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# 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 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 SECTION 3. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$1 or so much thereof  
6 as may be necessary for fiscal year 2007-2008 and the same sum  
7 or so much thereof as may be necessary for fiscal year 2008-2009  
8 for the Hawaii public housing authority to:

- 9 (1) Increase outreach to increase enrollment in the  
10 section 8 homeownership option and the housing choice  
11 voucher family self-sufficiency programs;
- 12 (2) Increase administrative support for both of the  
13 programs;
- 14 (3) Provide matching grants or loan forgiveness to section  
15 8 homeownership option program participants to help  
16 with down payments; and
- 17 (4) Provide additional state matches to housing choice  
18 voucher family self-sufficiency program participants  
19 to help participants build homeownership savings.

20 SECTION 4. The sums appropriated shall be expended by the  
21 Hawaii public housing authority for the purposes of section 3 of  
22 this Act.



1 SECTION 5. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3 SECTION 6. This Act shall take effect on July 1, 2020.



**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. (SD1)

