201H-C Eligible organizations for funds.** Eligible
5 organizations for funds shall be limited to tax exempt
6 charitable organizations under the Internal Revenue Code section
7 501(c)(3) in accordance with rules adopted by the corporation
8 pursuant to chapter 91.

9 **§201H-D Eligible self-help housing projects.** (a) Self-
10 help housing projects eligible for technical assistance funding
11 shall be based solely on the readiness to use moneys available
12 in the fund, such as whether the project site is ready for house
13 construction or the track record of the eligible self-help
14 housing organization in producing self-help housing units.

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



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

3 **§201H-E Additional powers.** The powers conferred upon the
4 corporation by this subpart shall be in addition and
5 supplemental to the powers conferred by any other law, and
6 nothing in this subpart shall be construed as limiting any
7 powers, rights, privileges, or immunities conferred."

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2008-2009 to be
11 deposited into the self-help housing technical assistance trust
12 fund to be used to provide additional funding for technical
13 assistance costs generated by self-help housing projects in the
14 State.

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

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INTRODUCED BY: Russell Kohrt

David Y. Lee

D. J. D. J. J.

Randy de Baker

Jim

Gary L. Han

James Mercedes K.



Report Title:

Self-Help Housing; Technical Assistance; Fund; Appropriation

Description:

Establishes a self-help housing technical assistance trust fund under the Hawaii housing finance and development corporation to provide funding for technical assistance costs generated by self-help housing projects. Makes an appropriation into the fund and authorizes the moneys to be expended to carry out the purposes of the fund.

