

JAN 18 2019

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 cost of living and high housing cost.
6 Many residents cannot afford to buy a home, despite being able
7 to 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 VA home loan
2 program, which provides loans or guarantees to cover the cost of
3 a downpayment to any veteran who has served for a specific
4 period of time. Hawaii could establish a similar program for
5 state employees who meet certain criteria, such as having worked
6 for the State for five years. This would provide lower- and
7 moderate-income employees the same security and benefits of
8 homeownership, while simultaneously making long-term employment
9 with the State more financially attractive and desirable.

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

15 SECTION 2. (a) There is established a task force within
16 the Hawaii housing finance and development corporation to
17 examine and report on the feasibility of the State of Hawaii
18 establishing and operating a housing loan program for state
19 employees similar to that of the United States Department of
20 Veterans Affairs VA home loan program, including recommendations
21 for implementation if the program is deemed feasible.



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

6 (1) Length of employment with the State;
7 (2) Whether the program should be open to all state
8 employees or limited to certain categories of state
9 employees;

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

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

14 (c) The task force shall include but not be limited to the
15 following members:

16 (1) The director of finance or the director's designee;

17 (2) The attorney general or the attorney general's
18 designee;

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

20 (4) The executive director of the Hawaii housing finance
21 and corporation or the executive director's designee;



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1 (5) One individual appointed by the governor who shall be
2 exempt from section 26-34, Hawaii Revised Statutes;

3 (6) One individual appointed by the president of the
4 senate; and

5 (7) One individual appointed by the speaker of the house
6 of representatives.

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

11 (e) The task force shall be dissolved on .

12 SECTION 3. 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 2019-2020 and
15 the same sum or so much thereof as may be necessary for fiscal
16 year 2020-2021 for the task force established by section 2 of
17 this Act to examine the feasibility of the State of Hawaii
18 establishing and operating a housing loan program for state
19 employees similar to that of the United States Department of
20 Veterans Affairs VA home loan program.



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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 4. This Act shall take effect on July 1, 2019.

5

INTRODUCED BY: *Kama Tani*



S.B. NO. 1050

Report Title:

Housing Loan Program; VA 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 of Hawaii establishing and operating a housing loan program for state employees similar to the United States Department of Veterans Affairs VA home loan program. Makes an appropriation.

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