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# A BILL FOR AN ACT

RELATING TO TEACHER HOUSING.

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

1 SECTION 1. Due to a critical teacher and educational staff  
2 shortage, the legislature finds that there is a pressing need to  
3 provide housing assistance to assist in the recruitment and  
4 retention of public school teachers and other educational staff.

5 The purpose of this Act is to create an incentive program  
6 that provides housing for teachers and other educational staff  
7 at affordable prices.

8 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
9 amended by adding three new sections to part III, subpart E, to  
10 be appropriately designated and to read as follows:

11 "§302A- Teachers' affordable housing program. (a)

12 There is established an affordable housing program for qualified  
13 teachers and other educational staff of the department to be  
14 administered by the Hawaii housing finance and development  
15 corporation.

16 (b) The Hawaii housing finance and development corporation  
17 shall make available an interest in residential properties to



1 qualified teachers and other educational staff for purchase at  
2 twenty per cent of the current fair market values of the  
3 properties. Fair market value shall equal that of comparable  
4 residential properties sold in the surrounding area as  
5 determined from tax assessed valuation.

6 (c) Under this program, the qualified teacher or  
7 educational staff member shall pay property taxes on the  
8 property's current full market value at the rate established by  
9 the county governments responsible for property tax assessments.

10 (d) The qualified teacher or educational staff member  
11 under this program shall be solely responsible for securing a  
12 mortgage, and paying principal and interest, mortgage insurance,  
13 maintenance, and other associated costs on the residential  
14 property.

15 (e) The Hawaii housing finance and development corporation  
16 shall adopt rules pursuant to chapter 91 to carry out this  
17 section.

18 **§302A- Qualifications for teachers' affordable housing**  
19 **program.** (a) An individual shall be eligible to participate in  
20 the program if the individual is a qualified teacher or  
21 educational staff member who:



1       (1) Is in active and full-time employment in the Hawaii  
2           public school system; and

3       (2) Resides on the property purchased under this subpart  
4           as the teacher or educational staff member's permanent  
5           and primary residence for at least nine months in a  
6           twelve-month period.

7       (b) No teacher or educational staff member who owns a  
8       residential property elsewhere shall be eligible to purchase a  
9       residential property under this subpart. A teacher or  
10       educational staff member shall be deemed to own a residential  
11       property if the teacher or educational staff member, the  
12       teacher's or educational staff member's spouse, or both (unless  
13       separated and living apart under a decree of a court of  
14       competent jurisdiction) own a majority interest in a residential  
15       property.

16       §302A- Occupation of residential property by teacher and  
17       spouse upon termination of service, retirement, death, or  
18       divorce.

19       (a) If the qualified teacher or educational staff  
20       member is terminated from service with ten years or less of  
21       service with the department, the teacher or educational staff  
22       member shall vacate the residential property. Twenty per cent  
      of the fair market value of the property at the time of the



1 purchase of the property by the teacher or educational staff  
2 member shall be returned to the teacher or educational staff  
3 member.

4 (b) If the qualified teacher or educational staff member  
5 is terminated from service with more than ten years of service  
6 with the department, the teacher or educational staff member  
7 shall vacate the residential property. Twenty per cent of the  
8 fair market value of the property at the time of termination  
9 shall be returned to the teacher or educational staff member.

10 (c) If the qualified teacher or educational staff member  
11 retires from the public school system and does not reside in the  
12 property for at least nine months in a twelve-month period, the  
13 property shall be sold back to the State at fair market value.  
14 Twenty per cent of the fair market value of the property at the  
15 time of the sale shall be returned to the teacher or educational  
16 staff member.

17 (d) The surviving spouse of a deceased qualified teacher  
18 or educational staff member may live in the home until the  
19 surviving spouse's death. Upon the death of both the qualified  
20 teacher or educational staff member, and the spouse, twenty per  
21 cent of the fair market value of the property at the time of  
22 death of the teacher or educational staff member, or spouse,



1 whichever is later, shall be paid to the teacher's or  
2 educational staff member's estate.

3 (e) If the qualified teacher or educational staff member  
4 is divorced from the teacher's or educational staff member's  
5 spouse, the residential property shall be divided in accordance  
6 with section 580-47. If the qualified teacher or educational  
7 staff member has lived on the property for ten years or less,  
8 the teacher or educational staff member shall be entitled to  
9 twenty per cent of the fair market value of the property at the  
10 time of the purchase of the property by the teacher or  
11 educational staff member. If the qualified teacher or  
12 educational staff member has lived on the property for more than  
13 ten years, the teacher or educational staff member shall be  
14 entitled to twenty per cent of the fair market value of the  
15 property at the time of the divorce."

16 SECTION 3. Section 302A-831, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[~~+~~]**§302A-831**[~~+~~] **Purpose.** The purpose of this subpart is  
19 to transfer the administration of the teachers' housing program  
20 from the [~~housing and community development corporation of~~]  
21 Hawaii housing finance and development corporation to the  
22 department [~~of education~~]. This subpart [~~also~~] establishes a



1 revolving fund for the accounting and control of receipts and  
2 disbursements in connection with the [~~department of education's~~]  
3 department's functions of planning, constructing, purchase,  
4 repairing, maintaining, and operating housing programs for  
5 teachers employed and assigned by the department [~~of education~~].  
6 This subpart also establishes an affordable housing program for  
7 teachers to purchase an interest in residential property."

8 SECTION 4. Section 302A-833, Hawaii Revised Statutes, is  
9 amended by amending subsection (b) to read as follows:

10 "(b) The revolving fund may be used by the department [~~of~~  
11 ~~education~~] for any and all of the purposes of teachers' housing,  
12 including the planning, construction, purchase, maintenance, and  
13 operation of teachers' housing, as well as for the salaries of  
14 the necessary personnel in charge thereof."

15 SECTION 5. Section 302A-834, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "[~~+~~§302A-834[~~+~~] **Annual statements.** The department [~~of~~  
18 ~~education~~] shall annually prepare for the director of human  
19 services and the director of finance a full, detailed  
20 description and financial statement of the planning,  
21 construction, purchasing, repair, maintenance, and operation of  
22 teachers' housing."



1 SECTION 6. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ for  
3 fiscal year 2007-2008 and the same sum for fiscal year 2008-2009  
4 to be deposited into the teachers' housing revolving fund.

5 SECTION 7. There is appropriated out of the teachers'  
6 housing revolving fund the sum of \$ or so much thereof  
7 as may be necessary for fiscal year 2007-2008 and the same sum  
8 or so much thereof as may be necessary for fiscal year 2008-2009  
9 for the purchase of residential properties to be used as part of  
10 the teachers' affordable housing program pursuant to chapter  
11 302A, Hawaii Revised Statutes.

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 8. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 9. This Act shall take effect on July 1, 2007.



**Report Title:**

Teachers and Other Educational Staff; Affordable Housing

**Description:**

Creates an affordable housing program to provide housing at affordable prices for qualified public school teachers and other educational staff. (HB955 HD1)

