
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

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

PART I.

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

7 This Act provides that assistance by:

- 8 (1) Extending the sunset date of the conveyance tax
9 allocation to the rental housing trust fund to ensure
10 continued funding and emphasis on providing rental
11 housing to those in need;
- 12 (2) Appropriating funds to assist developers in
13 contracting for third party review and certification
14 to expedite the processing and issuance of building
15 permits for affordable housing projects;



1 (3) Establishes a self-help housing technical assistance
2 trust fund under the Hawaii housing finance and
3 development corporation to provide funding for self-
4 help housing projects; and

5 (4) Increases the Hula Mae multifamily revenue bond
6 authorization from \$400,000,000 to \$500,000,000 to not
7 only provide home financing for residents but to also
8 finance the purchase of the Kukui Gardens Rental
9 Housing Complex.

10 PART II.

11 SECTION 2. Act 100, Session Laws of Hawaii 2006, as
12 amended by Act 222, Session Laws of Hawaii 2007, is amended by
13 amending section 30 to read as follows:

14 "SECTION 30. This Act shall take effect on July 1, 2006;
15 provided that on June 30, [~~2008,~~] 2013, section 21 shall be
16 repealed and section 247-7, Hawaii Revised Statutes, shall be
17 reenacted in the form in which it read on the day before the
18 approval of this Act."

19 SECTION 3. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so much
21 thereof as may be necessary for fiscal year 2008-2009 to assist
22 developers in contracting for third party review and



1 certification, including but not limited to inspections,
2 discretionary permits, and ministerial permits, to expedite the
3 processing and issuance of building permits for affordable
4 housing projects; provided that, in order to qualify for funding
5 under this section, an affordable housing project shall offer
6 not less than forty per cent of all units, whether rental or for
7 sale, in leasehold or fee simple, at prices or rents that are
8 affordable to persons earning eighty per cent or less of the
9 area median income as determined by the United States Department
10 of Housing and Urban Development.

11 The sum appropriated shall be expended by the Hawaii
12 housing finance and development corporation for the purposes of
13 this section.

14 PART III.

15 SECTION 4. The legislature finds that self-help housing is
16 the lowest-cost means of producing affordable housing for very
17 low- and low-income households. Self-help housing programs
18 target families who are unable to buy clean, safe housing
19 through conventional methods and provide assistance to very low-
20 and low-income households to construct their own homes. The
21 savings from the reduction in labor costs allow otherwise
22 ineligible families to own their own homes.



1 In Hawaii, more than one thousand one hundred homes have
2 been constructed using the self-help housing method for very
3 low-, low-, and moderate-income families. Additional funding,
4 especially in the area of technical assistance, allow self-help
5 housing programs to provide an average of fifty additional units
6 annually.

7 There is limited funding for technical assistance, which
8 includes construction supervision, construction plans,
9 contractor payment processing, project bidding, subcontractor
10 monitoring, recruiting and qualifying self-help builders, and
11 family guidance and motivation throughout the entire self-help
12 housing process. The typical technical assistance cost per
13 self-help housing unit is \$20,000. Although there are other
14 sources of funding available for the construction of homes,
15 additional funding to cover technical assistance costs will
16 allow these programs to provide more housing opportunities to
17 families in need.

18 SECTION 5. Chapter 201H, Hawaii Revised Statutes, is
19 amended by adding a new subpart under part III to be
20 appropriately designated and to read as follows:

21 " . **SELF-HELP HOUSING TECHNICAL ASSISTANCE TRUST FUND**



1 **§201H-A Definitions.** As used in this subpart, unless a
2 different meaning is clearly required by the context:

3 "Fund" means the self-help housing technical assistance
4 trust fund established in this subpart.

5 "Self-help housing" means a model of housing production in
6 which purchasers reduce the cost of their homes by contributing
7 "sweat equity" – their own labor in the construction of their
8 own homes.

9 "Technical assistance" means any assistance necessary to
10 carry out housing efforts by or for very low- and low-income
11 households to improve the quality or quantity of housing
12 available to meet their needs, including but not limited to
13 construction supervision and planning, contractor payment
14 processing and bidding, subcontractor monitoring, recruiting and
15 qualifying self-help housing builders, and guiding and educating
16 families throughout the entire self-help housing process.

17 **§201H-B Self-help housing technical assistance trust fund.**

18 (a) There is established the self-help housing technical
19 assistance trust fund to be administered by the corporation.

20 (b) An amount from the fund, to be set by the corporation
21 and authorized by the legislature, may be used for
22 administrative expenses incurred by the corporation in



1 administering the fund; provided that fund moneys shall not be
2 used to finance day-to-day administrative expenses of projects
3 allotted fund moneys.

4 (c) The following may be deposited into the fund:

5 (1) Appropriations made by the legislature;

6 (2) Private contributions;

7 (3) Interest;

8 (4) Other returns; and

9 (5) Moneys from other sources.

10 (d) The moneys available in the fund shall be used to
11 provide, in whole or in part, additional funding to self-help
12 housing organizations for technical assistance costs generated
13 from self-help housing projects in the State. Permitted uses of
14 the fund may include but are not limited to construction
15 supervision and planning, contractor payment processing and
16 bidding, subcontractor monitoring, recruiting and qualifying
17 self-help housing builders, guiding and educating families
18 throughout the entire self-help housing process, or other self-
19 help housing services or activities as provided in rules adopted
20 by the corporation pursuant 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 more 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 organizations for funds.** Eligible
9 organizations for funds shall be limited to tax exempt
10 charitable organizations under the Internal Revenue Code section
11 501(c)(3) in accordance with rules adopted by the corporation
12 pursuant to chapter 91.

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

19 (b) Technical assistance funding for self-help housing
20 projects shall be limited to the projects targeted to very low-
21 low-, and medium-income families. For purposes of this subpart,
22 the applicable median family income shall be the median family



1 income for the county or standard metropolitan statistical area
2 in which the project is located as determined by the United
3 States Department of Housing and Urban Development, as adjusted
4 from time to time.

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

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

12 SECTION 6. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so
14 much thereof as may be necessary for fiscal year 2008-2009 to be
15 deposited into the self-help housing technical assistance trust
16 fund to be used to provide additional funding for technical
17 assistance costs generated by self-help housing projects in the
18 State.

19 SECTION 7. There is appropriated out of the self-help
20 housing technical assistance trust fund the sum of \$
21 or so much thereof as may be necessary for fiscal year 2008-2009
22 to be used to provide additional funding for technical



1 assistance costs generated by self-help housing projects in the
2 State.

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

6 PART IV.

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

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



1 SECTION 9. In codifying the new sections added by section
2 5 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 10. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 11. This Act shall take effect upon its approval;
8 provided that section 2 of this Act shall take effect on
9 June 29, 2008; and sections 3, 6, and 7 shall take effect on
10 July 1, 2008.



Report Title:

Affordable Housing Package; Conveyance Tax; Self-Help Housing
Technical Assistance Fund; Housing Loan and Mortgage Program;
Appropriation

Description:

Extends the sunset date of the increased conveyance tax
allocation to the rental housing trust fund. Appropriates funds
for expedited third party review of affordable projects.
Establishes a self-help housing technical assistance trust fund.
Increases the Hula Mae multifamily revenue bond authorization to
\$500,000,000. (SB3174 SD2)

