



SELF-HELP HOUSING CORPORATION OF HAWAII

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To:

From: Claudia Shay
Executive Director

RE: Press Release

Adrian Hose, a single father of 2 young children, will be building his own house in the Pokai Bay Self-Help Team 4 Project to be launched by a ground-breaking ceremony on June 26. Hose, who works as a paramedical assistant at the Kaneohe State Hospital, is willing to make the long commute to own his own house in Waianae.

Kristina Vierra, a single mother of 3 young children, will build her own house in the Pokai Bay Self-Help Team 4 Project. Although Kristina previously qualified for mortgage financing, she signed for someone else's loan increasing her debt and disqualifying herself. She was able to get back on track and is now building her own house with the Team 4 Project.

Tommy and Arly Sibounheuang, a family with 5 young children, are finally realizing their dream of building their own house. After clearing up their financial difficulties exacerbated by taking time out to care for a very ill toddler, their family qualified for a mortgage loan. Their family will be building a two story, three bedroom house with the Pokai Bay Team 4 Project.

The Self-Help Housing Corporation of Hawaii will launch the Pokai Bay Self-Help Housing Team 4 Project next week with a ground-breaking ceremony with the State HHFDC Director Craig Hirai as the keynote speaker. In the 70 lot Pokai Bay Subdivision SHHCH is undertaking 6 self-help housing projects of 11-13 families each who will build their own houses through the mutual self-help housing method. Under the team self-help housing method each family contributes 32 hours/week of labor and helps each other build their own houses. An experienced Construction Supervisor teaches the families all the skills to build the houses including framing, roofing, hanging doors and cabinets, installing countertops and floor tiles, painting, and finish carpentry.

Families will be building one and two story three and four bedroom houses for \$300,000 fee simple while the houses with ocean views appraise at \$480,000. For these low income families this immediate creation of wealth will assist them in stabilizing their families financially to realize other dreams. The 12 houses in Team 1 are nearly completed, with the house construction in Teams 2 and 3 significantly underway.

U.S.D.A.-Rural Development is providing the financing for the families from the RD 502 Direct Loan Program. Under the RD 502 Direct Loan Program the interest rate is 1%-3.50% interest amortized over 33 years. With subsidized interest rates the mortgage payments always remain affordable to the families, and it is a much less expensive program to support than rental assistance programs. No down payments are required. Relegated to rural areas for low income families it has been a cost effective and successful program for decades. The RD 502 Direct Loan Program is the only source of mortgage financing in many remote rural areas in the United States.

The Pokai Bay Self-Help Housing Project is the 58rd project undertaken by the Self-Help Housing Corporation of Hawaii which has completed 685 houses on Oahu, Kauai, Maui, and Molokai. The Self-Help Housing Corporation of Hawaii, along with non-profit organizations throughout the country celebrated the 50th anniversary of the self-help housing program in 2015 with the completion of 50,000 houses from Hawaii to Maine. The self-help housing program coupled with the RD 502 Direct Loan Program has been an effective vehicle for developing affordable housing for low income families, single parents, minority households, farm workers, and native American and Hawaiian families.

The Self-Help Housing Corporation of Hawaii initially attempted to purchase the Pokai Bay Subdivision as a REO property. Pushed out of escrow by investors who purchased with cash, SHHCH wrested the land from the investors to save the land and its resources for the "kanaka o' ka aina."

The Self-Help Housing Corporation of Hawaii received loans from the State Hawaii Housing Finance and Development Corporation, Housing Assistance Council, and RCAC to purchase the property. U.S.D.A.-Rural Development provides much of the mortgage financing for the self-help families. In the Pokai Bay Project SHHCH also has SHOP funding from the U. S. Department of HUD, a source for land acquisition and infrastructure. Without these publicly subsidized programs SHHCH would not be able to develop affordable housing programs. All of these organizations and many other individuals who have assisted the Self-Help Housing Corporation of Hawaii to bring this project to fruition will be recognized at the Pokai Bay Project Ground-Breaking Ceremony on June 26.