
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 the price of owning
2 and renting a home has risen above the ability of working
3 families who earn below fifty per cent of the median income.
4 Accordingly, increasing numbers of working families are unable
5 to find a place to live. There are now six thousand homeless
6 people in Hawaii at any one time. Moreover, family shelters are
7 full, and homeless families must wait three months or longer to
8 get into emergency or transitional shelters.

9 The legislature further finds that Habitat for Humanity
10 builds safe, decent, and affordable homes at zero interest, with
11 mortgages of \$45,000 to \$65,000, and monthly payments ranging
12 from \$300 to \$650 for families with incomes from thirty to fifty
13 per cent of the median income. Families also contribute sweat
14 equity by volunteering five hundred hours toward building their
15 own homes and homes for others. This process strengthens
16 communities by bringing together people from all walks of life
17 to participate in building affordable homes that provide a



1 stable environment for raising children for families who might
2 otherwise become homeless.

3 Hawaii Habitat for Humanity has established a statewide
4 Fund for Humanity, a revolving loan fund that makes zero
5 interest loans to the seven home-building Habitat for Humanity
6 affiliates across the islands. Habitat affiliates are found in
7 Honolulu and Leeward Oahu, Hilo and Kona on the Big Island,
8 Maui, Kauai, and Molokai. A grant from the State would provide
9 two hundred loans at \$20,000 per home. These zero interest
10 loans would each leverage approximately \$40,000 in additional
11 funds per home. Leveraged funds come from other major donors,
12 churches, and a variety of fundraising activities. A grant
13 would also assist in leveraging land at no cost from the State,
14 the counties, and the department of Hawaiian home lands. On
15 twenty-year mortgages, the \$20,000 loans will be repaid at the
16 rate of \$1,000 per year per home. Within ten years, the
17 repayments will be able to fund another one hundred homes for
18 \$2,000,000 and in twenty years, the loan repayment will have
19 funded another two hundred homes for low-income families.

20 Each home also leverages five hundred hours of sweat equity
21 from new homeowners and a total of approximately seven thousand
22 hours of community building labor. The legislature finds that



1 the total cost of \$1,400,000 to prevent homelessness of at-risk
2 working families is far less than the cost of providing shelter
3 for those families or of building affordable rental units.

4 SECTION 2. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$700,000, or so much
6 thereof as may be necessary for fiscal year 2007-2008, and the
7 same sum, or so much thereof as may be necessary for fiscal year
8 2008-2009, as a grant pursuant to chapter 42F, Hawaii Revised
9 Statutes, to the Hawaii Habitat for Humanity to fund the
10 building of two hundred homes, capacity building for Habitat
11 affiliates, and administrative costs pursuant to this Act.

12 The sums appropriated shall be expended by the Hawaii
13 housing finance and development corporation for the purposes of
14 this Act.

15 SECTION 5. This Act shall take effect on July 1, 2007

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INTRODUCED BY: 

JAN 18 2007



Report Title:

Housing; Habitat for Humanity; Grant

Description:

Appropriates \$1,400,000 to Habitat for Humanity as a grant to build 200 self-help ownership homes in the State.

