
A BILL FOR AN ACT

RELATING TO HOUSING FOR NATIVE HAWAIIANS.

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

1 SECTION 1. The legislature finds that micro housing is an
2 emerging trend and a feasible type of housing that can help
3 achieve the housing obligations of the department of Hawaiian
4 home lands by reducing the cost of development and fostering an
5 adequate supply of housing, particularly for native Hawaiians
6 for whom "affordable housing" is oftentimes simply unaffordable.
7 "Tiny homes" are a form of affordable housing that may address
8 the State's persistent housing shortage. Tiny homes and their
9 multifamily counterpart, micro-unit apartments, are typically
10 constructed using a modular, prefabricated build system or
11 hybrid that involves some conventional construction. Tiny homes
12 are also ideal for accessory dwelling units, popularly known for
13 decades as ohana units, which are usually add-ons to existing
14 homes and can serve as either affordable rentals or additional
15 shelter for overcrowded residences.

16 The legislature further finds that micro housing or tiny
17 homes are a cost-effective way to address the housing shortage



1 in Hawaii because these homes make efficient use of scarce and
2 expensive land. It is estimated that ten thousand homestead
3 lots are suitable for tiny homes, and native Hawaiians could
4 benefit from funding to construct tiny homes.

5 Furthermore, legalizing micro housing will help the
6 department of Hawaiian home lands to achieve its objectives for
7 socio-cultural advancement with regard to housing, as set forth
8 in Act 349, Session Laws of Hawaii 1990, which proposes the
9 addition of the following language to section 101 of the
10 Hawaiian Homes Commission Act, 1920, as amended: "The Congress
11 of the United States and the State of Hawaii declare that the
12 policy of this Act is to enable native Hawaiians to return to
13 their lands in order to fully support self-sufficiency for
14 native Hawaiians and the self-determination of native
15 Hawaiians . . . "

16 The legislature further finds that the federal Community
17 Development Financial Institutions Fund provides awards to
18 organizations that make credit, capital, and other critical
19 financial services available to disadvantaged businesses and
20 low-income communities throughout the country. Several
21 organizations in Hawaii are recipients of awards from various



1 Community Development Financial Institutions Fund programs and
2 may be able to provide matching funds to assist in the
3 construction of micro housing units for certain lessees of
4 native Hawaiian trust lands managed by the department of
5 Hawaiian home lands or to provide loan assistance to purchase or
6 lease the micro housing units.

7 The purpose of this Act is to:

- 8 (1) Authorize the construction and use of micro housing
9 units on Hawaiian home lands approved by the
10 department of Hawaiian home lands and leased to
11 individuals who meet the minimum Hawaiian blood
12 quantum requirement pursuant to section 209 of the
13 Hawaiian Homes Commission Act, 1920, as amended;
- 14 (2) Authorize the use of the Hawaiian home loan fund and
15 Hawaiian home general loan fund for assistance in
16 purchasing or renting micro housing units for use on
17 Hawaiian home lands approved by the department of
18 Hawaiian home lands and leased to native Hawaiian
19 beneficiaries who meet the minimum blood quantum
20 requirement; and



1 (3) Make an appropriation to the department of Hawaiian
2 home lands to:

3 (A) Construct micro housing units, subject to certain
4 conditions; and

5 (B) Building the general organizational capacity of
6 native Hawaiian-controlled nonprofit housing
7 developers.

8 SECTION 2. Chapter 107, Hawaii Revised Statutes, is
9 amended by adding a new section to part II to be appropriately
10 designated and to read as follows:

11 "§107- Micro housing; exemptions. (a) Notwithstanding
12 any county zoning laws to the contrary, the construction and use
13 of micro housing units on Hawaiian home lands approved by the
14 department of Hawaiian home lands and leased to individuals who
15 meet the minimum Hawaiian blood quantum requirement pursuant to
16 section 209 of the Hawaiian Homes Commission Act, 1920, as
17 amended, shall be allowed.

18 (b) For purposes of this section, "micro housing unit"
19 means a dwelling unit with a total floor area of less than eight
20 hundred square feet, including a bed, kitchen, kitchen sink,



1 cooking and refrigeration appliance, and a partitioned off
2 bathroom containing a toilet and a bathtub or shower."

