



2024 Annual Report

Social Impact Investment Fund



Hawai'i
Community
Foundation



“The Social Impact Investment Fund’s initial investments, now multiplied, are fueling local businesses, creating jobs, and strengthening the economy, generating lasting social benefits.”

—Michelle Ka’uhane
HCF Senior Vice President & Chief Impact Officer



Table of Contents

Looking Back on a Successful Year	04
Social Impact Investment Fund by the Numbers	08
Borrower Summaries and Impact	10
Origins and Growth	16
Partnering for Change	18
Fostering Growth Opportunities	20
Additional Funding Unlocked	22
Investments this Year	24
Support and Resources for our CDFI Cohort	26
Success Stories	30
Get Involved	33

Looking Back on a Successful Year



Embracing Innovation For Greater Social Impact

The Hawai'i Community Foundation (HCF) has over 108 years of experience with philanthropy, connecting donors with meaningful causes. While proud of our legacy, we are also committed to innovation. In 2019, we piloted a program to make socially informed impact investments in Hawai'i, using patient capital and low-interest loans to create economic opportunities in underserved communities and markets.



The results we've seen in just a few years

have been impressive. Hawai'i's Community Development Financial Institutions (CDFIs) have significantly increased their lending

capacity. Our investments helped attract additional funding from federal agencies, corporations, and philanthropies, driving CDFI assets from \$18 million in 2019 to nearly \$87 million in 2024.

The impact on communities has been profound. The Social Impact Investment (SII) Fund's initial investments, now multiplied, are fueling local businesses, creating jobs, and strengthening the economy, generating lasting social benefits.

This report highlights progress over the past year. We share examples of the kinds of investments being made with success stories that demonstrate the transformative power of investing in the lives of Hawai'i residents.

Social impact investments have proven to be a powerful tool for fostering equity and economic growth. Yet this is just the beginning. We invite you to join us in unlocking even greater potential for Hawai'i's communities.

Aloha,

Michelle Ka'uhane
*HCF Senior Vice President
& Chief Impact Officer*



Above: Volunteers builders make a lasting impact by helping local families achieve their dream of safe, affordable housing. Photo credit: Hawai'i Habitat for Humanity

HCF Mission

To inspire generosity, advocate for equity, forge connections, and invest in community to create a better Hawai'i.

HCF Vision

An equitable and vibrant Hawai'i where all our island communities thrive.

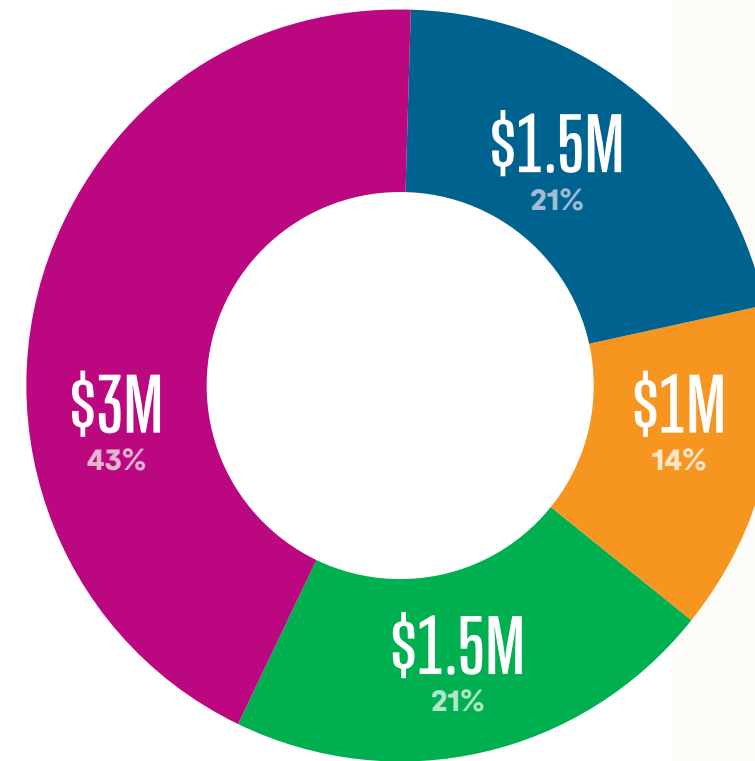
HCF Social Impact Investing Fund CHANGE Areas:

