

Home Build Program Guide

680 Iwilei Road Ste 410, Honolulu, HI 96817
808-538-7070 • honoluluhabitat.org • info@honoluluhabitat.org

SECTION I: OUR MISSION

Our Mission

Habitat for Humanity is a global nonprofit housing organization working in local communities across the nation and in more than 70 countries around the world. Seeking to put God's love into action, Habitat brings people together to build homes, communities and hope. Our vision is of a world where everyone has a decent place to live. At Habitat, we work to achieve this by building strength, stability and self-reliance in partnership with people and families in need of a decent and affordable home.

Who can qualify for a Habitat Home?

Honolulu Habitat for Humanity applicants are chosen using the four basic selection criteria: Access to Land, Housing Need, Ability to Repay, and Willingness to partner. Habitat does not discriminate against any applicant because of race, color, religion, sex, marital status, age, familial status, handicap, or national origin. Habitat requires potential homeowners to reside and work on Oahu Island. We also do a background check for any criminal behavior including but not limited to the use of illegal substances.

Access to Land:

Currently, Honolulu Habitat for Humanity encourages families who own their own land (have a clean title) free and clear of any mortgage or have a long-term lease (minimum of 30 years remaining) in their name on their land to apply.



Housing Need:

Habitat assists people who do not own a home and are living in "substandard" housing. (Substandard means that the current housing is unsafe, unhealthy, too small, or costly for the applicant's income.) For example, overcrowding (three to a bedroom), and unsafe or unsanitary conditions. Priority is based on the level of need and lack of adequate shelter as well as those families with small children and seniors.



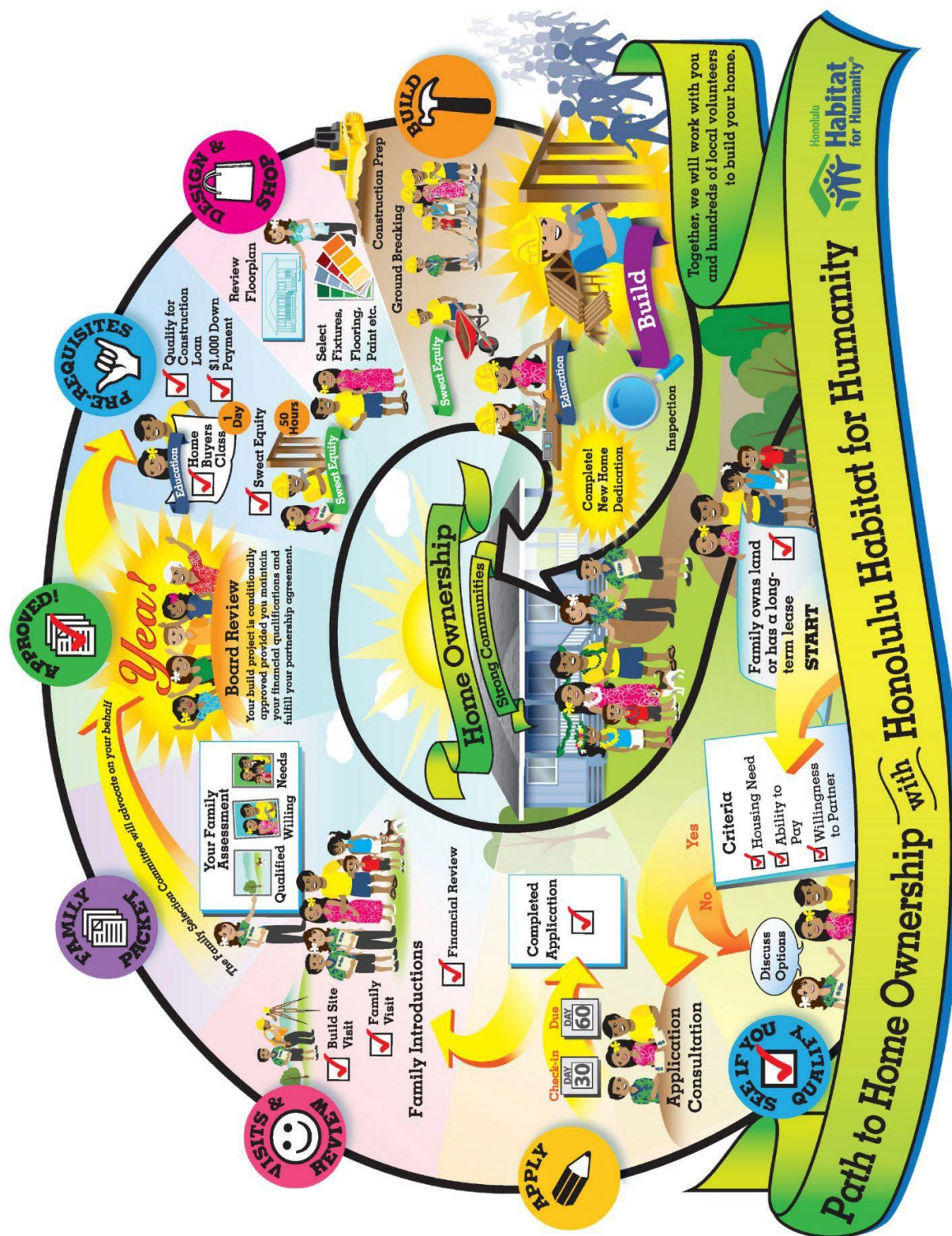
Ability to Repay

Applicants must have the income ability to repay the loan and meet credit guidelines. Applicants also must have a history of paying debts and living up to obligations. A credit report, income, and expense verifying documentation shall be obtained or submitted during the qualifying process and before the family moves into the home. They must also have the financial resources to pay a down payment which is to pay the required home insurance and real property tax one year in advance. Applicants must be able to make the monthly loan, property tax, and insurance payments by the assigned due date.



