

JAN 19 2007

A BILL FOR AN ACT

RELATING TO TEACHER HOUSING.

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

1 SECTION 1. The legislature finds that there is a pressing
2 need to provide housing assistance for the recruitment and
3 retention of teachers in the Hawaii public school system.

4 The purpose of this Act is to address the critical teacher
5 shortage in Hawaii by creating an incentive program that
6 provides housing for teachers at affordable prices and enables
7 teachers to benefit from appreciation equal to investment in the
8 purchase of a home.

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

12 "§302A- Teachers' affordable housing program. (a)
13 There is established an affordable housing program for qualified
14 teachers under this subpart to be administered by the department
15 of education.

16 (b) The department of education shall make available an
17 interest in residential properties to qualified teachers for



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

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

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

13 (e) The department shall adopt rules pursuant to chapter
14 91 to carry out this section.

15 §302A- Qualifications for teachers' affordable housing

16 program. (a) A qualified teacher shall be eligible to
17 participate in the program if the teacher:

18 (1) Is an active, full-time teacher in the Hawaii public
19 school system; and

20 (2) Resides on the property purchased under this subpart
21 as the teacher's permanent and primary residence for
22 at least nine months in a twelve-month period.



1 (b) No teacher who owns a residential property elsewhere
2 shall be eligible to purchase a residential property under this
3 subpart. A teacher shall be deemed to own a residential
4 property if the teacher, the teacher's spouse, or both (unless
5 separated and living apart under a decree of a court of
6 competent jurisdiction) own a majority interest in a residential
7 property.

8 §302A- Occupation of residential property by teacher and
9 spouse upon termination of service, retirement, death, or
10 divorce. (a) If the qualified teacher is terminated from
11 service with ten years or less of service with the department,
12 the teacher shall vacate the residential property. Twenty per
13 cent of the fair market value of the property at the time of the
14 purchase of the property by the teacher shall be returned to the
15 teacher.

16 (b) If the qualified teacher is terminated from service
17 with more than ten years of service with the department, the
18 teacher shall vacate the residential property. Twenty per cent
19 of the fair market value of the property at the time of
20 termination shall be returned to the teacher.

21 (c) If the qualified teacher retires from the public
22 school system and does not reside in the property for at least



1 nine months in a twelve-month period, the property shall be sold
2 back to the State at fair market value. Twenty per cent of the
3 fair market value of the property at the time of the sale shall
4 be returned to the teacher.

5 (d) The surviving spouse of a deceased qualified teacher
6 may live in the home until the surviving spouse's death. Upon
7 the death of both the qualified teacher and the spouse, twenty
8 per cent of the fair market value of the property at the time of
9 death of the teacher or spouse, whichever is later, shall be
10 paid to the teacher's estate.

11 (e) If the qualified teacher is divorced from the
12 teacher's spouse, the residential property shall be divided in
13 accordance with section 580-47. If the qualified teacher has
14 lived on the property for ten years or less, the teacher shall
15 be entitled to twenty per cent of the fair market value of the
16 property at the time of the purchase of the property by the
17 teacher. If the qualified teacher has lived on the property for
18 more than ten years, the teacher shall be entitled to twenty per
19 cent of the fair market value of the property at the time of the
20 divorce."

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



1 " [†] §302A-831 [†] **Purpose.** The purpose of this subpart is
2 to transfer the administration of the teachers' housing program
3 from the housing and community development corporation of Hawaii
4 to the department of education. This subpart [~~also~~] establishes
5 a revolving fund for the accounting and control of receipts and
6 disbursements in connection with the department of education's
7 functions of planning, constructing, purchase, repairing,
8 maintaining, and operating housing programs for teachers
9 employed and assigned by the department of education. This
10 subpart also establishes an affordable housing program for
11 teachers to purchase an interest in residential property."

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

14 "(b) The revolving fund may be used by the department of
15 education for any and all of the purposes of teachers' housing,
16 including the planning, construction, purchase, maintenance, and
17 operation of teachers' housing, as well as for the salaries of
18 the necessary personnel in charge thereof."

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

21 " [†] §302A-834 [†] **Annual statements.** The department of
22 education shall annually prepare for the director of human



1 services and the director of finance a full, detailed
2 description and financial statement of the planning,
3 construction, purchasing, repair, maintenance, and operation of
4 teachers' housing."

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

13 SECTION 7. There is appropriated out of the teachers'
14 housing revolving fund the sum of \$, or so much
15 thereof as may be necessary for fiscal year 2007-2008, and the
16 same sum, or so much thereof as may be necessary for fiscal year
17 2008-2009, for purchase of residential properties to be utilized
18 as part of the teachers' affordable housing program pursuant to
19 chapter 302A, Hawaii Revised Statutes.

20 SECTION 8. The sums appropriated shall be expended by the
21 department of education for the purposes of this Act.



1 SECTION 9. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 10. This Act shall take effect on July 1, 2007.

4

INTRODUCED BY: Norman Sakuma



Report Title:

Teacher Housing; Affordable Housing

Description:

Creates an affordable housing program for active full-time public school teachers to purchase an interest in residential properties.