- ▶ Small Business Support
- ▶ Early Childhood
- ▶ The Environment
- ▶ Affordable Housing
- ▶ Sustainable Food Systems



Social Impact Pilot by CHANGE area and Size of Investment—

Total Invested: \$7M



We have maintained ongoing discussions and continue actively exploring opportunities within the Early Childhood Learning area of CHANGE, and hope to identify a viable investment in the near future.

● Community & Economy – Housing Affordability	\$1,500,000	21%
● Natural Environment – Natural Resource Protection	\$1,000,000	14%
● Natural Environment – Food Systems	\$1,500,000	21%
● Community & Economy – Asset Building	\$3,000,000	43%
● Education – Early Childhood Learning		0%

Borrower Summaries & Impact



Council for Native Hawaiian Advancement

Council for Native Hawaiian Advancement (CNHA) is one of the few groups that specialize in providing microloans and support services for small businesses. CNHA's loan fund supports many emerging small businesses in Hawai'i.

HCF investment made in: 2022

Region: *Statewide*

CHANGE Area:
Community & Economy – Wealth, Income, and Asset Building

Recent Impact:
CNHA deployed \$1.8M over 37 loans this year!



Feed the Hunger Fund

Feed the Hunger Fund (FTHF) is a microlender located in San Francisco with operations and lending in California and Hawai'i. FTHF specializes in food systems-related lending, and provides loans and support for Hawai'i's food system, including producers, transportation, and infrastructure providers.

HCF investment made in: 2021

Region: *Statewide*

CHANGE Area:
Natural Environment – Sustainable Agriculture and Food Systems

Recent Impact:
FTHF is on track to surpass its deployment goal of \$4M this year, with more than \$3.3M in approved loans.



Hawai'i Community Lending

Hawai'i Community Lending (HCL) is a CDFI that provides emergency capital to individuals and households with no other borrowing options. Its loans help keep families in homes and prevent the cycle of payday lending.

HCF investment made in:
2020 and 2024

Region: *Statewide*

CHANGE Area:
Community & Economy – Wealth, Income, and Asset Building

Recent Impact:
Significant growth in loan fund to \$15M, and staff capacity to 37, in line with HCL's goal to expand its construction lending and loan mortgage programs.



Hawai'i Community Reinvestment Corporation

Because of a lack of predevelopment financing, Hawai'i has fewer affordable housing development prospects than other states. **Hawai'i Community Reinvestment Corporation (HCRC)** is currently raising capital for the Community Real Estate (CRE) Fund, an affordable housing and community facility predevelopment loan fund for developers in both the for-profit and not-for-profit sectors.

HCF investment made in: *2024*

Region: *Statewide*

CHANGE Area:
Community & Economy – Housing Affordability

Recent Impact:
12 loans over the past fiscal year, including seven loans for small business support, and five real estate loans, including multifamily predevelopment and community facility improvement loans.



HHOC Mortgage

HHOC Mortgage is an O'ahu CDFI addressing first-time homebuyers' financing issues, like down payment assistance and mortgage insurance support loans.

HCF investment made in: *2020*

Region: *Statewide*

CHANGE Area:
Community & Economy – Wealth, Income, and Asset Building

Recent Impact:
HHOC Mortgage is serving people who are serving Hawai'i, including police officers, servers, and chefs, helping them get a step closer to home ownership and wealth building.



Hawai'i Habitat for Humanity

Hawai'i Habitat for Humanity (HHFH) has a robust pipeline of near-term lending opportunities to spur affordable housing across Hawai'i. It also expanded its lending to other developers beyond Habitat affiliates.

