

JAN 22 2008

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



1 is the highest in the nation. Average shelter costs for renter
2 households rose by forty per cent between 2003 and 2006. In the
3 last four years, the median sale price for a single-family home
4 reached over \$600,000. In this climate, the majority of
5 families desiring to own a single family unit are not able to
6 find one that is 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 sixteen thousand individuals accessed state services
14 for the homeless between July 1, 2005, and June 30, 2006.
15 Nearly one in five Hawaii residents is at risk of homelessness
16 or of becoming 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 or long-term zero interest loans, long-term loans for
12 land 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 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 are
16 deemed qualified in accordance with the eligibility rules
17 adopted by the corporation in accordance with this subpart.

18 **§201H- Additional powers.** Nothing in this subpart shall
19 be construed as limiting any powers, rights, privileges, or
20 immunities conferred to the corporation by any other law. The
21 powers conferred by this subpart shall be in addition and
22 supplemental to those powers conferred."



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

3 **"§247-7 Disposition of taxes.** All taxes collected each
4 fiscal year under this chapter shall be deposited as follows:

5 (1) Ten per cent shall be paid into the land conservation
6 fund established pursuant to section 173A-5;

7 (2) Fifty per cent shall be paid into the rental housing
8 trust fund established by section 201H-202; and

9 (3) Twenty-five per cent shall be paid into the natural
10 area reserve fund established by section 195-9;

11 provided that the funds paid into the natural area
12 reserve fund shall be annually disbursed by the
13 department of land and natural resources in the
14 following priority:

15 (A) To natural area partnership and forest
16 stewardship programs after joint consultation
17 with the forest stewardship committee and the
18 natural area reserves system commission;

19 (B) Projects undertaken in accordance with watershed
20 management plans pursuant to section 171-58 or
21 watershed management plans negotiated with
22 private landowners, and management of the natural



1 area reserves system pursuant to section 195-3;

2 and

3 (C) The youth conservation corps established under

4 chapter 193[-]; and

5 (4) per cent shall be paid into the self-help

6 housing trust fund established by section 201H- ."

7 SECTION 4. Statutory material to be repealed is bracketed

8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on June 29, 2008;

10 provided that the amendments made to section 247-7, Hawaii

11 Revised Statutes, by this Act shall not be repealed when that

12 section is reenacted on June 30, 2008, pursuant to section 4 of

13 Act 222, Session Laws of Hawaii, 2007.

14

INTRODUCED BY: Shianne Crown Oakland



Report Title:

Housing; Self-help Housing Trust Fund; County Budgets; Tax Funds

Description:

Establishes a self-help housing trust fund. Amends section 247-7, HRS, to provide for a certain per cent of taxes collected under the chapter to be deposited into the self-help housing trust fund.