Willingness to partner

Applicants must be willing to partner with the organization throughout the entire process of our ***“Path to Homeownership”***. This partnership includes communications, corresponding to any request that we may need, contributing sweat equity hours by helping with the construction of their home and the homes of others in our homeownership program. Sweat Equity can be completed in a variety of ways such as assisting with fundraising events, the outreach of our programs, providing lunches for volunteers, and more.



SECTION II: INCOME QUALIFICATION

Affordability

Families who pay more than 30% of their income on housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care.

At Habitat, we ensure that the homeowner's mortgage payment, which includes repayment of principal, property taxes, and homeowner's insurance, does not exceed 30% of the homeowner's income.

Income Qualifications

Honolulu Habitat programs are for individuals and families whose gross household income is within 30% to 80% of the area median income (AMI) of Honolulu County. Family size equals ALL persons currently living in the household, including children and those not working.

***Gross income:** the amount of income you earn *before* deductions are taken

***Household gross income:** every person's gross income combined

***Net income:** the amount of income you earn *after* deductions are taken

HUD Area Median Income (AMI) Brackets 2023									
\$113,300	Family Size	1	2	3	4	5	6	7	8
Household Median Family Income	Minimum (30%)	\$27,550	\$31,450	\$35,400	\$39,300	\$42,450	\$45,600	\$48,750	\$51,900
	Maximum (80%)	\$73,400	\$83,850	\$94,350	\$104,800	\$113,200	\$121,600	\$130,000	\$138,350

SECTION III: HOUSE DESCRIPTION

House Layout

Habitat houses are modestly sized; large enough for the family's needs, but small enough to keep construction and maintenance costs affordable. The house layout (number of bedrooms and bathrooms) is based upon the demographic of who will be living in the home.

Bedroom guidelines:
(1) Couples will share a bedroom
(2) Individuals 16 and older will each have their own bedroom
(3) Children (under 16) of the same gender will share a bedroom (max. of 2 per room)

Habitat home

All Habitat houses include: bedrooms, bathroom(s), dining and living room area, kitchen, refrigerator and stove, washing and drying machines, and a solar water heater.

Mission Driven Standard

Honolulu Habitat for Humanity floorplans adhere to a Mission Driven Standard. Each floorplan offered complies with local ordinances, building, and zoning codes as well as the Habitat International Design Policy of providing simple, decent, affordable homes.

Building in Partnership; Honolulu Habitat for Humanity will consider modifications to the Standard Floorplans when a partner family demonstrates a unique need. Alteration request to the standard floorplans require Honolulu Habitat's Board of Director's and/or the Chief Executive Officer approval.

SECTION IV: SWEAT EQUITY

At Honolulu Habitat for Humanity, sweat equity is a new homeowner investing in their home or the homes of other Habitat families. It's NOT a form of payment towards your home build, but an opportunity to work alongside volunteers who give their time to bring to life a family's dream of owning a home.

Sweat equity can take many forms for partner families working with Habitat. It can mean construction work on their home or on a home for another family, cleaning up the build site, assisting in administrative duties, providing lunches for the volunteers, assisting fundraising events, Programs outreach & information sessions, and countless other ways of helping out. Sweat equity should never deter someone from applying; modified plans can be made on a case-to-case basis as approved by the executive director.

Home Buyer's education course — learning how to manage a home or finances — also count as sweat equity. Families invest their time in the long-term success of their homeownership. Throughout the process of purchasing their home, Habitat partner families can earn sweat equity hours as they learn about their mortgage, insurance, budgeting, and more.

The idea behind sweat equity, families working side by side with volunteers to build their homes, was created before Habitat existed. Clarence Jordan — the founder of Koinonia Farm, where Habitat began, placed an emphasis on the *co-worker approach*: all of us working together so that homeowners can achieve the strength, stability, and independence they need to build a better life for themselves and for their families.

Each adults (18+) must complete 275 hours of sweat equity throughout the Home Build program process. These hours are divided into 3 phases with a specific number of hours during each phase:

Phase 1 - prior to the build:	50 hours
Phase 2 – during the build:	200 hours (Required: Saturdays 8:00 AM - 4:00 PM)
Phase 3 - after the build:	25 hours
	= 275 hours

Sweat equity requirements will be discussed with Habitat's staff prior to project approval.

At Habitat, we believe that sweat equity should never deter a family from applying; accommodations are made on a case-to-case basis as approved by the CEO.

SECTION V: FINANCIAL EDUCATION

Homeownership and financial education classes are available to the public and highly beneficial to those interested in pursuing homeownership. The purpose of these classes is to provide education, information and support to create successful first-time homeowners. By addressing barriers and increasing rates of homeownership, these workshops aim to build stronger families and communities throughout Hawaii.

Please note that these classes are NOT required to apply.

Homeownership and financial classes cover the following:

- *Managing Your Money* – Preparing a budget and setting financial goals
- *Understanding Credit* – Credit reporting, managing debt and the cost of credit
- *Getting a Mortgage Loan* – Steps to get a loan, how to select a lender, understanding lending ratios and other lending terms
- *Insurance* – Types of insurance and what is covered

For more information on financial classes and resources:

Hawai'i HomeOwnership Center:

Website: <https://www.hihomeownership.org/>

Phone: (808) 523-9500

Email: info@hihomeownership.org

Hawaiian Community Assets:

Website: <http://www.hawaiiancommunity.net>

Phone: (808) 587-7886

Email: info@hawaiiancommunity.net