HCF investment made in: *2021*

Region: *Statewide*

CHANGE Area:
Community & Economy – Housing Affordability and Cost of Living

Recent Impact:
HHH has launched a new construction loan program, and is attempting to launch a solar energy program for low-income homeowners. HHH is also supporting Maui's rebuild.



Hawai'i Investment Ready

'Āina Aloha Economy Fund is an LLC wholly owned by **Hawai'i Investment Ready (HIR)**, a non-profit providing business accelerator training for Hawai'i social enterprises. The impact of the fund is to increase borrowers' earned revenue, attracting additional capital and boosting Hawai'i's homegrown economy.

HCF investment made in: 2023

Region: *Statewide*

CHANGE Area:
Community & Economy – Wealth, Income, and Asset Building

Recent Impact:
HIR is the first native-led accelerator in Hawai'i. In five cohorts, HIR has graduated 63 for- and non-profit social enterprises, totaling more than \$100M in combined annual revenue and 450 jobs.



The Hawai'i 'Ulu Cooperative

The Hawai'i 'Ulu Cooperative (HUC) is a farmer-owned agricultural cooperative focused on Hawai'i's heritage crops, including 'ulu (breadfruit), kalo (taro) and other crops. HUC currently aggregates crops from many small and mid-scale farmers primarily on Hawai'i Island and Maui.

HCF investment made in:
2021 and 2024

Region: *Statewide*

CHANGE Area:
Natural Environment – Sustainable Agriculture and Food Systems

Recent Impact:
In FY23, HUC aggregated a record 139,000 lbs. of 'ulu from its 150 members across four islands.



Rural Community Assistance Corp

Rural Community Assistance Corp (RCAC) is a larger CDFI working in the Western US that has made significant investments in Hawai'i over the past decade, one of very few large regional or national CDFIs doing so.

HCF investment made in: 2022

Region: *Statewide*

CHANGE Area:
Community & Economy – Housing Affordability, Diverse and Healthy Economy

Recent Impact:
RCAC in Hawai'i closed more than \$13M in new transactions, the highest volume since its inception.



Origins and Growth



SII: From Pilot to Official Program

In 2019, the Hawai'i Community Foundation Board of Governors approved a \$5M pilot program to make social impact investments in Hawai'i. The program was expanded in 2023 by another \$5M, and the pilot designation was removed in 2024, making it an ongoing HCF program.

Along with designating the Social Impact Investment (SII) Fund as an official HCF program, the SII Committee approved an expanded set of goals for the program at its Q2'24 meeting. While

the pilot's goals focused on external work centering borrower capacity, the program's new goals also focus on bigger picture objectives, including fundraising and internal processes.

Goal #1: Expand SII's Scope. *What does the SII program do?*

- ✓ Continue to strengthen and build up the balance sheets of local Community Development Financial Institutions (CDFIs).
- ✓ Seek out non-CDFI investments in areas of the CHANGE framework where there are not suitable CDFI options.
- ✓ Work collaboratively around the state to use social impact investing opportunistically to support and strengthen Hawai'i's emerging social impact investment ecosystem.

Goal #2: Refine Roles. *What does HCF need to do?*

- ✓ Refine and strengthen our portfolio management systems.
- ✓ Improve internal systems and separation of responsibilities between Occam Advisors and staff.
- ✓ Continue to build up our annual reporting framework in conjunction with internal communications department.

Goal #3: Expand Collaboration. *How do we work with others?*

- ✓ Continue broad outreach to funders.
- ✓ Targeted outreach to specific funders with the goal of raising \$2.5M into the fund.
- ✓ Feature the work and impact of individual HCF investments on local and national stages.

Goal #4: Contextualize the Work *What is our impact?*

- ✓ Demonstrate and report impact of investments within the CHANGE framework.
- ✓ Increase coordination with program staff and HCF initiatives, and communicate with other stakeholders.

