

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR  
  
ROBERT YU  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2472, H.D. 1

**February 20, 2020**  
**1:00 p.m.**  
**Room 308**

RELATING TO SELF-HELP HOUSING

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 2472, H.D. 1.

H.B. No. 2472, H.D. 1, establishes the Self-Help Homeownership Housing Revolving Fund (SHHRF) under the administration of the Hawai'i Housing Finance and Development Corporation (HHFDC); appropriates an unspecified sum from the general fund for deposit into the SHHRF; and appropriates an unspecified sum from the SHHRF.

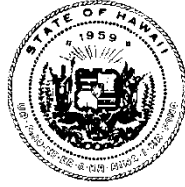
Funds from the SHHRF would be used to provide loans for the development, pre-development, construction, acquisition, and substantial rehabilitation of affordable for-sale housing units under a self-help program. Loan recipients would be prioritized based on funding received from various federal programs and subject to certain affordability requirements. Revenues would be derived from legislative appropriations; moneys received as repayment of loans and interest payments; private contributions; and moneys received from other sources.

As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2472, H.D. 1, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

B&F defers to HHFDC regarding the programmatic implementation of this measure.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR



DENISE ISERI-MATSUBARA  
INTERIM EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON FINANCE**

February 20, 2020 at 1:00 p.m.  
State Capitol, Room 308

In consideration of  
**H.B. 2472, H.D. 1**  
**RELATING TO SELF-HELP HOUSING.**

The HHFDC **supports the intent** of H.B. 2472, H.D. 1, provided that it does not adversely impact priorities set forth in the Executive Supplemental Budget.

H.B. 2472, H.D. 1, would provide a financing source for nonprofit housing development organizations to develop affordable for-sale housing. If provided with one additional full-time staff position to implement this new program, HHFDC could administer the self-help homeownership housing loan program. As this is a revolving fund, HHFDC intends to charge an application fee and interest on loans.

Thank you for the opportunity to testify.



**Board Members**

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Managing Partner,  
Commercial & Business Lending

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Marcus Kawatachi  
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Hawai'i Civil Rights Commission

Trina Orimoto  
Clinical & Research  
Psychologist

Miwa Tamanaha  
Co-Director,  
Kua'āina Ulu 'Auamo

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*Executive Director*

Keoki Noji  
*Chief Operating Officer*

Merri Keli'ikuli  
*Bookkeeper & Office Manager*

Sean Tangco  
*Program Specialist*

Date: February 19, 2020  
To: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen, Vice-Chair, and members of the Committee on Finance  
From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)  
Re: Support for HB2472 HD1

Aloha Chair Luke, Vice-Chair Cullen, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports HB2472 HD1, which establishes the self-help homeownership revolving fund to provide for loans and project-related technical assistance grants to nonprofit housing development organizations to support the development of affordable homeownership housing projects under a self-help housing program.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map.

The 2015 State Housing Demand Study made it clear that 75% of the housing needed by 2026 must be for households earning \$75,000 annually or less. This includes our families, friends, co-workers, and employees. There is an immediate need for an annual commitment of resources in the development of housing options that are truly affordable for families who call this place home. The passage of HB2472 HD1 would provide families with affordable housing loans and affordable housing construction. This would ultimately put more local families in stable homes, reduce monthly housing costs, free up money for these families to spend on other basic needs, leverage millions of dollars in public and private funds for affordable housing, increase property tax revenue for our counties, and create a legacy of homeownership for our children and grandchildren so they don't have to leave Hawai'i in order to afford to live.

Mahalo for this opportunity to testify,

Brent N. Kakesako  
Executive Director



Inspiring Hope, Changing Lives

Visit us on the web: [www.hopeserviceshawaii.org](http://www.hopeserviceshawaii.org)

Connect via email: [info@hopeserviceshawaii.org](mailto:info@hopeserviceshawaii.org)

HOPE Help Line: 808-935-3050

**TESTIMONY IN SUPPORT OF HB 2742: RELATING TO SELF-HELP HOUSING**

TO: Committee Chair, Vice-Chair and Committee Members  
FROM: Brandee Menino, CEO, Hope Services Hawaii, Inc.  
Hearing: Thursday, 2/20/20; 1:00pm; Room 308

Thank you for the opportunity to provide testimony **in strong support** of HB 2742, to establish a Self-Help Homeownership Revolving Fund to provide for loans and project-related technical assistance grants to nonprofit housing development organizations to support the development of affordable homeownership housing projects under a self-help housing program. A self-help housing program requires families to invest “sweat equity,” meaning that they perform at least 65% of the construction on their new home, and after doing so, do not need to come up with a down payment.

