



# NĀNĀKULI HOUSING CORPORATION

## *The Road to Homeownership* Evaluation Report

February 2015



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Program Improvement Section





EXECUTIVE SUMMARY

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**Project Summary**

*The Road to Homeownership Program* under the Nānākuli Housing Corporation (NHC), works to assist families in learning the steps needed to qualify for home loans, the importance of establishing savings accounts, and how to build or repair their credit history. Participants are given, free-of-charge, financial literacy training, assessment, and case management support with qualified counselors. Through a 5-Step process, they learn everything needed to purchase and maintain a home which is a major investment of their time and money.

The goal of this two-year program was to obtain homeownership or reduce the percentage of household income being spent on rent for enrolled Native Hawaiians. NHC estimates families will take 1.5 to 2 years to prepare for homeownership and sometimes longer.

NHC was supported with a grant of \$417,350 from OHA and with additional support from the Department of Hawaiian Home Lands, Administration for Native Americans, Native American Housing Assistance and Self Determination Act, and Queen Liliu`okalani Children’s Center.

**Purpose of the Evaluation**

NHC was evaluated in its capacity to help build stability in housing by increasing the number of Native Hawaiians who own a home and by reducing the number paying more than 30% of their household income toward rent. The evaluation will review contract requirements and deliverables and the impact this housing program had on Native Hawaiians trying to meet the challenges of affordable housing in a high end market.

**Findings**

NHC exceeded their proposal to assess 210 families for services and assessed 687; they proposed to enroll 175 families in their program and enrolled 358 families. NHC proposed 7 training classes for 140 families. They were able to provide 9 classes for 140 families. Three families achieved homeownership, one family is ready to sign mortgage documents and 50 families are prequalified for home loans

The majority of inquiries for the NHC program came from Section 8 families (47%) listed with the City. A change in management within the City housing division resulted in discontinuing informational mail-outs for the NHC program. OHA notified NHC of the City’s new policy. Nevertheless, NHC was not deterred and continued mailings to high rental areas and used radio and print ads to get their message out. NHC strategically turned to DHHL to mail program notices to Native Hawaiians on their waitlist.

OHA Strategic Results targeted Native Hawaiians who could prove they were paying more than 30% of their household income on rent. As a result, Hawaiians paying less than 30%, or living free with family, or receiving HUD Section 8 rent vouchers, or paying for food and utilities as a form of rent, did not qualify for the program. The end result was that 52% of Hawaiians seeking housing assistance were deemed ineligible.

It must also be noted that OHA only provided 65% of the funding for this program which means NHC could have used their match funds totaling \$83,470 to accommodate some of the families who did not qualify under the OHA requirement.

NHC recommended to OHA the 30% requirement be removed to allow all Hawaiians the opportunity to be educated in homeownership. Their request was not justified by OHA as the program was meeting its outcomes and recruiting the required numbers.





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In two years, advertising for *The Road to Homeownership* program attracted hundreds of inquiries resulting in 687 families being assessed for services. Subsequently, 358 qualified to be enrolled in the program, and 194 completed the financial literacy training. See Table 1 below:

**Table 1. Final Performance Measures**

Quarterly Reports	Families Assessed for Services	Families Qualified for the Training	Completed Financial Literacy Training Workshops	Obtained a Mortgage Loan	Created Savings Account	Reduced 30% of Income for Rent
<b>Year 1</b>						
1 <sup>st</sup> Qtr.	12	12	12	0	11	3
2 <sup>nd</sup> Qtr.	124	20	20	3	0	0
3 <sup>rd</sup> Qtr.	118	25	25	0	2	0
4 <sup>th</sup> Qtr.	79	29	15	0	40	6
<b>Total</b>	<b>333</b>	<b>86</b>	<b>72</b>	<b>3</b>	<b>53</b>	<b>9</b>
<b>Year 2</b>						
1 <sup>st</sup> Qtr.	70	46	14	1	0	1
2 <sup>nd</sup> Qtr.	122	92	36	0	31	1
3 <sup>rd</sup> Qtr.	104	80	42	0	30	0
4 <sup>th</sup> Qtr.	58	30	30	0	0	0
<b>Total</b>	<b>354</b>	<b>248</b>	<b>122</b>	<b>1</b>	<b>61</b>	<b>2</b>
<b>TOTAL</b>	<b>687*</b>	<b>334</b>	<b>194</b>	<b>4</b>	<b>114</b>	<b>11</b>

\*NHC reported that 100 of the 687 were not qualified. Actual number should be 587.

