
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 faces a
2 severe housing crisis, marked by high costs and a lack of
3 supportive services for vulnerable populations. Despite
4 emergency proclamations aimed at accelerating housing
5 development, essential support mechanisms for asset limited,
6 income constrained, employed (ALICE) households, or households
7 with income above the federal poverty line but below the basic
8 cost of living, and those below this threshold remain
9 insufficient. In 2022, 40.5 per cent of Hawaii households were
10 cost-burdened, spending more than thirty per cent of their
11 income on housing, compared to the national average of 32.5 per
12 cent. Moreover, approximately forty-eight per cent of Hawaii's
13 households fall into the ALICE category or below, struggling to
14 meet basic needs due to high living costs and stagnant wages.

15 The legislature further finds that housing counseling
16 agencies certified by the United States Department of Housing
17 and Urban Development (HUD) provide critical services that



1 empower individuals and families to achieve and sustain housing
2 stability. These services include:

3 (1) Financial education workshops that cover budgeting,
4 credit management, and financial planning;

5 (2) Homebuyer and renter education that prepares clients
6 for the responsibilities of homeownership or tenancy;

7 (3) One-on-one counseling that offers personalized
8 guidance to improve financial health and housing
9 readiness; and

10 (4) Eviction and foreclosure intervention that assists
11 clients in crisis to avoid displacement.

12 These services are essential for preventing homelessness and
13 promoting long-term housing stability, especially for low-income
14 populations.

15 The legislature believes that investing in HUD-certified
16 housing counseling services is a strategic and proactive
17 approach to addressing Hawaii's housing crisis. These services
18 empower residents with the knowledge and resources needed to
19 secure and maintain affordable housing, reducing the risk of
20 eviction, foreclosure, and homelessness. By equipping
21 individuals and families with critical financial education,



1 counseling on credit, and assistance navigating housing options,
2 the State can help support a more stable and resilient
3 community.

4 The legislature also finds that housing counseling can
5 assist ALICE households to create housing related goals,
6 identify resources available to attain those goals, and develop
7 action plans to have a safe and decent home in Hawaii, whether
8 through renting or purchasing. Housing counseling can help
9 families currently on public assistance as well as those on the
10 waitlist for public assistance. Many families on public
11 assistance are afraid to advance in their careers or accept
12 additional employment for fear of losing the funds received for
13 rent and food due to income limits for these programs, which
14 hinders their contribution to the workforce needs in the greater
15 community, as well as the opportunity for them to transition off
16 public assistance and allow another needy family to access
17 government resources. Housing counseling provides support to
18 develop an action plan and gain confidence to transition from
19 utilizing public assistance to self-sustainability, allowing
20 limited government resources to help more households, while



1 filling vacant positions as these individuals start working to
2 their full potential.

3 Accordingly, the purpose of this Act is to appropriate
4 funds to the Hawaii housing finance and development corporation
5 to enhance the capacity of Hawaii's HUD-certified housing
6 counseling agencies to provide housing counseling, renter
7 education, homebuyer education, and eviction and foreclosure
8 intervention to ALICE households.

9 SECTION 2. The Hawaii housing finance and development
10 corporation shall submit a report of its findings and
11 recommendations regarding housing counseling agencies that
12 received funds pursuant to section 3 of this Act, including:

- 13 (1) The number of clients served by each housing
14 counseling agency;
- 15 (2) The specific types of counseling and education
16 services delivered;
- 17 (3) The outcomes achieved by clients who have received
18 housing counseling services, such as:
- 19 (A) Increases in financial knowledge;
- 20 (B) If their current housing situation fits their
21 housing needs;



- 1 (C) If they created a financial plan; and
- 2 (D) If they have access to the resources to reach
- 3 those goals; and

4 (4) Any proposed legislation,
5 to the legislature no later than November 1, 2027.

6 SECTION 3. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$2,500,000 or so much
8 thereof as may be necessary for fiscal year 2025-2026 and the
9 same sum or so much thereof as may be necessary for fiscal year
10 2026-2027 for the Hawaii housing finance and development
11 corporation to allocate to housing counseling agencies certified
12 by the United States Department of Housing and Urban Development
13 to:

- 14 (1) Expand outreach by reaching underserved communities
- 15 across the State;
- 16 (2) Enhance service delivery by providing timely and
- 17 effective counseling to prevent housing crises; and
- 18 (3) Support households with an income at or below one
- 19 hundred forty per cent of the area median income, also
- 20 known as asset limited, income constrained, employed,
- 21 or ALICE, households.



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, 2025.

5

INTRODUCED BY:

Nathan K. Peltan

JAN 23 2025



H.B. NO. 1428

Report Title:

HHFDC; Housing Counseling Agencies; ALICE Households

Description:

Appropriates funds for the Hawaii Housing Finance and Development Corporation to allocate to housing counseling agencies certified by the United States Department of Housing and Urban Development to provide housing counseling services. Requires a report to the Legislature regarding services provided by the housing counseling agencies.

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