A lack of affordable housing is the single greatest cause of homelessness in Hawai‘i, and our state’s rising rents and stagnant wages have caused more new people to enter homelessness each year. In Hawai‘i, a person earning minimum wage needs to work **146 hours per week in order to afford a 2-bedroom apartment**. This was the situation our former client from Kona, who asked to remain anonymous, faced as he worked a full-time job and two part-time jobs to support his wife and three children. After losing his part time jobs, he struggled to pay the rent, and his family was on the verge of eviction. This story is common in Hawai‘i County, where 55% of our residents fall beneath the ALICE threshold. Despite working, these ALICE households still spend more than 30% of their income on housing, leaving them without a safety net, and virtually zero chance of becoming homeowners.

Last year you passed a rental housing revolving fund, which was a significant step toward making rent more affordable for Hawai‘i residents. This year, I am asking you to continue working to make Hawai‘i affordable for our local families, by passing a self-help homeownership revolving fund. Homeownership is an integral part of the housing solution, because it allows our residents to not just survive, but thrive! Devoting resources to this fund would also help the revolving rental fund go further, **by freeing up units as renters become homeowners**.

By working together, we can create homes for current residents and future generations to live, learn, and thrive. I urge you to join us in that effort by **supporting HB 2742**.

Mahalo nui for your consideration.

Sincerely,

Brandee Menino,  
Chief Executive Officer

JOIN OUR COMMUNITY



HOPE SERVICES HAWAII, INC.  
ADMINISTRATIVE OFFICE  
357 Waianuenue Avenue  
Hilo, HI 96720  
phone: (808) 935-3050  
fax: (808) 935-3794

HALE MALUHIA  
EMERGENCY SHELTER  
110 Ululani Street  
Hilo, HI 96720  
phone: (808) 443-4717  
fax: (808) 934-7456

KIHEI PUA  
EMERGENCY SHELTER  
115 Kapi'olani Street  
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74-5593 Pawai Place  
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HOUSING PROGRAM  
74-5593 Pawai Place  
Kailua-Kona, HI 96740  
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Chief Executive Officer  
Brandee Menino



*Building strength and stability through shelter*

February 19, 2020

House Committee on Finance  
Thursday, February 20, 2020  
Conference Room 308, 1:00 p.m.

### **HB 2472 HD1 – STRONG SUPPORT**

Aloha Committee Chair Luke, Vice-Chair Cullen and Members;

I am submitting testimony in my capacity as Executive Director of Hawaii Habitat for Humanity Association (HHFHA), a nonprofit community development financial institution and State Support Organization for the direct service Habitat for Humanity organizations across the state to **STRONGLY SUPPORT HB2472 HD1.**

HB 2472 HD1 recognizes the need for expanding the housing demands of our communities across the state to include development of permanent homeownership units through self-help housing nonprofits for Hawaii's low- and moderate-income households.

Hawaii's low-income families struggle to provide decent affordable housing in which they can thrive. HB2472 HD1 provides a funding source to release funds to self-help housing developers who through their work are able to provide affordable homeownership for the low and very low-income families across the state. With additional and revolving funding Habitat for Humanity affiliates across the state will have the opportunity to increase their production by a minimum of 20%, depending on the amount of funding available. A Self-Help Homeownership Housing Revolving Fund would leverage funding needed by nonprofit developers that would be paid back into the fund upon closing mortgages on the homes. The terms will vary depending on development, however, Habitat is currently building single family homes on a timeline that takes an average of six to eight months each to construct.

Habitat for Humanity is currently building up to 55 single family homes a year across the state, with plans to not only increase production on single family homes, but also provide more multi-family ownership units as the opportunities arise.

With access to affordable funding, Habitat alone will have the opportunity to increase their capacity to providing homeownership in partnership with a minimum of 100 families a year in the next five years.

Habitat for Humanity provides homeownership opportunities in partnership with low income families earning between \$35,000 and \$75,000 per year. As a self-help housing developer, the cost of construction is reduced with “sweat equity” labor provided by the families, as well as volunteer labor provided by members of the community. With this model, construction costs for homeownership are greatly reduced and low-income families not only have a stable home, but also permanent housing for generations to come. In the Habitat program, families pay a mortgage for the cost of construction of the home. Habitat affiliates across the state report low delinquency rates, as well as very low rates of selling the home. With financial training as part of their “sweat equity” our families understand the asset they have in owning a home, as well as its leveraging value for improving their lives.