NHC estimates it will take the majority of families who complete the financial literacy training about 1.5 to 2 years to create the necessary credit rating, and increase their income and savings to qualify for a home mortgage. At the culmination of this two-year program, three families had purchased a home and a fourth was in escrow ready to close. In addition, 50 families had been pre-qualified for mortgages.

Contract 2783 was amended twice to revise the budget and document mutual understandings. Budget reallocations were the result of a threefold increase in the cost of electricity and water at their Kalaeloa training center due to upgrades in the systems supplying their warehouse. NHC is exploring photovoltaic and water metering changes but Navy lease restraints have hindered progress.

NHC was unaware both parties needed contract clarification on any issue and the contract reflects no changes regarding mutual understandings.





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NHC found the cost of housing in Hawaii is so expensive, it is difficult for renters to lower the percentage of household income for housing to less than 30%.

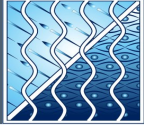
To accommodate all participants island-wide, NHC rented school facilities, libraries and private meeting rooms for some of their training and one-on-one sessions with consultants. Some of the facilities rented for \$100/hour while others were free. NHC provided coffee, water and meals for the long sessions which many times had low attendance despite reminder calls, emails, and letters. In addition to these expenses, staff and consultants endured transportation costs and hours of travel leaving them discouraged.

**RECOMMENDATIONS**

The following recommendations are presented for consideration should NHC continue with the same program and seek OHA funding in the future:

- 1) NHC should revisit their marketing efforts so as to reach more Hawaiians with less than 50% blood quantum and make it clear the program is being offered only to Hawaiians.
- 2) NHC and OHA should discuss removing the mandate that housing programs can only be offered to Hawaiians paying more than 30% of their income on rent.
- 3) NHC might want to consider a second permanent training site to service Native Hawaiians on the East and South side of O`ahu and adjust their hours to fit participant work schedules.
- 4) NHC may want to consider initiating a refundable fee for each training session to offset expenses when participants fail to show for scheduled training and individual consultations.





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INTRODUCTION



**Purpose of the Evaluation**

The Nanakuli Housing Corporation was evaluated in its capacity to help build stability in housing by increasing the number of Native Hawaiians who own a home and by reducing the number paying more than 30% of their household income toward rent. The evaluation will review contract requirements and deliverables and the impact this housing program had on Native Hawaiians trying to meet the challenges of affordable housing in a high end market.

**Scope of the Evaluation**

Contract #2783 for \$417,350 between OHA and NHC covered a two-year period from June 1, 2012 to May 31, 2014 and included two contract amendments to document mutual understandings and revise the budget.

**Roles and Responsibilities**

The main stakeholders worked together with support from other organizations dedicated to improving conditions for Native Hawaiians:

The **Office of Hawaiian Affairs (OHA)** is a non-profit state agency entrusted with the betterment of conditions for Native Hawaiians. One of their strategic results is to build stability in Housing and by 2018, increase Native Hawaiian owner-occupied housing by 1.38% and decrease the percentage of Native Hawaiian renters paying more than 30% of their household income on housing by 5%.

The **Nanakuli Housing Corporation (NHC)** is a private, non-profit community organization established in 1989 to address homeownership and was funded with a two-year community grant from OHA.

**Program Goals**

The goal of this housing program was to assist and educate Native Hawaiians in obtaining homeownership or reducing the percentage of household income being spent on rent. NHC's first objective was to secure 155 committed participants qualified for the training program. NHC was able to attract 687 families and qualified 194 who completed all training.

