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Regarding Funding for FY 2013 for U.S.D.A.-Rural Development 502 Direct
Loans and RD 523 Technical Assistance Mutual Self-Help Housing Program at FY 2012 Levels
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The Self-Help Housing Corporation of Hawaii is requesting the same allocations from FY 2012 for the U.S.D.A.-Rural Development 502 Direct Loan Program, and the RD 523 Technical Assistance Mutual Self-Help Housing Program. With the average sales price for a single family house in Hawaii at \$550,000, there would be no affordable housing for homeownership in Hawaii without the U.S.D.A. Rural Housing Programs. Because of the extreme gap of income levels for low income families in Hawaii and the average housing prices, even the “workforce” of Hawaii cannot afford homeownership without the subsidies offered by these programs.

Through the recent development of its 72 lot subdivision in a rural low income neighborhood, SHHCH is able to offer homeownership opportunities to 72 very low and low income families who will build their own houses through the mutual self-help housing program. SHHCH is providing more than 200 jobs with just this self-help housing project with the construction of the infrastructure, materials and equipment from building supply houses, and services from title companies, appraisers, insurance companies, lenders, etc. With the federal funding of these programs acting as a catalyst, SHHCH has been able to leverage another \$11 million in private financing to undertake this development. Additionally, very low and low income families, who presently live in sub-standard, and severely crowded situations, not only improve their housing situations, but also gain equity; thereby, continuing to improve their lives.

The Self-Help Housing Corporation has built 591 self-help units throughout the State of Hawaii with firemen, policemen, teacher's aides, hospital workers, hotel workers, laborers, and those considered the "workforce" of Hawaii. Currently, in a remote rural area of Maui, SHHCH is assisting native Hawaiian low income families to build three and four bedroom houses through the RD 523 and RD 502 Direct Loan Programs. This is the first affordable housing program in Hana in 35 years. Some of these self-help builders have no electricity or potable water in their existing houses. Without these Rural Housing Programs, these families, and thousands of rural low income families across the country would continue to live in severely sub-standard conditions, some without electricity and potable water; conditions I saw as a Peace Corps volunteer in third world countries!

In the past three years more than 3,500 low income families in more than 37 states have built their own houses through the RD 523 Technical Assistance Program in tandem with the RD 502 Direct Loan Program. With a cost of approximately \$5,000 to subsidize the program over the entire 33 year amortization period, these programs are less expensive than rental subsidy programs. Through these programs not only does the family improve their living situation, gain equity, and learn invaluable skills in leadership, team work, and building skills, but the community benefits with a broadening of the tax base, an enhancement of property values, and an establishment of stable neighborhoods with well maintained houses. Every 100 homes built in this program results in 324 jobs, \$21.1 million infused in the local economy, and \$2.2 million paid in for tax revenues. These significant housing programs are assisting to rebuild the economy in rural areas.

I urge you, as at the leaders of our country, to consider funding such valuable community development programs at the FY 2012 funding levels.