
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 PART I

2 SECTION 1. The legislature finds that certain published
3 research indicates that Hawaii residents have among the highest
4 per capita debt in the United States. According to a study
5 conducted by the online lending company LendingTree, Hawaii
6 residents rank eighth in the country when it comes to per capita
7 debt, at \$40,700. High debt is largely attributable to credit
8 card debt, with ninety per cent of Hawaii residents having
9 credit cards and an average balance of \$4,489, and has an impact
10 on a resident's ability to qualify for home loans or to have the
11 necessary down payment for home purchasing.

12 The legislature further finds that one strategy to improve
13 the potential for more Hawaii residents to become homeowners is
14 a mix of financial aid and financial education for low-income
15 families. This strategy can include education on debt reduction
16 and credit score improvement and financial aid to assist in



1 making down payments for a home. Such strategies can help lead
2 low-income families to achieving the purchase of their own home.

3 The purpose of this part is to require the Hawaii housing
4 finance and development corporation to implement the homebuyers'
5 club program and provide financial aid to the program's
6 participants.

7 SECTION 2. Section 201H-171, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§201H-171 Homebuyers' club program.** (a) The corporation
10 shall establish a homebuyers' club program for participants who
11 ~~[are desirous of purchasing]~~ desire to purchase a home and who
12 have adequate incomes but who lack sufficient funds for the
13 downpayment and closing costs. The primary focus of this
14 program is to facilitate the purchase of homes by providing
15 participants with financial aid and strategies to save money, to
16 resolve credit problems, and to educate participants on how to
17 shop for and purchase a home.

18 (b) The corporation shall provide financial aid to
19 participants using loans or other means of financial aid to pay
20 for down payments and other costs associated with the purchase
21 of a home; provided that a homeownership education program



1 approved by the corporation shall be completed before any
2 financial aid is administered by the corporation to a
3 participant; provided further that upon purchasing a home, the
4 participant shall report to a designated agent of the
5 corporation to ensure timely payments for loans made under this
6 section.

7 ~~(b)~~ (c) In establishing such a program, the corporation
8 shall adopt rules pursuant to chapter 91 relating to
9 establishing a savings program for participants based upon
10 individual analyses of income and family expenses. The rules
11 may also provide for integration of the homebuyers' club program
12 with other governmental programs including but not limited to
13 individual housing accounts under section 235-5.5, the state
14 mortgage guarantee program under subpart E, the downpayment loan
15 assistance program established under subpart F, and the rent-to-
16 own program established under subpart H.

17 ~~(e)~~ (d) The corporation may secure the services of
18 another public or private entity to carry out the purposes of
19 this section.



1 (e) There is established within the corporation a full-
2 time, permanent position, subject to chapter 76 and 89, to
3 assist with the administration of the homebuyers' club program."

4 SECTION 3. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2020-2021 for
7 the homebuyers' club program and one full-time equivalent (1.00
8 FTE) permanent position to assist with the administration of the
9 homebuyers' club program.

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

13 PART II

14 SECTION 4. The legislature finds that many individuals and
15 families who have received financial assistance to exit
16 homelessness or prevent themselves from becoming homeless often
17 have difficulty maintaining self-sufficiency for more than one
18 to two years. Homeless service providers often provide case
19 management support for a short-term period following the
20 provision of financial rental assistance. However, short-term
21 case management is often not enough, and a longer term of follow



1 up and availability of case management, including counseling and
2 financial education, for low-income renters will help to secure
3 long-term housing and reduce recidivism.

4 The legislature further finds that homeless service
5 providers see households return to homelessness or fall into
6 arrears with rent and utilities within one to two years after
7 assistance is provided. Long-term case management support for
8 all types of households who have received homeless prevention
9 services, including housing first, transitional shelters, rapid
10 rehousing, and housing placement programs, provides clients with
11 the guidance and motivation to maintain housing wellness. Each
12 household may require different levels of case management, which
13 may be determined by a holistic assessment.

14 Accordingly, the purpose of this part is to authorize and
15 appropriate funds for the department of human services to offer
16 long-term case management for low-income individuals and
17 families and individuals and families who were homeless or at-
18 risk for homelessness and accept financial aid offered by the
19 department of human services for rent.



1 SECTION 5. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§346- Long-term case management; housing stability.

5 (a) To ensure that individuals and families maintain self
6 sufficiency and stable housing in the long term, the department
7 may offer long-term case management services to low-income
8 individuals and families and individuals and families who were
9 homeless or at-risk for homelessness and accept financial aid
10 offered by the department, including rental assistance, for the
11 payment of rent.

12 (b) In providing long-term case management services, the
13 department may include financial counseling and education as
14 part of the case management services.

15 (c) The department may adopt rules, pursuant to chapter
16 91, necessary for the purposes of this section, including the
17 establishment of eligibility requirements and applicant
18 qualifications."

19 SECTION 6. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$2,500,000 or so much



1 thereof as may be necessary for fiscal year 2020-2021 to provide
2 long-term case management services as authorized by this part.

3 The sum appropriated shall be expended by the department of
4 human services for the purposes of this part.

5 PART III

6 SECTION 7. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 8. This Act shall take effect on July 1, 2025;
9 provided that sections 3 and 6 shall take effect on July 1,
10 2020.



Report Title:

Homebuyers' Club Program; Financial Aid; Long-term Case Management; Appropriation

Description:

Requires HHFDC to establish a homebuyers' club program and provide financial aid to participants. Establishes a full-time permanent position to administer the program. Authorizes DHS to offer long-term case management for low-income individuals and families and individuals and families that are were homeless or at-risk for homelessness and accept financial aid for rent. Appropriates funds. Takes effect on 7/1/2025. (HD1)

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