Partnering for Change



The Critical Role of Donor and Investor Support in HCF's SII Fund

At the heart of Hawai'i's social and economic resilience are the people who work tirelessly to sustain and uplift their communities. Hawai'i's local CDFIs serve them, providing essential support to farmers, small business owners, and families striving for stability. By empowering those who serve Hawai'i, the CDFIs strengthen the very fabric of our islands. Supporting their work is not just an investment in financial returns, but an investment in the future of Hawai'i's people and places.

However, achieving meaningful change requires more than the efforts of CDFIs. To influence policy and create lasting impact, these organizations need support from committed allies. Donors and investors play a crucial role by amplifying CDFIs' voices and enhancing their capacity to drive systemic change. This support enables them to secure vital resources and influence decision-makers, leading to innovative solutions in housing, food systems, and small business development.



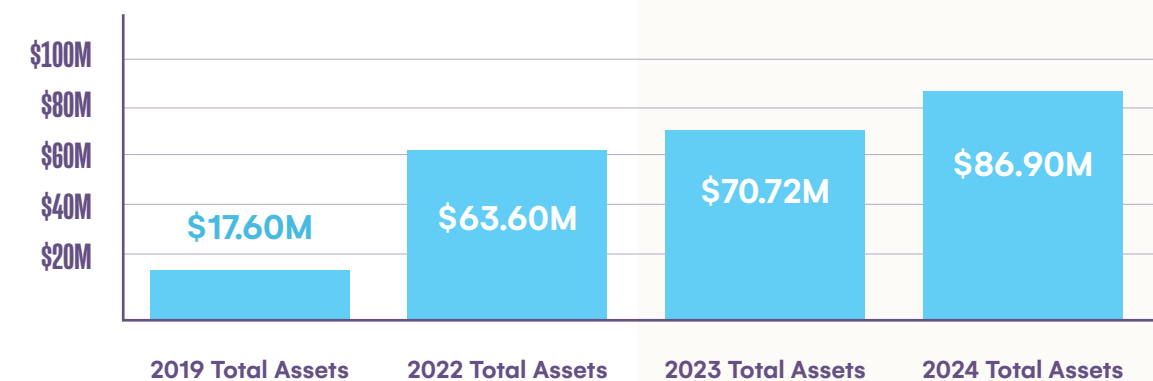
Fostering Growth Opportunities



Helping CDFIs Grow Collective Assets 393%

Since the pilot phase of HCF's SII Fund, CDFIs have achieved remarkable growth and impact, including more than \$30M in impact capital collectively deployed in 2024. With \$7.5M currently under management—pulled from multiple sources, including HCF donor grants and funds from HCF's endowment—the SII Fund has helped Hawai'i's CDFIs grow their collective assets from \$18M in 2019 to nearly \$87M in 2024. This capital has allowed CDFIs to attract additional public and private funding, further expanding their reach and impact.

Hawai'i' Based CDFI Asset Growth (in Millions)



New Investor Support for Even Greater Impact

The results speak for themselves: transformative progress in housing, local food systems, and small business support—areas central to HCF's CHANGE Framework. Yet, the potential for even greater impact remains. We have identified \$10M in high-impact, low-risk opportunities across the state that could be funded in the next two to three years, provided sufficient capital is available.

Given the success of current investments and the scale of these new opportunities, new investor support is more critical than ever. Expanding the SII Fund's base of contributors will enable us to capitalize on these opportunities, driving sustainable growth and resilience across Hawai'i. Together, we can ensure that the CDFIs continue to serve as a powerful force for good, building a more equitable and thriving Hawai'i—one investment at a time.

Additional Funding Unlocked



Donations to SII Fund Borrowers in 2024

Rallying HCF partner funders to take up this work, and supporting them in growing the field of impact investing in Hawai'i, are implicit goals of the SII program. Below are some examples of public and private funders that have supported our borrower partners this past year. All of these resources are helping to grow and strengthen these organizations working towards the betterment of Hawai'i. These investments help build a more resilient network of intermediaries, providing greater near-term security and ensuring a brighter future for the community.

Council for Native Hawaiian Advancement *(HCF investment made in 2022)*

Received a \$2M award from
Hawai'i Pacific Health.

