
A BILL FOR AN ACT

RELATING TO SOCIAL SERVICES.

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

1 SECTION 1. The legislature finds that the federal section
2 8 homeownership option program and the federal housing choice
3 voucher family self-sufficiency program provide unique
4 opportunities for low- and moderate-income earners to save and
5 pay for homeownership. The section 8 homeownership option
6 program provides continued monthly homeownership assistance
7 payments to qualified section 8 housing choice voucher program
8 participants to help reduce their monthly mortgage payments, as
9 well as, pay for other monthly homeownership expenses in lieu of
10 rental payments.

11 The housing choice voucher family self-sufficiency program
12 provides funds to public housing agencies to hire coordinators
13 to help participating families set a plan for employment,
14 education, and possibly homeownership. A baseline rent is
15 established in the first year. As a family's income increases,
16 the family continues to pay a percentage of its income toward
17 rent, and the difference between its new rental payment and its



1 baseline rent is deposited into an escrow account that can be
2 applied towards the goals in the plan.

3 The purpose of this Act is to increase low- and moderate-
4 income families' homeownership by:

5 (1) Appropriating funds to:

6 (A) Increase outreach to increase enrollment in the
7 section 8 homeownership option and the housing
8 choice voucher family self-sufficiency programs;

9 (B) Increase administrative support for both of the
10 programs;

11 (C) Provide matching grants or loan forgiveness to
12 section 8 homeownership option program
13 participants to help with down payments; and

14 (D) Provide additional state matches to housing
15 choice voucher family self-sufficiency program
16 participants to help participants build
17 homeownership savings; and

18 (2) Exempting family self-sufficiency escrow accounts from
19 the asset test for public assistance.

20 SECTION 2. Section 346-29, Hawaii Revised Statutes, is
21 amended as follows:

22 1. By amending subsection (b) to read:



1 "(b) No applicant or recipient who is found guilty of
2 fraudulently misrepresenting residence to obtain assistance in
3 two or more states shall be entitled to public assistance under
4 this chapter for ten years from date of conviction. No
5 applicant or recipient shall be entitled to public assistance
6 under this chapter who is a fugitive felon or who is in
7 violation of a condition of probation or parole or has
8 sufficient income or other resources to provide a standard above
9 that provided in this chapter, or who is an inmate of any public
10 institution, except that any inmate of a public institution who
11 is otherwise eligible for medical assistance and who has been
12 determined by the medical director of the institution as having
13 a major illness or medical condition requiring the provision of
14 medical care outside of the institution may receive assistance
15 under this chapter. An inmate of a public institution or
16 resident of a medical institution may apply for assistance to
17 begin after the inmate's discharge from the institution. In
18 determining the needs of an applicant or recipient for public
19 assistance by the department, the department shall:

20 (1) Disregard the amounts of earned or unearned income as
21 required or allowed by federal acts and other
22 regulations, to receive federal funds and disregard



1 from gross earned income twenty per cent plus \$200 and
2 a percentage of the remaining balance of earned income
3 consistent with federal regulations and other
4 requirements;

5 (2) Consider as net income in all cases the income as
6 federal acts and other regulations require the
7 department to consider for receipt of federal funds
8 and may consider the additional income and resources
9 as these acts and regulations permit [~~now or in the~~
10 ~~future,~~] to be considered;

11 (3) For households with minor dependents, disregard a
12 total of \$5,000 in assets and the value of one motor
13 vehicle in determining the needs of persons for
14 financial assistance; provided that the amount to be
15 disregarded shall not exceed standards under [~~the~~
16 ~~department's~~] federally funded financial assistance
17 programs. This paragraph shall not apply to persons
18 eligible for federal [~~Supplemental Security Income~~]
19 supplemental security income benefits, aid to the
20 aged, blind or disabled, or general assistance to
21 households without minor dependents. In determining
22 the needs of [~~such~~] persons eligible for federal



1 supplemental security income benefits aid to the aged,
2 blind or disabled, or general assistance to households
3 without minor dependents, the department shall apply
4 all the resource retention and exclusion requirements
5 under the federal [~~Supplemental Security Income~~
6 ~~Program;~~] supplemental security income program;

7 (4) Apply the resource retention requirements under the
8 federal [~~Supplemental Security Income Program~~]
9 supplemental security income program in determining
10 the needs of a single person for medical assistance
11 only;

