
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 Hawaii has a unique
2 opportunity to address two dissimilar problems currently facing
3 many living in Hawaii. First, Hawaii's lower- and moderate-
4 income residents bear the biggest brunt of the State's housing
5 shortage due to the high costs of living and housing. Many
6 residents cannot afford to buy a home, despite being able to
7 reliably pay monthly rent in an amount nearly equivalent to a
8 monthly mortgage payment. The largest obstacle for residents is
9 being unable to save the large amount required for a
10 downpayment, leaving renters vulnerable to ever-increasing
11 rents. The second problem is that the State has difficulty
12 attracting employees, in large part due to the high cost of
13 living and inability to compete with private sector wages. This
14 creates a lack of necessary manpower in various state agencies,
15 especially with increasing proportions of state employees aging
16 and becoming eligible for retirement. A possible solution to
17 both problems is for Hawaii to adopt a loan program similar to



1 the United States Department of Veterans Affairs' home loan
2 program, which provides to any veteran who has served for a
3 specific period of time loans or guarantees to cover the cost of
4 a downpayment on a home. Hawaii could establish a similar
5 program for state employees who meet certain criteria, such as
6 having worked for the State for five years. This would provide
7 lower- and moderate-income employees the same security and
8 benefits of homeownership, while simultaneously making long-term
9 employment with the State more financially attractive and
10 desirable.

11 Accordingly, the purpose of this Act is to establish a task
12 force to examine and report on the feasibility of the State
13 establishing and operating a housing loan program for state
14 employees similar to the United States Department of Veterans
15 Affairs' home loan program.

16 SECTION 2. (a) There is established a task force within
17 the Hawaii housing finance and development corporation to
18 examine and report on the feasibility of the State establishing
19 and operating a housing loan program for state employees similar
20 to the United States Department of Veterans Affairs' home loan



1 program, including recommendations for implementation if the
2 program is deemed feasible.

3 (b) The task force shall take into consideration the
4 following when examining the eligibility of participants in a
5 housing loan program for state employees similar to that of the
6 United States Department of Veterans Affairs' home loan program:

7 (1) Length of employment with the State;

8 (2) Whether the program should be open to all state
9 employees or limited to certain categories of state
10 employees;

11 (3) Maximum income level of the applicants; and

12 (4) Whether to include non-state employees who have a
13 connection to the State, such as beneficiaries of the
14 department of Hawaiian home lands.

15 (c) The members of the task force shall include:

16 (1) The executive director of the Hawaii housing finance
17 and development corporation or the executive
18 director's designee, who shall serve as chair;

19 (2) The attorney general or the attorney general's
20 designee;

21 (3) The comptroller or the comptroller's designee;



- 1 (4) The director of finance or the director's designee;
- 2 (5) One individual appointed by the governor who shall be
- 3 exempt from section 26-34, Hawaii Revised Statutes;
- 4 (6) One individual appointed by the president of the
- 5 senate;
- 6 (7) One individual appointed by the speaker of the house
- 7 of representatives; and
- 8 (8) One representative of the Hawaii Government Employees
- 9 Association, who shall be invited to participate.

10 (d) The task force shall submit a report of its findings
 11 and recommendations, including any proposed legislation, to the
 12 legislature no later than twenty days prior to the convening of
 13 the regular session of 2020.

14 (e) The members of the task force shall serve without
 15 compensation from the State for their participation in the task
 16 force but shall be reimbursed for expenses, including travel
 17 expenses, necessary for the performance of their duties.

18 (f) The task force shall be dissolved on .

19 SECTION 3. There is appropriated out of the general
 20 revenues of the State of Hawaii the sum of \$ or so
 21 much thereof as may be necessary for fiscal year 2019-2020 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2020-2021 for the task force established by section 2 of
3 this Act to examine the feasibility of the State establishing
4 and operating a housing loan program for state employees similar
5 to the United States Department of Veterans Affairs' home loan
6 program.

7 The sums appropriated shall be expended by the Hawaii
8 housing finance and development corporation for the purposes of
9 this Act.

10 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Housing Loan Program; Veterans Affairs Loans; Task Force;
Feasibility Study; Appropriation

Description:

Establishes a task force within the Hawaii Housing Finance and Development Corporation to examine and report on the feasibility of the State establishing and operating a housing loan program for state employees similar to the United States Department of Veterans Affairs' home loan program. Makes an appropriation. Effective 7/1/2050. (SD2)

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