**Methodology**

Information was collected, assessed and analyzed from contractual agreements, reports that include performance measures tables, correspondence, interviews and a site visit to determine if project goals and objectives were achieved within the timelines set.

**Data Analysis**

Data collected was analyzed against the required scope of services, the impact on Native Hawaiians seeking help with homeownership, and how the program can be improved to meet the high demand.

**Limitations of Available Data**

This evaluation will not request personal data of program participants as it is not needed to evaluate the performance of *The Road to Homeownership* program and its outcome.

**Report Beneficial to Others**

This evaluation will benefit other organizations in determining whether to pursue grants from the Office of Hawaiian Affairs housing solicitation which restricts participation to those qualified to purchase a home or who are presently paying 30% or more of their household income on rent.





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PROGRAM HISTORY



The Road to Homeownership

**Nanakuli Housing Corporation**

Nanakuli Housing Corporation (NHC) was established in 1989 and since 1999, has provided culturally-based education and training in achieving homeownership and financial literacy to over 1,000 low to moderate income Native Hawaiians and their families. Their focus has been helping Hawaiians on homestead land on O`ahu.

NHC works to assist families in learning the steps needed to qualify for home loans, the importance of establishing savings accounts, and how to build or repair their credit history. NHC also teaches participants how to make minor home repairs such as plumbing, fixing screens and rebuilding stairs. For major repairs, families are assisted in getting loans or grants to repair or replace their home and can purchase most of the materials below retail prices at the NHC Baseyard Hawaii site at Sand Island.

Support comes from the Office of Hawaiian Affairs (OHA), ANA (Administration for Native Americans), Native American Housing Assistance and Self Determination Act (NAHASDA), Department of Hawaiian Home Lands (DHHL), and Queen Liliu`okalani Children's Center (QLCC). Through ANA funding, NHC has created three affordable home designs for purchase as turnkey building kits.

NHC submitted companion proposals to DHHL to provide assistance to Native Hawaiians for Maui and Hawaii Island homestead lands. In addition, NHC was running their program in conjunction with the NAHASDA sponsored homeownership and financial literacy training.

**The Road to Homeownership**

Nanakuli Housing Corporation created *The Road to Homeownership* training program to provide Homebuyer Education Programs that included pre-purchase financial assessments and post-purchasing counseling. A minimum of seven homeownership and financial literacy classes were supposed to be conducted by the end of the second year. Nine were actually completed. Each family created an Action Plan to meet their established goal with the help of a counselor. Their progress was monitored quarterly or more often if needed, in order to make changes whenever necessary.

The program was offered at no charge to eligible participants over 18 years of age who had to show documentation they were Native Hawaiian, were paying rent, and for what period of time. They had to provide a copy of their rental agreement, or cancelled rent checks, or a letter from their landlord or family member verifying the rent amount and how long they have lived there. They had to also show they were paying more than 30% of their income towards rent. NHC was available to assist them in determining the 30% eligibility.

Program participants learned about credit scores, how to budget their income and expenses, how to maintain credit, increase their income, and how to do minor home repairs. They were trained using the Five (5) Steps to Homeownership noted below:

**Step 1: How to get Credit Ready**

1. Your Responsibility as a Homeowner
2. What kind of Spender are you?
3. How is your Credit and How do you Manage your Money?

The first step is for participants to ask themselves if they are ready to buy a home. Once accepted into the program, they need to show their commitment by signing an Agreement with NHC and start the process by identifying their top three goals for achieving homeownership. Managing money requires each family to create a budget showing income and a plan on how to spend it.



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**Step 2: How to get Pre-Qualified**

1. Rate Your 4C's (Capital, Capacity, Credit History, Collateral)
2. Affordability and You
3. You, the Borrower
4. Qualification Criteria

Income, savings and credit history determines eligibility and affordability for the borrower. It shows how much a Lender would loan and how to select the right Lender and loan product. A pre-qualifying worksheet and mortgage form and a trial run to shop for a home exposes potential buyers to what they will experience when they are ready.