The revolving loan fund is an innovative proposal designed to work with self-help development models used by nonprofits to build homes around the state. It will serve as access to capital for a non-profit organization to:

- *Provide families with affordable housing loans.* The non-profit organization may provide down payment assistance, purchase or leverage loans made to qualifying families, and their loan repayments will pay back into the fund over time to benefit additional first-time homebuyers.
- *Provide families with affordable housing construction.* The non-profit organization will build single- or multi-family homes and upon sale, will pay back into the fund to benefit additional first-time homebuyers.

Habitat for Humanity and all of the Habitat organizations in Hawaii, know that homeownership is important. People who own their homes have better health, find it is a pathway out of poverty, provides safety, leads to stable neighborhoods and thriving families and leverages educational investment.

- Affordable housing in Hawaii has focused almost exclusively on rental housing. **Our housing market is dynamic and our response needs to be equally dynamic, looking at rentals AND homeownership** as well as alternative housing solutions like rent-to-own, duplexes and four-plexes, student housing, kupuna housing, tiny homes, and kauhale development.
- Habitat for Humanity – and other nonprofit developers - have proven that **homeownership is an option for ALL households**. Using USDA mortgage financing, volunteer and apprentice labor, and partnering with HUD housing counseling agencies to provide free homebuyer education, nonprofit developers are making homeownership a reality for households earning 80% AMI all the way to those earning less than 30% AMI.
- **We need a self-help housing revolving fund to complement our rental housing revolving fund, so ALL of our low-income households have access to affordable housing.** The rental housing revolving fund provides financing to support projects for households at or below 60% AMI. This leaves out households earning 61-80% AMI, who struggle to keep a roof over their heads. An affordable homeownership revolving fund ensures capital is available to transition rental housing revolving funded units so

they can preserve affordability and transition to ownership, making rent-to-own a viable model in Hawaii.

- The self-help housing revolving fund would provide **permanent housing for our houseless working persons and families**. With the eviction crisis in Hawaii, we have seen Hawaii's people get into rental housing only to see their rent increase once the lease expires, resulting in housing instability and homelessness. Affordable homeownership means the homeowner will have the same monthly payment without fear of eviction and at the end of their mortgage, pass on the legacy of homeownership to their family, thus breaking the cycle of homelessness.

Help us do our part to provide affordable housing for Hawaii's people. Please **PASS HB2472 HD1**, so that we can increase our work across Hawaii and give our hard-working low-income families a chance at the benefits of homeownership.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.847.7676 or [jean@hawaiihabitat.org](mailto:jean@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jean Lilley".

Jean Lilley  
Executive Director





*Building homes. Building community. Building 'ohana.*

February 19, 2020

House Committee on Finance  
Thursday, February 20, 2020  
Conference Room 308, 1:00 p.m.

## **HB 2472 HD1 – STRONG SUPPORT**

Aloha Committee Chair Luke, Vice-Chair Cullen and Members;

I am submitting testimony in my capacity as Executive Director of Kauai Habitat for Humanity, Inc. a nonprofit affordable Housing developer and we **STRONGLY SUPPORT HB2472 HD1.**

HB 2472 HD1 recognizes the need for expanding the housing demands of our communities across the state to include development of permanent homeownership units through self-help housing nonprofits for Hawaii's low- and moderate-income households.

Hawaii's low-income families struggle to provide decent affordable housing in which they can thrive. HB2472 HD1 provides a funding source to release funds to self-help housing developers who through their work are able to provide affordable homeownership for the low and very low-income families across the state. With additional and revolving funding Habitat for Humanity affiliates across the state will have the opportunity to increase their production by a minimum of 20%, depending on the amount of funding available. A Self-Help Homeownership Housing Revolving Fund would leverage funding needed by nonprofit developers that would be paid back into the fund upon closing mortgages on the homes. The terms will vary depending on development, however, Habitat is currently building single family homes on a timeline that takes an average of six to eight months each to construct.

Kauai Habitat for Humanity, Inc is currently building 30 plus single family homes a year, with plans to not only to increase production on single family homes, but also provide more multi-family ownership units as the opportunities arise.

