

JAN 23 2009

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the sudden and
2 disastrous economic downturn in Hawaii will result in both
3 renters and homeowners losing their homes. Of the current
4 mortgages in Hawaii, 10.9 per cent are with subprime lenders,
5 and the number of foreclosures have tripled since the same time
6 last year. That number is expected to rise as the effects of
7 the subprime lending collapse take hold.

8 This situation is further exacerbated by job losses and
9 cutbacks in hours of work. With housing costs in Hawaii already
10 among the highest in the nation, families that had been making
11 ends meet with multiple jobs, may no longer be able to do so.
12 In addition, cutbacks in the construction industry will also
13 impact the available housing market.

14 The legislature further finds that state estimates project
15 that in addition to an annual average of seventeen thousand
16 homeless people in Hawaii, there are over ninety-six thousand
17 people who are "hidden homeless", living with others and unable



1 to rent on their own. Beyond this, the State estimates that two
2 hundred sixty-two thousand residents are at risk of homelessness
3 - these are the people who would become homeless in less than
4 three months if they lost their primary source of income.

5 The purpose of this Act is to help people remain in their
6 homes by establishing a shelter in place pilot program.

7 SECTION 2. (a) The Hawaii housing finance and development
8 corporation shall establish a shelter in place pilot program to
9 provide a subsidy, including grants, loans, and no-interest
10 loans, to low- and moderate-income homeowners and renters that
11 are at risk of losing their home or rental due to a job loss or
12 loss of work hours.

13 (b) An eligible homeowner or renter may receive
14 per cent of the monthly mortgage or rental payment, not to
15 exceed \$ for a period not to exceed months,
16 while engaged in looking for additional work or moving into a
17 less expensive housing alternative. Homeowners or renters who
18 receive subsidy payments may be required to provide hours
19 of volunteer service time to a Hawaii nonprofit agency that
20 provides housing related services. The corporation shall
21 determine the number of hours required to be served, based on



1 the subsidy amounts, and shall maintain a list of nonprofit
2 housing service related agencies.

3 (c) The authority shall submit an annual report to the
4 legislature no later than twenty days prior to the convening of
5 the regular sessions of 2010 and 2011 on the status of the
6 shelter in place pilot program, including the number of
7 individuals and families served, the amounts of subsidies
8 awarded, and the amounts of volunteer hours served.

9 SECTION 3. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so
11 much thereof as may be necessary for fiscal year 2009-2010 and
12 the same sum or so much thereof as may be necessary for fiscal
13 year 2010-2011 for the shelter in place pilot program.

14 The sums appropriated shall be expended by the Hawaii
15 housing finance and development corporation for the purposes of
16 this Act.

17 SECTION 4. This Act shall take effect on July 1, 2009.

18

INTRODUCED BY: Norman Sakema



Report Title:

Housing; Shelter in Place Pilot Program; Appropriation

Description:

Authorizes the Hawaii housing finance and development corporation to establish a shelter in place pilot program to provide a subsidy, including grants, loans, and no-interest loans, to low- and moderate-income homeowners and renters that are at risk of losing their home or rental due to a job loss or loss of work hours; appropriates moneys.