12 (5) Apply the resource retention requirements under the
13 federal [~~Supplemental Security Income Program~~]
14 supplemental security income program in determining
15 the needs of a family of two persons for medical
16 assistance only and an additional \$250 for each
17 additional person included in an application for
18 medical assistance only;

19 (6) Disregard amounts of emergency assistance granted
20 under section 346-65;

21 (7) Not consider as income or resources any payment for
22 services to or on behalf of, or any benefit received



1 by, a participant under the first to work program of
2 part XI, other than wages. Wages earned by a
3 participant while participating in the first to work
4 program shall be considered income of the participant,
5 unless the wages are excluded or disregarded under any
6 other law;

7 (8) Not consider as income or resources payment made to
8 eligible individuals, eligible surviving spouses,
9 surviving children or surviving parents as specified
10 under Title I of the Civil Liberties Act of 1988,
11 Public Law 100-383, which made restitution to
12 individuals of Japanese ancestry who were interned
13 during World War II;

14 (9) Allow the community spouse of an individual residing
15 in a medical institution to maintain countable
16 resources to the maximum allowed by federal statutes
17 or regulations with provisions for increases, as
18 allowed by the Secretary of Health and Human Services
19 by means of indexing, court order, or fair hearing
20 decree, without jeopardizing the eligibility of the
21 institutionalized spouse for medical assistance;



1 (10) Allow an individual residing in a medical institution
2 to contribute toward the support of the individual's
3 community spouse, thereby enabling the community
4 spouse to maintain the monthly maximum income allowed
5 by federal statutes or regulations, with provisions
6 for increases as allowed by the Secretary of Health
7 and Human Services by means of indexing, court order,
8 or fair hearing decree; [~~and~~]

9 (11) Consider the transfer of assets from the applicant's
10 name to another name within the specified time period
11 as required by federal regulations, known as the
12 "lookback" period, prior to the application for
13 medical assistance for care in a nursing home or other
14 long-term care facility. Pursuant to rules adopted
15 under chapter 91, the director may attribute any
16 assets that have been transferred within the required
17 federal "lookback" period from the applicant if the
18 director determines that transfer of certain assets
19 was made solely to make the applicant eligible for
20 assistance under this chapter[~~-~~]; and

21 (12) Not consider as income or resources any funds
22 deposited into a family self-sufficiency escrow



1 account on behalf of a participant under a federal
 2 housing choice voucher family self-sufficiency program
 3 as required or allowed under federal law."

4 2. By amending subsection (d) to read:

5 "(d) The director shall adopt rules pursuant to chapter 91
 6 defining assets and to determine eligibility for medical
 7 assistance; provided that [~~the~~]:

8 (1) The department shall not consider as income or
 9 resources any funds deposited into a family self-
 10 sufficiency escrow account on behalf of a participant
 11 under a federal housing choice voucher family self-
 12 sufficiency program as required or allowed under
 13 federal law; and

14 (2) The cash surrender value of life insurance policies
 15 owned by persons included in an application shall be
 16 treated as assets."

17 SECTION 3. There is appropriated out of the general
 18 revenues of the State of Hawaii the sum of \$, or so
 19 much thereof as may be necessary for fiscal year 2007-2008, and
 20 the same sum, or so much thereof as may be necessary for fiscal
 21 year 2008-2009, for the Hawaii public housing authority to:



- 1 (1) Increase outreach to increase enrollment in the
- 2 section 8 homeownership option and the housing choice
- 3 voucher family self-sufficiency programs;
- 4 (2) Increase administrative support for both of the
- 5 programs;
- 6 (3) Provide matching grants or loan forgiveness to section
- 7 8 homeownership option program participants to help
- 8 with down payments; and
- 9 (4) Provide additional state matches to housing choice
- 10 voucher family self-sufficiency program participants
- 11 to help participants build homeownership savings.

12 SECTION 4. The sums appropriated shall be expended by the

13 Hawaii public housing authority for the purposes of section 3 of

14 this Act.

15 SECTION 5. Statutory material to be repealed is bracketed

16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect upon its approval;

18 provided that sections 3 and 4 shall take effect on July 1,

19 2007.

20

INTRODUCED BY: 

JAN 22 2007



Report Title:

Social Services; Homeownership

Description:

Appropriates funds to expand two federal low-income homeownership programs; exempts certain escrow accounts from the asset test for public assistance.

