

JAN 23 2009

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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. The legislature finds that, with an overall  
2 shortage of teachers and other school staff members, including  
3 administrators and related service professionals, many schools  
4 are hard-pressed to keep staff from accepting positions in other  
5 schools or leaving the profession altogether. The cost and  
6 availability of housing can greatly impact the recruitment and  
7 retention of teachers, especially in geographically isolated  
8 communities and in schools that are plagued with hard-to-fill  
9 vacancies. In addition, the high cost of housing in Hawaii  
10 creates added economic stress on younger teachers who are most  
11 likely to leave the profession.

12           The legislature also finds that the current condition of  
13 state-owned teacher housing mandates that units undergo  
14 extensive repair and renovation, and will require a consistent  
15 maintenance program and dedicated oversight and support  
16 personnel when the program is transferred from the Hawaii  
17 housing finance and development corporation to the department of  
18 education.



1           The purpose of this Act is to address the teacher shortage  
2 problem in Hawaii by creating a program that offers housing to  
3 teachers and staff at affordable costs.

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

7           "§302A-A Educators' affordable housing program. (a)

8           There is established an affordable housing program for qualified  
9 teachers and other employees of the department under this  
10 subpart to be administered by the department.

11           (b) The department shall offer a deferred-interest second  
12 mortgage to qualified teachers, and their spouses if the  
13 property will be owned jointly, at the time they purchase a  
14 residential dwelling unit. The deferred-interest second  
15 mortgage shall be due, together with deferred interest, at the  
16 earlier of:

- 17           (1) The sale of the property;
- 18           (2) Other conveyance of the property;
- 19           (3) Six months after the purchaser ceases to be qualified;
- 20           (4) The refinancing of any mortgage on the dwelling unit  
21           that increases the principal;



1        (5) Six months after the purchaser ceases to occupy the  
2                    unit full time; or

3        (6) Fifteen years from the date of the purchase.

4        (c) The deferred-interest second mortgage shall not exceed  
5 the lesser of one-half of the purchase price or \$125,000. The  
6 interest on the second mortgage shall be equal to a percentage  
7 of the increase between:

8            (1) The purchase price and the gross sale price on an  
9                    arms-length sale to an unrelated third party; or

10          (2) The fair market value of the property as determined by  
11                    an appraiser selected by the department.

12 The State's percentage shall be the principal amount of the  
13 second mortgage divided by the purchase price.

14          (d) The department shall adopt rules pursuant to chapter  
15 91 to carry out this section.

16          §302A-B Qualifications for educators' affordable housing  
17 program. A qualified teacher or ~~school staff member~~ of the  
18 department shall be eligible to participate in the program if  
19 the teacher or ~~staff member~~:

20            (1) Is an active, full-time teacher in the Hawaii public  
21                    school system;



1       (2) Resides on the property purchased under this subpart  
2       as the educator's permanent and primary residence for  
3       at least nine months during a twelve-month period; and

4       (3) Together with a spouse, if any, or the spouse  
5       individually, does not own other real estate.

6       §302A-C Educators' second mortgage revolving trust fund.

7       (a) There is established the educators' second mortgage  
8       revolving trust fund, into which shall be deposited:

9       (1) Appropriations made by the legislature to the fund;

10       (2) All contributions from public or private partners;

11       (3) All interest earned on or accrued to moneys deposited  
12       in the fund; and

13       (4) Any other moneys made available to the fund from other  
14       sources.

15       (b) Moneys in the fund shall be used:

16       (1) To provide deferred-interest second mortgages for  
17       Hawaii public school teachers as provided in 302A-A;

18       or

19       (2) For any other purpose deemed necessary to carry out  
20       the educators' affordable housing program."

21       SECTION 3. The department of education shall identify and,  
22 if necessary, hire personnel or a management firm to initiate a



1 program of repair and renovation for all existing teacher  
2 housing units to include possible usage of school vocational  
3 education students.

4 The department of education shall determine which schools  
5 currently have the highest teacher housing needs, determine  
6 which vacancies have been hardest to fill, and provide evidence  
7 within five years that housing availability and cost have become  
8 reduced factors in recruitment and retention for high priority  
9 schools and vacancies.

10 SECTION 4. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$ or so  
12 much thereof as may be necessary for fiscal year 2009-2010 and  
13 the same sum or so much thereof as may be necessary for fiscal  
14 year 2010-2011 to be deposited into the educators' second  
15 mortgage revolving trust fund established under section 302A-C,  
16 Hawaii Revised Statutes.

17 SECTION 5. There is appropriated out of the educators'  
18 second mortgage revolving trust fund the sum of \$ or  
19 so much thereof as may be necessary for fiscal year 2009-2010  
20 and the same sum or so much thereof as may be necessary for  
21 fiscal year 2010-2011 for making second mortgage loans to be



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1 utilized for the educators' affordable housing program pursuant  
2 to chapter 302A, Hawaii Revised Statutes.

3 The sums appropriated shall be expended by the department  
4 of education for the purposes of this Act.

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 2009-2010 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2010-2011 to the department of education for management of  
10 the teacher housing program and to bring existing units to  
11 acceptable levels of repair and renovation.

12 The sums appropriated shall be expended by the department  
13 of education for the purposes of this Act.

14 SECTION 7. In codifying the new sections added by section  
15 2 of this Act, the revisor of statutes shall substitute  
16 appropriate section numbers for the letters used in designating  
17 the new sections in this Act.

18 SECTION 8. New statutory material is underscored.

19 SECTION 9. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

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**Report Title:**

Public Education; Teacher Housing; Appropriation

**Description:**

Establishes an affordable housing program and a second mortgage revolving fund for public school teachers. Appropriates funds for the repair and maintenance of teacher housing and for the second mortgage loans for public school teachers.