Hawai'i Community Lending *(HCF investments made in 2020 & 2024)*

Received a \$5M donation from
Stupksi Foundation, and a \$500,000
loan from Disney Foundation.

Hawai'i Habitat for Humanity *(HCF investment made in 2021)*

Received a \$500,000 investment from
Hawai'i Pacific Health, in addition to
another \$250,000 from Office of
Hawaiian Affairs funds.

Hawai'i Community Reinvestment Corporation *(HCF investment made in 2024)*

Received a \$750,000 grant from
the Weinberg Foundation.

Rural Community Assistance Corp *(HCF investment made in 2022)*

Received a \$6.75M award from CDFI Fund.

Hawai'i 'Ulu Coop *(HCF investments made in 2021 and 2024)*

Received \$2.8M in grants through state
and federal funding sources.

HHOC Mortgage *(HCF investment made in 2020)*

Received a \$400,000 grant from
Hau'oli Mau Loa Foundation.

Investments this Year



Investments this Year

The SII Fund currently has \$7M committed, to 10 different organizations. The current portfolio has an average interest rate of one percent and loan terms ranging from four to 10 years, with no defaults or write-offs since the program's inception in 2020; all loans are currently performing. In 2023, the impact of these loans included over \$77M disbursed in relief assistance, more than 500,000 lbs. of crops and produce harvested, and affordable housing projects underway in significantly underdeveloped areas.

Hawai'i Community Lending (HCL)

HCF's first investment in HCL was a \$1M loan in 2020.

With our investment, HCL made 92 loans for \$1.7M, 97 percent of which went to households at or below the ALICE (Asset Limited, Income Constrained, Employed) threshold, meaning they earn more than the federal poverty level but not enough to cover basic living costs. Since our investment, HCL was also able to raise more than \$14M from a wide variety of on-island and continental funders, while being deeply involved in the wildfire recovery efforts on Maui. In Q1'24, the SII Committee approved an additional \$1M, seven-year investment in HCL to support its goal of expanding economic opportunities and access to affordable housing for ALICE households in Hawai'i.



Hawai'i 'Ulu Coop (HUC)

Since HCF made a seven-year, \$200,000 investment in 2021, HUC has achieved significant growth and impact, expanding its staff and production. The cooperative increased its production capacity in Kona and Hilo, and boosted awareness and demand for 'ulu through educational marketing campaigns. In FY23, HUC collected a record 139,000 lbs. of 'ulu from its 150 members across four islands. With HUC currently raising capital to continue strategic growth and operational expansion, the SII Committee approved an additional \$300,000 investment in Q3'24.

Support and Resources for our CDFI Cohort



Expanding CDFI Capacity

Beginning in 2021, HCF has hosted grants, from multiple funders to support Hawai'i's non-depository, certified CDFIs. To participate, the CDFIs' only requirement is to apply annually to the US Treasury's CDFI Fund, to increase the share of federal resources supporting CDFIs in Hawai'i.

Each CDFI has access to technical assistance funds that they can draw from to support capacity building. Examples include updating loan tracking systems, specialized accounting support, and grant

writing. To date, the program has secured \$765,000 from diverse sources and has sufficient funds to operate through the first quarter of 2025.

