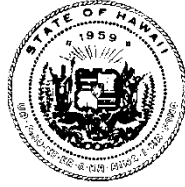


DAVID Y. IGE  
GOVERNOR



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 HOUSING**

February 4, 2020 at 9:15 a.m.  
State Capitol, Room 423

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

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

H.B. 2472 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 loan program created in this bill, as amended above.

Thank you for the opportunity to testify.



*Building strength and stability through shelter*

February 3, 2020

House Committee on Housing  
Tuesday, February 4, 2020  
Conference Room 423, 9:15 a.m.

### **HB 2472 – STRONG SUPPORT**

Aloha Committee Chair Brower, Vice-Chair Matayoshi 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.**

HB 2472 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 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. With additional and revolving funding Habitat for Humanity affiliates across the state will have the opportunity to increase their production across the state 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 the 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.

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 homeownership 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 affordable homeownership 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**, 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

**HB-2472**

Submitted on: 2/3/2020 10:04:30 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<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,

I strongly support HB 2472 because we need more affordable housing!

Mahalo

Pat

**HB-2472**

Submitted on: 2/3/2020 10:08:10 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Toni Symons	Individual	Support	Yes

Comments:

Strong support!

**HB-2472**

Submitted on: 2/3/2020 3:21:03 AM

Testimony for HSG on 2/4/2020 9:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

I strongly support this bill. My children are now teens and have spent over half of their childhoods homeless because of lack of familial support, combined with single-parenthood while I had an extensive traumatic brain injury to recover from.

We work hard and have no problem continuing to do so. While my youngest is home-schooled and in the FAM Farm Program with me at UHMC, My daughter just turned 17 the other day, having skipped high school completely, to enroll in college early and works almost 30 hours per week to help pay bills. My 20 year old has academic struggles but is also in college and working to help make ends meet.

One day, we hope to find our forever house and farm, and we have no problem working hard, but might need some help getting there.



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

February 3, 2020

House Committee on Housing  
Tuesday, February 4, 2020  
Conference Room 423, 9:15 a.m.

**LATE**

**HB 2472 – STRONG SUPPORT**

Aloha Committee Chair Brower, Vice-Chair Matayoshi and Members;

I am submitting testimony in my capacity as Executive Director of Kauai Habitat for Humanity, Inc. (KHFH), a nonprofit Affordable Housing Developer. Kauai Habitat for Humanity **STRONGLY SUPPORT HB2472.**

HB 2472 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 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. The availability of funds that can be offered to low income families is a major obstruction to the capacity or number home that our most Affordable housing developer can produce. With additional and revolving funding Habitat for Humanity affiliates across the state will have the opportunity to increase their production across the state 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 the 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 is currently building up to 31 single family homes a year on Kauai and we plan to increase this number as quickly as possible and this revolving loan fund would contribute to fulfilling the increase in production.



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Help us do our part to provide affordable housing for Hawaii's people. Please **PASS HB2472**, so that we can increase our work on Kauai and 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,

A handwritten signature in black ink that reads "Stephen L. Spears". The signature is written in a cursive style with a large, prominent "S" at the beginning.

Stephen Spears  
Executive Director

**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: Tuesday, 2/4/20; 9:15 am; Room 423



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 Wai'anuenue 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  
 Hilo, HI 96720  
 phone: (808) 933-6053  
 fax: (808) 934-0904

VETERAN HOUSING PROGRAMS  
 21 West Ohea Street  
 Hilo, HI 96720  
 phone: (808) 934-8658  
 fax: (808) 934-8658

FRIENDLY PLACE RESOURCE CENTER  
 74-5593 Pawai Place  
 Kailua-Kona, HI 96740  
 phone: (808) 933-6062  
 fax: (808) 329-6219

WEST HAWAII EMERGENCY HOUSING PROGRAM  
 74-5593 Pawai Place  
 Kailua-Kona, HI 96740  
 phone: (808) 217-5560  
 fax: (808) 327-2171

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