**Step 3: How to get the Right Loan**

1. What is a Loan?
2. Mortgage Loans vs. Consumer Loans
3. Obtaining a Mortgage
4. Complete the Loan Application
5. Words you will Hear



Loans are explained from the Lenders' perspective and how the loan works. It goes further to explain why Lenders loan money and when borrowing is a good idea. Participants are educated in the differences between a mortgage loan and a consumer loan and how to obtain a government backed mortgage loan from the Federal Housing Administration (FHA), Veterans Administration (VA), or U.S. Dept. of Agriculture (USDA).

Participants are run through a loan approval process to understand how to fill out a mortgage application, what to expect at Closing, and what is included in the monthly mortgage loan payment.

**Step 4: How to Get your Hale**

Shopping for a Hale



Participants learn how to search for the right home within one's budget and how a professional real estate agent can help. Mortgages need fire, liability and sometimes hurricane and flood insurance coverage to protect the asset for the homeowner and the Lender.

**Step 5: How to Keep your Hale**

Managing Financial Crisis and Staying Creditworthy

The final step involves managing a financial crisis and staying creditworthy.



**Target Beneficiaries**

According to the 2010 U.S. Census, 355,816 people have identified themselves as Native Hawaiian. Of that amount, 66% live on O'ahu where NHC has focused its attention for this program. Within the City & County of Honolulu, the census counted about 5,913 Native Hawaiian renters living in the Honolulu area, 3,053 in Ewa, 1,299 in Waianae, and 1,027 in the Ko'olau Poko or North Shore areas.



The OHA grant to NHC required assistance be given only to Native Hawaiians paying more than 30% of their household income for rent. NHC chose to focus on the five areas shown to assist the greatest number of Native Hawaiians.





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**Individual Development Accounts (IDA)**

NHC was able to help establish IDA accounts for O`ahu families to either save for a downpayment on a home, or to replace or make major repairs on a home to protect the health and safety of the homeowners. At the end of the two-year program, NHC was able to enroll six families in an IDA savings program which provided a 1:1 in match funds with a \$500.00 maximum for low income families. The ratio and maximum were subject to change based on the source of the funding. By the end of the two-year program, six families had saved an unknown amount as their savings were included with the 114 families who established savings accounts totaling \$1,573,790.

*“...114 families established savings accounts totaling \$1,573,790.”*

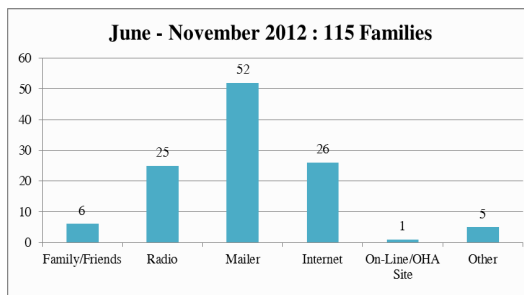
**Quarterly & Final Results**

The first quarter of the contract concentrated its efforts on meeting with the NHC Advisory Board members and developing a sound marketing program. Forms were created for intake and case management while revisions were made to the program’s previous workbook and workshop materials.

A trial run was conducted on a small class of 12 participants to determine whether further adjustments to the course were needed. All of them completed the financial literacy training, created “Action Plans”, and attended a one-on-one case management conference. Eleven were able to open savings accounts and by the end of the first quarter, NHC reported they had saved almost \$62,000.

By the end of the 2<sup>nd</sup> Quarter of Year 1, when NHC began to focus on registering eligible families, 115 families inquired about the program. Only 16% qualified for the program. Figure 1 shows results of the initial advertising for the NHC Program:

Figure 1. 2<sup>nd</sup> Quarter Advertising - Year One



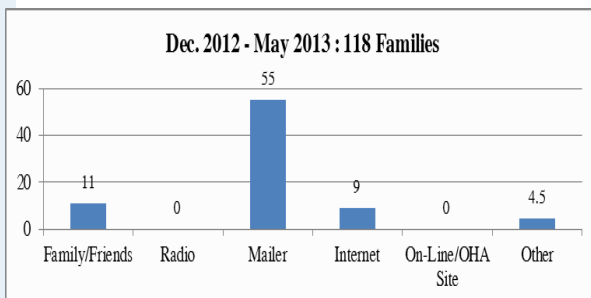
The majority of inquiries were from the mail-outs of which 47% were from Section 8 families who were reached through the City & County mailing list of over 2,000 families. Within the first six months of the program, OHA notified NHC that management at the City had changed and they would no longer mail out NHC flyers to their Section 8 families.