With access to affordable funding, Habitat alone will have the opportunity to increase their capacity to providing homeownership in partnership with a minimum of 100 families a year in the next five years.

Habitat for Humanity provides homeownership opportunities in partnership with low income families earning between \$35,000 and \$75,000 per year. As a self-help housing developer, the cost of construction is reduced with "sweat equity" labor provided by the families, as well as volunteer labor provided by members of the community. With this model, construction costs for homeownership are greatly reduced and low-income families not only have a stable home, but also permanent housing for generations to come. In the Habitat program, families pay a mortgage for the cost of construction of the home. Habitat affiliates across the state report low delinquency rates, as well as very low rates of selling the home. With financial training as part of their "sweat equity" our families understand the asset they have in owning a home, as well as its leveraging value for improving their lives.



*This institution is an equal opportunity provider and employer. We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.*

The revolving loan fund is an innovative proposal designed to work with self-help development models used by nonprofits to build homes around the state. It will serve as access to capital for a non-profit organization to:

- *Provide families with affordable housing loans.* The non-profit organization may provide down payment assistance, purchase or leverage loans made to qualifying families, and their loan repayments will pay back into the fund over time to benefit additional first-time homebuyers.
- *Provide families with affordable housing construction.* The non-profit organization will build single- or multi-family homes and upon sale, will pay back into the fund to benefit additional first-time homebuyers.

Kauai Habitat for Humanity and know that homeownership is important. People who own their homes have better health, find it is a pathway out of poverty, provides safety, leads to stable neighborhoods and thriving families and leverages educational investment.

- Affordable housing in Hawaii has focused almost exclusively on rental housing. **Our housing market is dynamic and our response needs to be equally dynamic, looking at rentals AND homeownership** as well as alternative housing solutions like rent-to-own, duplexes and four-plexes, student housing, kupuna housing, tiny homes, and kauhale development.
- Habitat for Humanity – and other nonprofit developers - have proven that **homeownership is an option for ALL households**. Using USDA mortgage financing, volunteer and apprentice labor, and partnering with HUD housing counseling agencies to provide free homebuyer education, nonprofit developers are making homeownership a reality for households earning 80% AMI all the way to those earning less than 30% AMI.
- **We need a self-help housing revolving fund to complement our rental housing revolving fund, so ALL of our low-income households have access to affordable housing.** The rental housing revolving fund provides financing to support projects for households at or below 60% AMI. This leaves out households earning 61-80% AMI, who struggle to keep a roof over their heads. An affordable homeownership revolving fund ensures capital is available to transition rental housing revolving funded units so they can preserve affordability and transition to ownership, making rent-to-own a viable model in Hawaii.
- The self-help housing revolving fund would provide **permanent housing for our houseless working persons and families**. With the eviction crisis in Hawaii, we have seen Hawaii's people get into rental housing only to see their rent increase once the lease expires, resulting in housing instability and homelessness. Affordable homeownership means the homeowner will have the same monthly payment without fear of eviction and at the end of their mortgage, pass on the legacy of homeownership to their family, thus breaking the cycle of homelessness.

Help us do our part to provide affordable housing for Hawaii's people. Please **PASS HB2472 HD1**, so that we can increase our work across Hawaii and give our hard-working low-income families a chance at the benefits of homeownership.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.631.9157 or [stephens@kauaihabitat.org](mailto:stephens@kauaihabitat.org) should you have any questions or need additional information.

Sincerely,



Stephen L Spears  
Executive Director



February 19, 2020

House Committee on Finance  
Thursday, February 20, 2020  
Conference Room 308, 1:00 p.m.

Subject: **HB 2472 HD1 – STRONG SUPPORT**

Aloha Committee Chair Luke, Vice-Chair Cullen and Members:

EAH Housing hereby submits testimony **STRONGLY SUPPORTING HB2472 HD1.**

EAH is a nonprofit developer and manager of low income rental housing with no plans to participate in the homeownership market but we recognize the need for expanding the housing demands of our communities across the state to include development of permanent homeownership units through self-help housing nonprofits for Hawaii's low- and moderate-income households.

Hawaii's low-income families struggle to provide decent affordable housing in which they can thrive. HB2472 HD1 provides a funding source to release funds to self-help housing developers who through their work can provide affordable homeownership for the low and very low-income families across the state. A Self-Help Homeownership Housing Revolving Fund would leverage funding needed by nonprofit developers that would be paid back into the fund upon closing mortgages on the homes.

