
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. Chapter 201H, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART . ELDERLY HOUSING RENOVATION REVOLVING LOAN FUND**

5 **§201H- Purpose.** The legislature finds that many elderly
6 persons own older dwellings that require renovations to comply
7 with building, electrical, and plumbing codes. These
8 renovations are costly and are for the most part, unaffordable
9 for many elderly on fixed income. The cost of these essential
10 residential renovations, however, is far less than the
11 alternative of institutional care for the elderly. Assisting
12 elderly residents with essential residential repairs also
13 ensures that the State's housing inventory is in compliance with
14 building, electrical, and plumbing codes.

15 The purpose of this part is to assist elderly homeowners to
16 renovate their residences to provide safe dwellings and allow
17 them to maintain an independent lifestyle.



1 **§201H- Elderly housing renovation revolving loan fund.**

2 (a) There is created an elderly housing renovation revolving
3 loan fund to be administered by the corporation. The revolving
4 loan fund shall be separate from all other funds under this
5 chapter and shall provide low interest loans to eligible elderly
6 persons to repair their residences; provided that the maximum
7 loan amount shall be \$ per residence occupied by an
8 eligible elderly person.

9 (b) Loans provided under this section shall be used by
10 loan recipients to renovate their residences to remediate unsafe
11 living conditions and to comply with building, electrical, or
12 plumbing codes, or any combination thereof.

13 (c) Any funds appropriated for, or received or collected
14 by the corporation for the purpose of the elderly housing
15 renovation revolving loan fund shall be used for the revolving
16 loan fund; provided that interest earned on moneys in the
17 revolving loan fund may be used by the corporation to administer
18 the revolving loan fund.

19 **§201H- Fund administration.** (a) The corporation shall
20 establish the terms and conditions of the elderly housing
21 renovation revolving loan fund, including loan maturity,
22 interest rates, collateral, monetary penalties, and other

1 requirements for the revolving loan fund; provided that an
2 eligible applicant shall:

3 (1) Be fifty-five years of age at the time of the loan
4 application, or at least one of the applicants in the
5 case of a married couple or parties to a reciprocal
6 beneficiary relationship shall meet this requirement;

7 (2) Earn an annual gross income that does not exceed
8 \$, in the case of a single applicant, or
9 \$, in the case of a married couple or parties
10 to a reciprocal beneficiary relationship;

11 (3) Have resided continuously within the residence (for
12 which the loan is being applied) for at least
13 years immediately preceding the date of the loan
14 application; or at least one of the applicants in the
15 case of a married couple or parties to a reciprocal
16 beneficiary relationship shall meet this requirement;
17 and

18 (4) Agree as part of the terms of the loan agreement to
19 continue to reside in the renovated residence for at
20 least years, beginning from the date the
21 corporation determines the renovations have been
22 completed.



1 (b) Any person who fails to meet the terms under
2 subsection (a)(4) or vacates or sells the person's interest in a
3 dwelling renovated with funds obtained under this section shall
4 be subject to a penalty equal to the compounded difference
5 between the interest rate charged by the corporation under the
6 revolving loan fund loan and the average of the interest rates
7 for a similar loan charged by the three largest banks chartered
8 to do business in the State at the time the loan provided under
9 this part was approved. The corporation may waive the penalty
10 authorized under this subsection for good cause as determined by
11 the corporation.

12 (c) The corporation may take all necessary actions to
13 collect any delinquent loan amounts for default on any principal
14 or interest on any loans made from the elderly housing
15 renovation revolving loan fund and to otherwise secure the loans
16 in a manner that affords reasonable protection of the State's
17 interests. The corporation may enter into agreements or
18 purchase services required for the purposes of the elderly
19 housing renovation revolving fund loan including holding loan
20 payments in any state or national bank authorized to do business
21 in the State.



1 **§201H- Rules.** The corporation, in consultation with the
 2 appropriate county agencies with jurisdiction over building,
 3 electrical, and plumbing codes, shall adopt rules in accordance
 4 with chapter 91 for the purposes of this part.

5 **§201H- Additional powers.** The powers conferred upon the
 6 corporation by the elderly housing renovation revolving loan
 7 fund shall be in addition and supplemental to the powers
 8 conferred by any other law, and nothing herein shall be
 9 construed as limiting any powers, rights, privileges, or
 10 immunities so conferred."

11 SECTION 2. There is appropriated out of the general
 12 revenues of the State of Hawaii the sum of \$, or so
 13 much thereof as may be necessary for fiscal year 2007-2008, and
 14 the same sum, or so much thereof as may be necessary for fiscal
 15 year 2008-2009, for deposit into the elderly housing renovation
 16 revolving loan fund established under section 1 of this Act.

17 SECTION 3. The sum appropriated shall be expended by the
 18 Hawaii housing finance and development corporation for the
 19 purposes of this Act.

20 SECTION 4. This Act shall take effect on July 1, 2007.

21

Calvin K. Ay
 HB LRB 07-0432.doc


INTRODUCED BY: *Mele Carroll*
Tony Watts *Maui Blue*

Tom Brown

Wm. Snow

A. J. Q.

Paul Dwyer
K. H.

Kirk Caldwell

Paul Dwyer

JAN 19 2007



Report Title:

Low Interest Loan Program; Elderly Housing Renovations

Description:

Establishes a low interest loan program for persons who are at least 55 years of age who meet income and occupancy qualifications to repair their homes to comply with building, electrical, and plumbing codes.