The 3<sup>rd</sup> Quarter of Year 1 reached 118 families with 52% from mail-outs and 27% from radio advertising. Only 21% qualified for enrollment.

*“...the loss of the City’s Section 8 mailing list had a minimal effect...”*

The 4<sup>th</sup> Quarter of Year 1 reached 79 families with 70% from mail-outs, 14% from family and friends, and 11% from the Internet. Only 37% qualified for enrollment. Figure 2 shows the loss of the City’s Section 8 mailing list had a minimal effect on the marketing results for the last quarter of Year 1.

Figure 2. 4<sup>th</sup> Quarter Results - Year One



With the start of Year 2, the 1st Quarter reached 70 families with 76% from Flyers and 13% from Family/Friends. Only 66% qualified for enrollment.

The 2nd Quarter reached 122 families with 45% from Flyers and 30% from Family/Friends. Only 75% qualified for enrollment.

The 3rd Quarter reached 104 families with 75% from Flyers and 20% from Family/Friends. About 77% qualified for enrollment.





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The 4th Quarter of Year 2 saw a major change in how 58 families were reached with 93% learning of the program from family and friends, and only 5% from flyers. However, only 52% qualified for the program.

The quarterly results of this two-year program shows interest escalated in the second and third quarters of each year and a greater number completed the training during this time. Overall, it shows 62% opened savings accounts mainly in preparation for the downpayment on a home.

The homeownership course focused on buying a home but it also worked to help participants seeking to reduce the amount of household income being spent on rent. The results show a marginal number of participants sought or considered this option.



Pursuant to NHC’s projection that people going through their course usually take at least two years to achieve homeownership, four families were successful. Of equal importance is the fact that an additional 50 families have been pre-qualified for mortgages.

“...people usually take at least two years to achieve homeownership...”

**Performance Measurements**

The results of the two-year program are reflected in Table 2 and show a strong interest in the homeownership program. Of that number, 100 were disqualified for not being Hawaiian and only 57% of those remaining qualified for training.

**Table 2. Final Performance Measurements**

Quarterly Reports	Families Assessed for Services	Families Qualified for the Training	Completed Financial Literacy Training Workshops	Obtained a Mortgage Loan	Created Savings Account	Reduced 30% of Income for Rent
<b>Year 1</b>						
1 <sup>st</sup> Qtr.	12	12	12	0	11	3
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<b>TOTAL</b>	<b>687*</b>	<b>334</b>	<b>194</b>	<b>4</b>	<b>114</b>	<b>11</b>

\*NHC reported that 100 of the 687 were not qualified. Actual number should be 587.

Exhibit A has an array of NHC history, program qualifications, and participant accomplishments reflected in their words and faces.





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**Performance Measurements - continued**

The performance measures table is a standard requirement for the Grantee to include in each quarterly report. Most of the Output and Outcome measurements for NHC had little to no basis. Examples include needing to track the amount of savings *each* participant was able to save in 90, 180, and 365 days. The table was not designed to record individual accomplishments therefore only a total savings for six participants could be shown. The same format was used to record how many participants acquired a new rental in 90, 180, and 365 days.

In both instances, the information had no relevance because it only applied to a handful of the participants and not the group. Neither party acknowledges creating the categories for the performance measurements.

A comparison of the project’s proposed and actual outputs and outcomes shows the program exceeded their goals of acquiring and educating. Their goal of obtaining at least 15 families for IDAs cannot be critiqued as there are low income requirements to qualify for the IDA program.