With access to affordable funding, non-profits will have the opportunity to increase their capacity to providing homeownership in partnership with the many families needing their assistance.

Please give HB 2471 DH1 your strongest support! Thank you.

Sincerely,

Kevin R. Carney, RB-16444  
(PB), NAHP-E  
Vice President, Hawaii

**HB-2472-HD-1**

Submitted on: 2/19/2020 10:48:12 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Deges	Hawaii Island HIV/AIDS Foundation	Support	No

Comments:

**HB-2472-HD-1**

Submitted on: 2/19/2020 11:35:02 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shirley David	St. Michael the Archangel Catholic Church, Kailua Kona	Support	No

Comments:

As Chair of the Legislative Committee at St. Michael's I look for bills that will give a helping hand to those who can use one. HB2472 HD1 is one of those bill. As you know we have a housing crisis in Hawaii. Our low income residents struggle to find decent housing for themselves and their families. This bill would help build decent affordable homes for our low income residents.

Please vote yes to the bill and move it toward enactment.

**HB-2472-HD-1**

Submitted on: 2/19/2020 10:55:00 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Patrick F. Hurney	Habitat for Humanity Hawaii Island, Inc.	Support	No

Comments:

Aloha from Hawaii Island,

I strongly support HB 2472 for non-profits like Habitat for Humanity can access capital to build more affordable housing. If this revolving fund is available for affordable housing organizations, then we would not have to apply for State GIA funds ever year. It would make building affordable homes easier and would provide a continuous funding source as it revolves.

Mahalo

Patrick Hurney



February 19, 2020

House Committee on Finance  
Thursday, February 20, 2020  
Conference Room 308, 1:00 p.m.

### **HB 2472 HD1 – STRONG SUPPORT**

Aloha Committee Chair Luke, Vice-Chair Cullen and Members;

I am submitting testimony in my capacity as Executive Director of Honolulu Habitat for Humanity (HHH), a nonprofit organization building affordable housing on Oahu to **STRONGLY SUPPORT HB2472 HD1.**

HB 2472 HD1 recognizes the need for expanding the housing demands of our communities across the state to include development of permanent homeownership units through self-help housing nonprofits for Hawaii's low- and moderate-income households.

Hawaii's low-income families struggle to provide decent affordable housing in which they can thrive. HB2472 HD1 provides a funding source to release funds to self-help housing developers who through their work are able to provide affordable homeownership for the low and very low-income families across the state. With additional and revolving funding Habitat for Humanity affiliates across the state will have the opportunity to increase their production by a minimum of 20%, depending on the amount of funding available. A Self-Help Homeownership Housing Revolving Fund would leverage funding needed by nonprofit developers that would be paid back into the fund upon closing mortgages on the homes. The terms will vary depending on development, however, Habitat is currently building single family homes on a timeline that takes an average of six to eight months each to construct.

Honolulu Habitat built 4 homes in 2019 with plans to build another 8 homes in 2020. In addition, we have identified 20 other families and opportunities to build homes in our service area. In addition, we developing plans to not only increase production on single family homes, but also provide more multi-family ownership units as the opportunities arise.

We are working to grow our organization to meet the needs of affordable housing. HB2472 HDI would be a huge benefit to our ability to serve that need.

With access to affordable funding, Habitat alone will have the opportunity to increase their capacity to providing homeownership in partnership with a minimum of 100 families a year in the next five years.





Habitat for Humanity provides homeownership opportunities in partnership with low income families earning between \$35,000 and \$75,000 per year. As a self-help housing developer, the cost of construction is reduced with “sweat equity” labor provided by the families, as well as volunteer labor provided by members of the community. With this model, construction costs for homeownership are greatly reduced and low-income families not only have a stable home, but also permanent housing for generations to come. In the Habitat program, families pay a mortgage for the cost of construction of the home. Habitat affiliates across the state report low delinquency rates, as well as very low rates of selling the home. With financial training as part of their “sweat equity” our families understand the asset they have in owning a home, as well as its leveraging value for improving their lives.

The revolving loan fund is an innovative proposal designed to work with self-help development models used by nonprofits to build homes around the state. It will serve as access to capital for a non-profit organization to:

- *Provide families with affordable housing loans.* The non-profit organization may provide down payment assistance, purchase or leverage loans made to qualifying families, and their loan repayments will pay back into the fund over time to benefit additional first-time homebuyers.
- *Provide families with affordable housing construction.* The non-profit organization will build single- or multi-family homes and upon sale, will pay back into the fund to benefit additional first-time homebuyers.