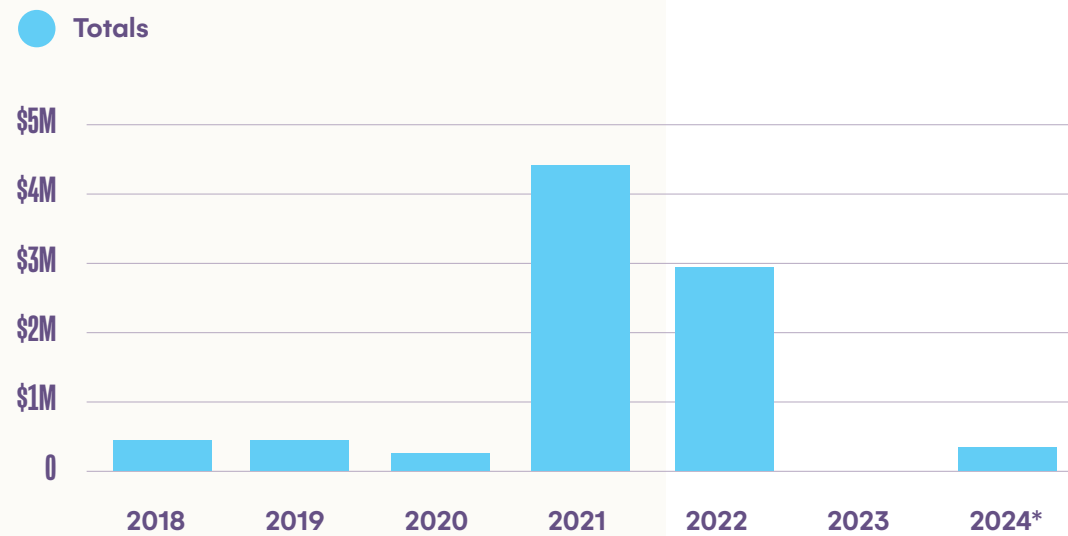


CDFI Cohort leaders gather at HCF to share their impact.

Members of the CDFI Cohort:

- ▶ **Heather Piper**, *Executive Director*, Hawai'i Community Reinvestment Corporation
- ▶ **Erik Mann**, *Executive Director*, Hawai'i Habitat for Humanity
- ▶ **Reina Miyamoto**, *Executive Director*, Hawai'i Homeownership Center
- ▶ **Jeff Gilbreath**, *Executive Director*, Hawai'i Community Lending
- ▶ **Kaniela Sharp**, *Director of Finance*, Council for Native Hawaiian Advancement
- ▶ **Louie Rios**, *Executive Director*, Lei Ho'olaha

CDFI Fund Awards by Year to CDFI Cohort Members



**The technical assistance awards that many of our partners requested had not been announced when this report was written.*

Over the past four years, the cohort has expanded its support for CDFIs’ capacity building. It now holds quarterly meetings to share work, build trust among CEOs, discuss opportunities, and request technical assistance. A recent meeting included a workshop on CDFI recertification and Current Expected Credit Losses implementation, presented by an industry professional who offered further technical assistance afterward. Another cohort meeting this year included a workshop by Occam Advisors’ Sayer Jones, CPA, about financial reporting and audited financial statements.

In 2021 and 2022, CDFI cohort funds for grant writing allowed our partners to access significant resources that the CDFI Fund channeled to CDFIs for COVID relief. In 2023, the CDFI Fund did not make any awards, and in 2024, award amounts were much smaller, but overall CDFIs in Hawai’i have made great strides in accessing their share of these funds.

Looking forward to Q1’25, the cohort is expanding to include some emerging CDFIs—including Feed the Hunger Fund and Hawai’i Lending and Investments—that can benefit from collaboration with local CDFIs doing impactful work in Hawai’i. We plan to host an in-person funder briefing where member CDFIs can share updates and accomplishments with current and potential investors.



Success Stories



A Forever Home for the Boyd 'Ohana—Hawai'i Community Lending

Kevin and Alycia Boyd, selected for Hawaiian Homestead land in the Pi'ilani Mai Ke Kai Phase II Subdivision in Anahola, Kaua'i, faced a challenging road to homeownership. Initially, their debt-to-income ratio was too high to qualify for a home loan. Recognizing their potential, Hawai'i Community Lending (HCL) stepped in, guiding the Boyds to financial counseling through its sister organization, Hawaiian Community Assets.

Through dedicated credit counseling and the approval of a Debt Consolidation Loan, HCL was able to re-underwrite the Boyds' application and secure a crucial Department of Hawaiian Homelands guarantee for a Kapili Construction Loan. This marked a turning point for the 'ohana, whose journey toward stable housing seemed out of reach.