**Table 3. Outputs & Outcomes**

Performance Measurements	Proposed	Actual	Achieved
<b>OUTPUTS</b>			
# of Native Hawaiians (NH) assessed for eligibility in the program	175	587	335%
# of NH completed financial literacy training	140	194	139%
# of NH qualified for Individual Development Accounts (IDA)	15	6	40%
<b>OUTCOMES</b>			
# of NH decreased rent percentage to less than 30%	21	11	52%
# of NH who established savings accounts	140	114	81%
# of NH obtained homeownership	7	4	57%

**Participant Response**

Participants were encouraged to provide feedback at the end of each training session to enable NHC to constantly improve their presentations. The participants were able to express personal feelings about how the program helped them work toward homeownership. One learned from the course that “*Credit is forgiving, it tells a story.*” Another stated, “*The best thing gained from this class - knowledge [in] the areas needing work to purchase my home*”, while another stated, “*The housing affordability worksheet was an eye opener. It made us realize what exactly we can afford.*”

An evaluation summary showed the participants rated the Five Steps on the Road to Homeownership as mainly a great experience with only one recommending improvement in the final step on managing financial crisis and staying credit worthy.

“...the program exceeded their goals of acquiring and educating.”

Credit is forgiving, it tells a story.

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**OHA Strategic Results**

To build stability in Housing, OHA Strategic Results seek to increase the percentage of Native Hawaiians who improve their capacity to own or rent a home by focusing on: (1) By 2018, decreasing from 55% to 50% the percent of Native Hawaiian renters who are paying more than the HUD standard housing cost (no more than 30% of household income); and (2) By 2018, increasing Native Hawaiian owner-occupied housing from 56.62% to 58%.

**Commitment**

The greatest concern facing NHC staff was establishing trust with participants who were being asked to share details of their personal finances with strangers. Once that trust was established, there was difficulty maintaining steady attendance by participants and keeping their appointments with NHC counselors to review their action plans. NHC provided meals for the participants to accommodate long training sessions and encourage socializing and sharing.

Some participant work schedules were difficult to coordinate with NHC staff work hours and the location of the NHC facility in Kalaeloa was inconvenient for those families not living or working in Leeward O`ahu.

As a result, volunteer staff sometimes gave up their time and incurred unnecessary travel expenses for some participants who did not show up for their scheduled sessions. NHC staff was spending time and resources to prepare meals, incur travel expenses, and pay as much as \$100 per hour to rent off site training facilities.

**Barriers Encountered**

NHC reported many families lacked the understanding of good credit and how it affects the goal of homeownership. Most were unaware of their spending habits or why bills had to be paid on time or the importance of prioritizing their liabilities. A consistent problem was committing their time to individual sessions with counselors to review their progress with their Action Plan. NHC staff followed up with reminder letters, emails and phone calls to counter this problem.

In response to credit issues, NHC emphasized the importance of working within a budget thereby increasing discretionary income, setting a savings goal with a purpose, establishing a strong credit history by paying bills on time, and knowing one's maximum debt allowance based on income.

NHC promoted using payroll deductions to meet monthly debts and to maintain a steady savings stream knowing that what they did not receive, they could not spend.

**Program Budget**

Contract 2783 was amended twice to document mutual understandings and revise the budget. Administrative contract services were reduced by a little more than \$4,000 to cover the increase in rent and utilities. Personnel expenses, medical insurance, and travel to the East Coast for training of two staff members was underestimated, thereby allowing those funds to be used elsewhere. Publication, printing, and mileage were overestimated allowing the transfer of excess funds to cover increased expenses.

The unforeseen cost of the Navy increasing their utility costs almost threefold in late 2013, resulted in the need to shift funds in their budget.