3 SECTION 3. Section 214, Hawaii Homes Commission Act, 1920,
4 as amended, is amended by amending subsection (a) to read as
5 follows:

6 "(a) The department may make loans from revolving funds to
7 any lessee or native Hawaiian to whom, or any cooperative
8 association to which, a lease has been issued under section
9 207(a) of this Act or a license has been issued under section
10 207(c)(1)(B) of this Act. Such loans may be made for the
11 following purposes:

12 (1) The repair or maintenance or purchase or erection of
13 dwellings on any tract, and the undertaking of other
14 permanent improvements thereon;

15 (2) The purchase of livestock, swine, poultry, fowl,
16 aquaculture stock, and farm and aquaculture equipment;

17 (3) Otherwise assisting in the development of tracts and
18 of farm, ranch, and aquaculture operations, including:

19 (A) The initial and on-going development,
20 improvement, operation, and expansion of



- 1 homestead farms, ranches, and aquaculture
- 2 enterprises;
- 3 (B) The liquidation of indebtedness incurred for any
- 4 of the foregoing purposes relating to farm loans
- 5 aged less than five years;
- 6 (C) The payment of normal and reasonable living
- 7 expenses of a full-time farmer;
- 8 (D) The planning, layout, and installation of soil
- 9 and water conservation practices; and
- 10 (E) Providing relief and rehabilitation to homestead
- 11 farmers and ranchers due to damage by rain and
- 12 windstorms, droughts, tidal wave, earthquake,
- 13 volcanic eruption, and other natural
- 14 catastrophes, and for livestock disease,
- 15 epidemics, crop blights, and serious effects of
- 16 prolonged shipping and dock strikes;
- 17 (4) The cost of breaking up, planting, and cultivating
- 18 land and harvesting crops, the cost of excavating or
- 19 constructing aquaculture ponds and tanks, the purchase
- 20 of seeds, fertilizers, feeds, insecticides, medicines,
- 21 and chemicals for disease and pest control for



1 animals, fish, shellfish, and crops, and the related
 2 supplies required for farm, ranch, and aquaculture
 3 operations, the erection of fences and other permanent
 4 improvements for farm, ranch, and aquaculture purposes
 5 and the expense of marketing; [~~and~~]

6 (5) To assist licensees in the operation or erection of
 7 theaters, garages, service stations, markets, stores,
 8 and other mercantile establishments, all of which
 9 shall be owned by native Hawaiians or by organizations
 10 formed and controlled by native Hawaiians[-]; and

11 (6) To provide loans to qualifying lessees for the
 12 purchase or lease of micro housing units for use on
 13 Hawaiian home lands; provided that:

14 (A) Each loan shall not exceed \$125,000; and

15 (B) The department of Hawaiian home lands shall
 16 determine the criteria for lessees to meet in
 17 order to qualify for loans pursuant to this
 18 paragraph, which shall include meeting the
 19 minimum Hawaiian blood quantum requirement
 20 pursuant to section 209 of the Hawaiian Homes
 21 Commission Act, 1920, as amended.



1 For purposes of this paragraph, "micro housing
 2 unit" means a dwelling unit with a total floor area of
 3 less than eight hundred square feet, including a bed,
 4 kitchen, kitchen sink, cooking and refrigeration
 5 appliance, and a partitioned off bathroom containing a
 6 toilet and a bathtub or shower. "Micro housing unit"
 7 includes an accessory dwelling unit."

8 SECTION 4. There is appropriated out of the general
 9 revenues of the State of Hawaii the sum of \$5,000,000 or so much
 10 thereof as may be necessary for fiscal year 2018-2019 for the
 11 construction of micro housing units as defined in section
 12 107- , Hawaii Revised Statutes, to be matched on a dollar-for-
 13 dollar basis by funds awarded through the Native Community
 14 Development Financial Institutions Program; provided that:

- 15 (1) The cost of construction of each micro housing unit
- 16 shall not exceed \$125,000;
- 17 (2) A micro housing unit may be constructed on an existing
- 18 homestead lot upon which a home already exists only if
- 19 the micro housing unit is to be occupied by another
- 20 individual or family related to the existing lessee;
- 21 and



1 (3) Awarded Native Community Development Financial
 2 Institutions shall determine the criteria for lessees
 3 to qualify for loans pursuant to this paragraph.

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

6 SECTION 5. There is appropriated out of the general
 7 revenues of the State of Hawaii the sum of \$1,000,000 or so much
 8 thereof as may be necessary for fiscal year 2018-2019 to build
 9 the general organizational capacity of native Hawaiian-
 10 controlled nonprofit housing developers; provided that the
 11 nonprofit housing developers:

12 (1) Have a board of directors that consists of members who
 13 are at least fifty-one per cent of native Hawaiian
 14 ancestry; and

15 (2) Are able to demonstrate past experience developing
 16 housing units on Hawaiian home lands.

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

19 SECTION 6. Statutory material to be repealed is bracketed
 20 and stricken. New statutory material is underscored.



1 SECTION 7. This Act shall take effect on July 1, 2018;
2 provided that section 3 shall take effect with the consent of
3 the United States Congress.

4



Report Title:

Department of Hawaiian Home Lands; Hawaii Housing Finance and Development Corporation; Micro Housing; Tiny Homes; Appropriation

Description:

Authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement notwithstanding county zoning laws. Authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands approved by DHHL and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement. Makes an appropriation to the department of Hawaiian home lands for construction of micro housing units, subject to certain conditions, and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers. (SD1)

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