Honolulu Habitat and all of the Habitat organizations in Hawaii, know that homeownership is important. People who own their homes have better health, find it is a pathway out of poverty, provides safety, leads to stable neighborhoods and thriving families and leverages educational investment.

- Affordable housing in Hawaii has focused almost exclusively on rental housing. **Our housing market is dynamic and our response needs to be equally dynamic, looking at rentals AND homeownership** as well as alternative housing solutions like rent-to-own, duplexes and four-plexes, student housing, kupuna housing, tiny homes, and kauhale development.
- Habitat for Humanity – and other nonprofit developers - have proven that **homeownership is an option for ALL households**. Using USDA mortgage financing, volunteer and apprentice labor, and partnering with HUD housing counseling agencies to provide free homebuyer education, nonprofit developers are making homeownership a reality for households earning 80% AMI all the way to those earning less than 30% AMI.
- **We need a self-help housing revolving fund to complement our rental housing revolving fund, so ALL of our low-income households have access to affordable housing.** The rental housing revolving fund provides financing to support projects for households at or below 60% AMI. This leaves out households earning 61-80% AMI, who struggle to keep a roof over their heads. An affordable homeownership revolving fund ensures capital is available to transition rental housing revolving funded units so

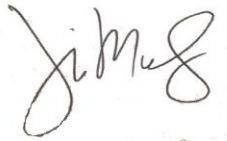
they can preserve affordability and transition to ownership, making rent-to-own a viable model in Hawaii.

- The self-help housing revolving fund would provide **permanent housing for our houseless working persons and families**. With the eviction crisis in Hawaii, we have seen Hawaii's people get into rental housing only to see their rent increase once the lease expires, resulting in housing instability and homelessness. Affordable homeownership means the homeowner will have the same monthly payment without fear of eviction and at the end of their mortgage, pass on the legacy of homeownership to their family, thus breaking the cycle of homelessness.

Help us do our part to provide affordable housing for Hawaii's people. Please **PASS HB2472 HD1**, so that we can increase our work across Hawaii and give our hard-working low-income families a chance at the benefits of homeownership.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.538.7373 or [jmurphy@honoluluhabitat.org](mailto:jmurphy@honoluluhabitat.org) should you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Jim Murphy". The signature is written in a cursive, flowing style.

Jim Murphy  
Executive Director

**HB-2472-HD-1**

Submitted on: 2/19/2020 5:05:26 PM

Testimony for FIN on 2/20/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Paul Normann	Neighborhood Place of Puna	Support	No

Comments:

Please support HB2472.

Hawaii faces an affordable housing crisis. HB2472 offers one way to make housing attainable for our hard working Hawaii families.

Paul Normann

**HB-2472-HD-1**

Submitted on: 2/19/2020 10:54:05 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jeffrey Byron Werle	Individual	Support	No

Comments:

We are aware of this crisis and need to help create productive solutions. PLEASE!

JBW\*

**HB-2472-HD-1**

Submitted on: 2/19/2020 1:42:00 PM

Testimony for FIN on 2/20/2020 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kristen Alice Apruzzese	Individual	Support	No

Comments:

Aloha,

My name is Kristen Alice Apruzzese and I am a voter in Hawaii County. I work in homeless services, but I am testifying in my personal capacity in support of HB 2472.

I support this bill as one of the many solutions to the unaffordable housing crisis. According to the United Way, about half of the households in our state fall below the ALICE (Asset Limited, Income-Constrained, Employed) threshold, meaning that despite working, they cannot afford housing, or they are below the poverty line. Putting homeownership within reach for average Hawaii households is a key component to solving this crisis. **When we invest in creating homeowners, we put more control over the housing market into the the hands of local people who want their communities to thrive.** Additionally, as more people become homeowners, rental units will become available for those who cannot (yet) afford to buy a home.

Let's invest in the people here in Hawaii, by putting the opportunity to own a home within reach.

Mahalo for your consideration.

Kristen Alice Apruzzese

**HB-2472-HD-1**

Submitted on: 2/20/2020 11:08:36 AM

Testimony for FIN on 2/20/2020 1:00:00 PM



<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
LaVerne Tolmie	Individual	Support	No

Comments:

I support this bill which will increase affordable housing here in Hawai'i and thus help to end homelessness.

LaVerne Tolmie