OHA provided 65% of the funding for this program while 20% came from matching funds and 15% from in-kind donations. The final revised budget is shown in Table 4:





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**Table 4. Program Budget**

Description	OHA Funding
<b>Personnel:</b>	
Executive Director .10	\$12,000
Program Director .40	54,000
Program Coordinator .50	32,000
Case Manager .50	32,000
Loan Specialist .50	53,000
Fiscal Manager .15	15,000
Warehouse Supervisor .15	10,200
Fringe Benefits	68,502
<b>Other Expenses:</b>	
Airfare	5,596
Contractual - Administrative	7,832
Contractual - Consultants	10,000
Insurance	6,186
Rental of Space	33,738
Mileage	1,745
Postage/Freight	8,959
Print/Advertising	19,134
Repair & Maintenance	1,501
Staff Training	6,902
Supplies	10,710
Telecommunications	7,635
Utilities	20,710
<b>TOTAL</b>	<b>\$417,350</b>

**Findings**

NHC exceeded their proposal to assess 210 families for services and assessed 687; they proposed to enroll 175 families in their program and enrolled 358 families. NHC proposed 7 training classes for 140 families. They were able to provide 9 classes for 140 families. Three families achieved homeownership, one family is ready to sign mortgage documents and 50 families are prequalified for home loans.

The majority of inquiries for the NHC program came from Section 8 families (47%) listed with the City. A change in management within the City housing division resulted in discontinuing informational mail-outs for the NHC program. OHA notified NHC of the City’s new policy. Nevertheless, NHC was not deterred and continued mailings to high rental areas and used radio and print ads to get their message out. NHC strategically turned to DHHL to mail program notices to Native Hawaiians on their waitlist.

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**Findings** - continued

In two years, advertising for *The Road to Homeownership* program attracted hundreds of inquiries resulting in 687 families being assessed for services. Subsequently, 358 qualified to be enrolled in the program, and 194 completed the financial literacy training.

NHC recommended to OHA the 30% requirement be removed to allow all Hawaiians the opportunity to be educated in homeownership. Their request was not justified by OHA as the program was meeting its outcomes and recruiting the required numbers.

NHC estimates it will take the majority of families who complete the financial literacy training about 1.5 to 2 years to create the necessary credit rating, increase their income and savings, and qualify for a home mortgage. At the culmination of this two-year program, three families had purchased a home and a fourth was in escrow ready to close. In addition, 50 families have been prequalified for mortgages.

Grant applicants are required to incorporate OHA Strategic Results into the framework of their program to be eligible for grants. In this case, it restricted NHC from servicing Native Hawaiian renters who either were not, or could not, show they were paying more than 30% of their household income on rent.

Contract 2783 was amended twice to revise the budget and document mutual understandings. Budget reallocations were the result of threefold increases in the cost of electricity and water at their Kalaeloa training center due to upgrades in the systems supplying their warehouse. NHC is exploring photovoltaic and water metering changes but Navy lease restraints have hindered progress. There was no evidence of any mutual understandings.

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- 3) NHC might want to consider a second permanent training site to service Native Hawaiians on the East and South side of O`ahu and adjust their hours to fit participant work schedules.
- 4) NHC may want to consider initiating a refundable fee for each training session to offset expenses when participants fail to show for scheduled training and individual consultations.



