
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 homeownership is
2 positively correlated with economic and social stability in low-
3 and moderate-income households. However, in the last fifty
4 years, the number of full time Hawaii residents who own homes
5 has steadily declined. Currently, Hawaii has the third lowest
6 homeownership rate of any state in the nation. The department
7 of business, economic development, and tourism projects that
8 Hawaii will need approximately thirty-four thousand new housing
9 units by 2025 to address the critical shortage of housing.
10 Action is needed to increase the availability of owner-occupied
11 housing to meet demand.

12 The legislature further finds that the self-help housing
13 model is a cost-effective means of assisting low-income families
14 who would otherwise not have a homeownership opportunity. Self-
15 help housing organizations leverage federal funds from the
16 United States Department of Housing and Urban Development and
17 the United States Department of Agriculture - Rural Development



1 program with low-income families' own contributions of labor to
2 build their own communities. However, an additional non-federal
3 matching funding source is needed.

4 The legislature further finds that nonprofit community
5 development financial institutions are intermediaries that
6 provide financing and technical assistance to assist self-help
7 housing organizations in the development of affordable
8 homeownership units in underserved communities. As private
9 sector organizations, community development financial
10 institutions establish and maintain revolving loan funds to
11 attract capital from the United States Department of the
12 Treasury and other public and private sources of capital in
13 order to increase the collective impact of affordable housing
14 development by self-help housing organizations. According to
15 Opportunity Finance Network, community development financial
16 institutions leverage federal funding for affordable housing and
17 community development activities at a ratio of eight-to-one.
18 Additional funding will help community development financial
19 institutions attract private and public capital for affordable
20 housing development.



1 The purpose of this Act is to establish a homeownership
 2 housing revolving fund to provide funds for the development of
 3 affordable for-sale housing projects by nonprofit community
 4 development financial institutions and nonprofit housing
 5 development organizations under a self-help housing program to
 6 facilitate greater homeownership opportunities for Hawaii
 7 residents.

8 SECTION 2. Chapter 201H, Hawaii Revised Statutes, is
 9 amended by adding a new section to part II to be appropriately
 10 designated and to read as follows:

11 "§201H- Homeownership housing revolving fund. (a)
 12 There is established a homeownership housing revolving fund to
 13 be administered by the corporation for the purpose of providing,
 14 in whole or in part, loans to nonprofit community development
 15 financial institutions and nonprofit housing development
 16 organizations for the development of affordable homeownership
 17 housing projects under a self-help housing program. Loans shall
 18 be awarded in the following order of priority:

19 (1) Projects or units in projects that are funded by
 20 programs of the United States Department of Housing
 21 and Urban Development, United States Department of



1 Agriculture Rural Development, and United States
2 Department of the Treasury community development
3 financial institutions fund, wherein:

4 (A) At least fifty per cent of the available units
5 are reserved for persons and families with
6 incomes at or below eighty per cent of the median
7 family income and of which at least five per cent
8 of the available units are for persons and
9 families with incomes at or below fifty per cent
10 of the median family income; and

11 (B) The remaining units are reserved for persons and
12 families with incomes at or below one hundred
13 twenty per cent of the median family income; and

14 (2) Mixed-income affordable for-sale housing projects or
15 units in a mixed-income affordable for-sale housing
16 project wherein all of the available units are
17 reserved for persons and families with incomes at or
18 below one hundred forty per cent of the median family
19 income.

20 (b) Moneys in the fund shall be used to provide loans for
21 the development, pre-development, construction, acquisition,



1 preservation, and substantial rehabilitation of affordable for-
2 sale housing units. Uses of moneys in the fund may include but
3 are not limited to planning, design, land acquisition, including
4 the costs of options, agreements of sale, and down payments,
5 capacity building of nonprofit housing developers, as matching
6 funds for nonprofit community development financial institutions
7 or other housing development services or activities as provided
8 in rules adopted by the corporation pursuant to chapter 91. The
9 rules may provide that money from the fund shall be leveraged
10 with other financial resources to the extent possible.

11 (c) The fund may include sums appropriated by the
12 legislature, private contributions, repayment of loans,
13 interest, other returns, and moneys from other sources.

14 (d) An amount from the fund, to be set by the corporation
15 and authorized by the legislature, may be used for
16 administrative expenses incurred by the corporation in
17 administering the fund; provided that moneys in the fund shall
18 not be used to finance day-to-day administrative expenses of the
19 projects allotted moneys from the fund.



1 (e) The corporation may provide loans under this section
2 as provided in rules adopted by the corporation pursuant to
3 chapter 91.

4 (f) The corporation shall submit a report to the
5 legislature no later than twenty days prior to the convening of
6 each regular session describing the projects funded.

7 (g) For the purposes of this section, "self-help housing
8 program" shall have the same meaning as in section 201H-151(a)."

9 SECTION 3. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so much
11 thereof as may be necessary for fiscal year 2019-2020 to be
12 deposited into the homeownership housing revolving fund
13 established under section 201H- , Hawaii Revised Statutes.

14 SECTION 4. There is appropriated out of the homeownership
15 housing revolving fund the sum of \$ or so much thereof
16 as may be necessary for fiscal year 2019-2020 for loans to
17 nonprofit community development financial institutions or
18 nonprofit organizations operating a self-help housing program
19 for the development of affordable for-sale housing projects.



1 The sums appropriated shall be expended by the Hawaii
2 housing finance and development corporation for the purposes of
3 this Act.

4 SECTION 5. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on January 1, 2050.



Report Title:

Housing; Affordable Homeownership; HHFDC

Description:

Establishes a Homeownership Housing Revolving Fund within HHFDC to provide loans to nonprofit housing development organizations and community development financial institutions for the development of affordable homeownership housing projects under a self-help housing program. (HB477 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

