
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

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

1 SECTION 1. The legislature finds that the primary
2 responsibilities of the department of Hawaiian home lands are to
3 serve its beneficiaries and to manage its extensive land trust
4 of over two hundred thousand acres. Over one hundred thousand
5 acres or half of Hawaiian home lands are located on Hawaii
6 island.

7 The legislature further finds that beneficiaries on Hawaii
8 island face financing and lending issues that are unique to the
9 island. For example, former defense sites with extensive
10 acreage still contain unexploded ordnances. The presence of
11 these ordnances has affected the ability of beneficiaries in
12 some areas to obtain financing to purchase or construct homes,
13 and many homes and lots are sitting vacant. The legislature
14 further finds that in Keaukaha, the oldest homestead community
15 on Hawaii island, some of the homes are in need of repair.
16 However, the close proximity to Hilo international airport and
17 other industrial uses may also limit the ability of kupuna and

1 others to qualify for private financing or federal programs.
2 The legislature further finds that due to active volcanoes and
3 the lava zone rating in the Makuu area, some lessees are finding
4 it difficult to obtain homeowners insurance.

5 The legislature further finds that beneficiaries on Hawaii
6 island still face many of the same issues that beneficiaries
7 face on other islands. One of these issues involves financing
8 options for kupuna on fixed incomes. Although a lessee may have
9 equity in the lessee's home, the lessee's fixed income may limit
10 the lessee's ability to qualify for a loan and make the needed
11 repairs to the home. The legislature further finds that
12 individuals with incomes above the United States Department of
13 Housing and Urban Development's income classification of eighty
14 per cent of area median income do not qualify for certain
15 federal financing programs. At the same time, those individuals
16 also face difficulty in securing a mortgage through a private
17 lender.

18 The legislature therefore finds that the beneficiaries on
19 Hawaii island could benefit from the efforts of a working group
20 that would compile facts and data and propose solutions to the
21 problems that the beneficiaries face. The legislature also



1 notes that the working group could serve as a model to address
2 issues faced by department of Hawaiian home lands beneficiaries
3 on other islands and housing issues faces by other homeowners
4 and lessees in general.

5 Accordingly, the purpose of this Act is to establish a
6 department of Hawaiian home lands Hawaii island working group to
7 address and provide findings and recommendations regarding
8 issues that beneficiaries of the department of Hawaiian home
9 lands on Hawaii island face relating to the financing and
10 insuring of homes.

11 SECTION 2. (a) There is established the department of
12 Hawaiian home lands Hawaii island working group within the
13 department of Hawaiian home lands for administrative purposes.

14 (b) The working group shall address and provide findings
15 and recommendations regarding issues that beneficiaries of the
16 department of Hawaiian home lands on Hawaii island face relating
17 to the financing and insuring of homes, including:

18 (1) The presence of unexploded ordnances on former defense
19 sites and their impact upon the lending and financing
20 of, and the purchases or the construction of, homes in
21 homesteads;



1 (2) Financing options for homes, including financing for
2 home repairs;

3 (3) Insurance options for homes in lava zones; and

4 (4) Other relevant issues that the working group may
5 identify.

6 (c) The following individuals shall serve as members of
7 the working group:

8 (1) The director of the department of Hawaiian home lands,
9 or the director's designee, who shall serve as the
10 chairperson of the working group;

11 (2) The executive director of the Hawaii housing finance
12 and development corporation, or the executive
13 director's designee;

14 (3) A member of the senate designated by the president of
15 the senate; and

16 (4) A member of the house of representatives designated by
17 the speaker of the house of representatives.

18 (d) Any member of the working group to be designated
19 pursuant subsection (c) shall be so designated by October 1,
20 2017.



1 (e) Any vacancy among the membership of the working group
2 shall be filled in the same manner in which the original
3 position was filled.

4 (f) The working group may invite the following individuals
5 or representatives to participate in discussions with the
6 working group:

7 (1) A representative from the Office of Hawaiian Affairs;

8 (2) A representative from the lending industry;

9 (3) A representative from the insurance industry;

10 (4) A homestead lessee from Hawaii island;

11 (5) An applicant awaiting a lease award on Hawaii island;

12 and

13 (6) Any other individuals or representatives of

14 organizations that the working group believes will

15 contribute to the discussion.

16 (g) Members of working group shall receive no compensation

17 for their service on the working group but shall be reimbursed

18 for reasonable expenses incurred, including travel expenses,

19 related to their service on the working group.

20 (h) The working group shall submit a report of its

21 findings and recommendations, including any proposed



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1 legislation, to the legislature no later than twenty days before
2 the convening of the regular session of 2018.

3 (i) The working group shall be dissolved on June 30, 2018.

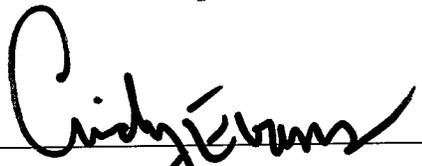
4 SECTION 3. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$10,000 or so much
6 thereof as may be necessary for fiscal year 2017-2018 for
7 expenditures related to the establishment and administration of
8 the working group established pursuant to this Act.

9 The sum appropriated shall be expended by the department of
10 Hawaiian home lands for the purposes of this Act.

11 SECTION 4. This Act shall take effect on July 1, 2017.

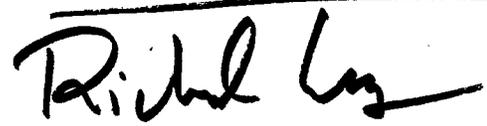
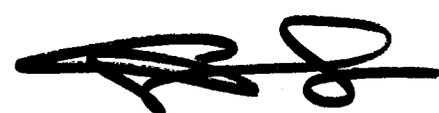
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INTRODUCED BY:









H.B. NO. 372

Report Title:

Department of Hawaiian Home Lands; Hawaii Island Working Group

Description:

Establishes a working group to address and provide findings and recommendations regarding issues that beneficiaries of the department of Hawaiian home lands on Hawaii island face relating to the financing and insuring of homes. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