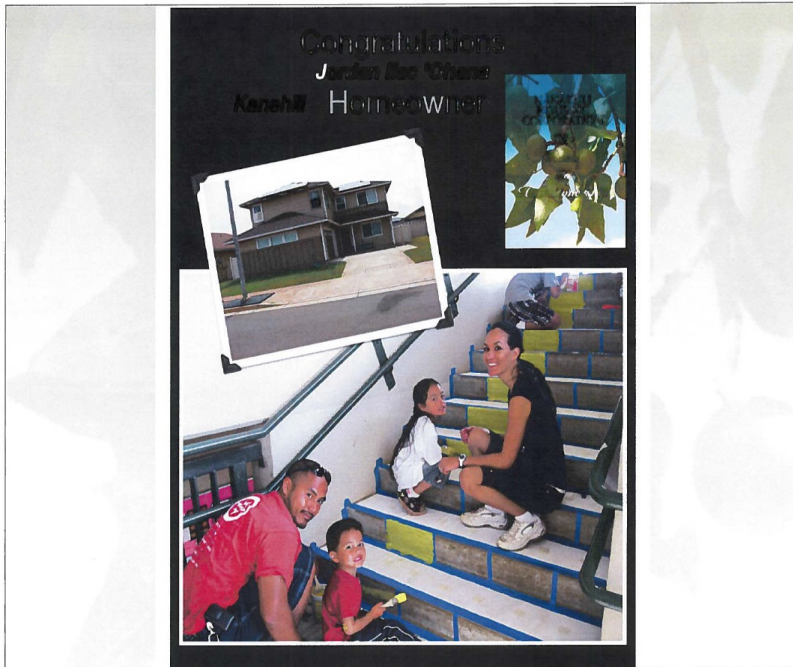


**EXHIBIT "A"**





Successful participants in *The Road to Homeownership*, receive their ko`o ko`o (cane, staff) signifying support in their commitment to becoming homeowners.

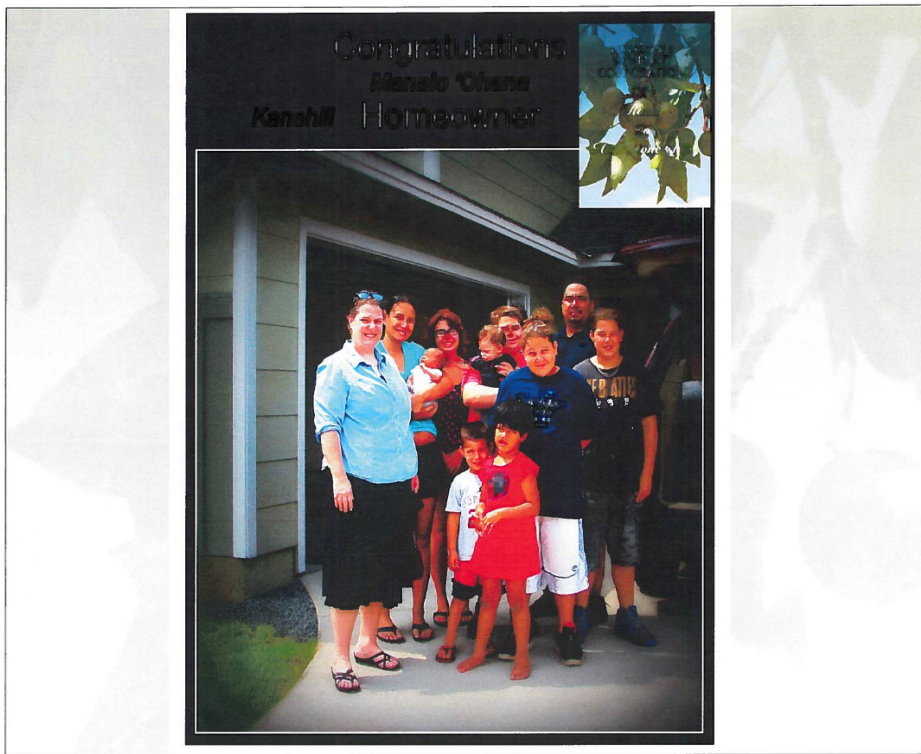


### Ilac `Ohana

NHC assisted the Ilac's with credit repair and starting a savings plan. They were able to purchase a 5/3 home in Kanehili for \$300,000 with a loan from USDA.

Mr. Ilac is in construction and Mrs. Ilac is a preschool teacher.





### Manalo `Ohana

After attending the financial literacy classes, They were able to repair their credit and save to purchase their 5/3 home in Kanehili for \$300,000. They received downpayment assistance and secured a loan with USDA.

Mr. Manalo works as a transitional home counselor in Waianae and Mrs. Manalo works at home taking care of their 4 biological children and 3 adopted special needs children.

### Kamakele `Ohana

The Kamakele's registered in financial literacy training which taught them how to budget, save, and manage their debt. They were able to buy a 3/2 home in Kanehili.

Prior to that, they were renting a home in Nanakuli and living with three other families.