Currently, Kevin pays \$3,200 in rent, but thanks to HCL's support, his future monthly housing payments will drop to an estimated \$2,000—a significant reduction made possible through Hawai'i Community Lending's Direct Mortgage Loan. To further ease their financial transition, HCL secured a \$25,000 Native American Homeownership Initiative Grant for the family, covering \$14,000 in closing costs and reducing the principal by an additional \$11,000.

With the completion of construction, the Boyds are now on the brink of moving into their forever home. They say the joy and relief they feel is palpable, as they prepare to leave behind the burden of high rent payments and step into a future of financial stability and homeownership on Hawaiian Homelands—a dream made possible through the dedicated work of HCL.



Top: Kevin Boyd in front of his 'ohana's new home.
Bottom: The Boyd 'Ohana at their mortgage loan closing.
Photo credit: HCL

Food Security & Resilience through Small Business Support in Lahaina and Beyond—Feed the Hunger Fund

Feed The Hunger Fund (FTHF) increases the availability of locally produced food and enhances climate resilience through support for innovative, commercial, traditional, and cultural food practices that strengthen local food systems and reduce reliance on imports.



In 2024, FTHF provided a \$700,000 bridge loan to Kahumana Farm, a food hub serving the predominantly Native Hawaiian, low-income Wai'anae School District on O'ahu. This loan enabled Kahumana Farm to meet summer lunch requirements for the Kaukau4Keiki program, feeding more than 3,000 children—90 percent of whom are Native Hawaiian. The loan was repaid within four months after USDA reimbursements. Kahumana Farm's program not only fed children but also advanced systemic change by sourcing food from more than 20 local farmers, ranchers, fishers, and producers, distributing 17,000 food boxes (each containing ingredients for 14 meals), including local staples like six tons of kalo and three tons of poi. FTHF's borrower Mokuwai Piko Poi, a family-run business from Waipio Valley, contributed 42,000 poi pops with half a pound of poi each, perfectly suited

for the food boxes.

In the aftermath of the Maui wildfires, FTHF launched a \$1,000 small-grant program for affected businesses in partnership with Kaiser Permanente Foundation. To date, 75 small businesses have received grants, providing vital relief during an unprecedented crisis. As recovery continues, many businesses are turning to FTHF for loan capital to rebuild and reestablish operations.

These initiatives exemplify FTHF's dual focus on supporting local food systems and fostering resilience, ensuring both immediate impact and long-term sustainability for the communities they serve.

Above left: An image of tractors on Kahumana Farm. Photo credits: Kahumana Farm website. Right: Anuhea Sills, an FTHF borrower, setting up a booth showcasing her unique handcrafted freeze-dried goods in Kapa'au on Hawai'i Island. Photo credit: FTHF

Get Involved

Ready to join us in creating lasting change by providing revolving capital to impactful organizations across Hawai'i?

The Social Impact Investing Fund is open for contributions from donors and institutions around the state.

Why Contribute to the Social Impact Investing Fund?

- ✓ Makes it easy to support mission-driven work in Hawai'i
- ✓ Amplifies impact beyond grantmaking
- ✓ Keeps investors in the loop with regular updates and an annual report
- ✓ Connects you to impact investing discussions in your areas of interest

Interested in participating?

Contact Michelle Ka'uhane
Senior Vice President & Chief Impact Officer
808.566.5545
mkauhane@hcf-hawaii.org

About the Hawai'i Community Foundation

Because philanthropy is many things—a boost for individuals in time of need, a catalyst for change, a spark for social innovation, and a lever for reform—HCF is many things. Among them, HCF is a resource, a partner, a funder, an advocate. At the heart of everything HCF does is a commitment to deliver meaningful impact that will benefit Hawai'i.

hawaiicommunityfoundation.org



“We invite you to join us in unlocking even greater potential for Hawai'i's communities.”

—Michelle Ka'uhane
HCF Senior Vice President & Chief Impact Officer





Hawai'i
Community
Foundation

827 Fort Street Mall Honolulu, HI 96813
(808) 537-6333 | info@hawaiicommunityfoundation.org
hawaiicommunityfoundation.org