

Grantee: Hawaii

Grant: B-11-DN-15-0001

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:

B-11-DN-15-0001

Obligation Date:**Award Date:****Grantee Name:**

Hawaii

Contract End Date:

03/03/2014

Review by HUD:

Reviewed and Approved

Grant Award Amount:

\$5,000,000.00

Grant Status:

Active

QPR Contact:

Glori Ann Inafuku

LOCCS Authorized Amount:

\$5,000,000.00

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$5,000,000.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

HHFDC used the data provided by HUD at the HUDuser.org website to determine the NSP3 areas of greatest need. Additionally, HHFDC considered the needs of all counties within the State of Hawaii, as all counties are experiencing a shortage of affordable housing, high foreclosure rates, a high percentage of homes financed by subprime mortgages, and areas likely to face a significant rise in the rate of home foreclosures. The housing needs for the Counties of Hawaii, Kauai and Maui are described in the State of Hawaii's Consolidated Plan for Program Years 2010-2015 and Action Plan for Program Year 2010- 2011. Housing needs for the City and County of Honolulu ("Honolulu") are described in Honolulu's Consolidated Plan for Program Years 2010-2015 and Action Plan for Program Year 2010-2011. All are incorporated by reference, and may be viewed by consulting the following links:

<http://hawaii.gov/dbedt/hhfdc/resources/CPFFINAL1014.pdf>

><http://hawaii.gov/dbedt/hhfdc/resources/2010actionplan.pdf>

>and

><http://www1.honolulu.gov/budget/consolplan20112015.pdf>

><http://www1.honolulu.gov/budget/2010finalrevisedactionplan52810.pdf>

How Fund Use Addresses Market Conditions:

For Activity #1 - Na Hale O Maui, the targeted areas contain a large portion of the County of Maui's workforce housing. Approximately 75% of the households in the target areas are LMMI households, and approximately 53% earn less than 80% AMI. The targeted areas contain subdivisions with homes financed with subprime loans or 100% financed, and are experiencing high foreclosure rates - in some cases, 40% and rising. NHOM will convert acquired properties to NHOM Community Land Trust homes, under which NHOM retains fee ownership of the land and sells the improvements with a sustainable leasehold interest to qualified LMMI households under a renewable 99 year ground lease. The acquisition, rehabilitation and sale of approximately 19 abandoned or foreclosed residential properties will defend against blight in these neighborhoods by reducing the number of vacant and deteriorating properties. NHOM has other sources of funds to contribute towards this accomplishment and 2 of the 19 properties will be NSP3 assisted homes. In addition, this activity will help to stabilize or increase property values and revitalize these communities, while providing homeownership opportunities to LMMI families.

For Activity #2 - Kaloko Housing Project, it is in an area with a high HUD foreclosure and abandonment risk score, and high unemployment. Approximately 50% of the households in the target area are LMMI households, and approximately 31% earn less than 80% AMI.

>All 16 units will benefit households with incomes that do not exceed 50% AMI. The units will provide much needed long-term affordable rentals near the Kailua-Kona's urban core areas to households with incomes that do not exceed 50% AMI, providing ready access to employment, education and other essential resources. Increased access will also reduce household transportation costs, alleviate commute time, and increase time spent with family.

Ensuring Continued Affordability:

Recipients of NSP3 funding will adhere to the minimum affordability provisions of the federal HOME Investment Partnerships program, as provided in 24 CFR 92.232 (rental housing) and 24 CFR 92.254 (homeownership). Continued affordability will be ensured through the use of a recorded restrictive document which will detail a project's minimum affordability period.



Definition of Blighted Structure:

A structure that exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare. (Federal Register/Vol. 73, No. 194/Monday, October 6, 2008)

Definition of Affordable Rents:

The HOME Program rent standards are considered a safe harbor for defining affordable rents. See <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2010/hi.pdf>.

Housing Rehabilitation/New Construction Standards:

Rehabilitation standards that will apply to NSP3-assisted activities will include moderate or substantial rehabilitation required to meet local building codes. Pursuant to §201H-36, Hawaii Revised Statutes, moderate rehabilitation means rehabilitation to upgrade a unit to a decent, safe and sanitary condition, or to repair or replace major building systems or components in danger of failure. Substantial rehabilitation means the improvement of a property to a decent, safe and sanitary condition that requires more than routine or minor repairs or improvements that may include, but is not limited to, the gutting and extensive reconstruction of a unit or cosmetic improvements coupled with the curing of a substantial accumulation of deferred maintenance. Substantial rehabilitation also includes rehabilitation activity that is necessary to correct substandard conditions to make essential improvements, and to repair major systems in danger of failure. The term major systems includes, but is not limited to, such items as roof structures, ceiling, wall or floor structures, foundations, elevators, and plumbing or electrical repair, replacement, or in some cases, removal. Substantial rehabilitation activities also include energy and other natural resource conservation related repairs and improvements, as well as improvements required to provide access or added safety for the handicapped or elderly and renovation, alteration, or remodeling to convert or adapt structurally sound property to the design and condition required for a specific use (e.g., conversion of a hotel to housing for elders).

Vicinity Hiring:

As applicable, HHFDC will require that recipients shall to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP 3 funded projects, or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects. Activity #1 Na Hale O Maui - NSP 3 Funds will be used exclusively for acquisition of abandoned or foreclosed residential properties; as such, vicinity hiring requirements are not applicable. Activity #2 Kaloko Housing Project will comply as described in the Activity #2 description.

Procedures for Preferences for Affordable Rental Dev.:

To determine how NSP 3 funds would be used to meet the needs in the State, HHFDC issued a Request for Interest on December 14, 2010 seeking qualified entities to undertake eligible activities to benefit LMMI households whose incomes do not exceed 120 percent AMI established by HUD in areas of greatest need. Applications were evaluated based on project elements, applicant capacity and readiness to proceed. Preference was given to affordable rental housing projects and to applicants whose projects met the NSP3 set-aside requirement that at least 25 percent of the NSP3 funds be used for households with incomes that do not exceed 50 percent AMI.

Grantee Contact Information:

Craig K. Hirai, Executive Director
Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, Hawaii 96813
Phone: (808) 587-0641
email: craig.k.hirai@hawaii.gov

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,000,000.00
Total Budget	\$0.00	\$5,000,000.00
Total Obligated	\$95,000.00	\$5,000,000.00
Total Funds Drawdown	\$144,296.89	\$4,997,326.48
Program Funds Drawdown	\$144,296.89	\$4,997,326.48
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$146,970.41	\$5,000,000.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$750,000.00	\$0.00
Limit on Admin/Planning	\$500,000.00	\$330,326.48
Limit on State Admin	\$0.00	\$330,326.48

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$500,000.00	\$333,000.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$1,250,000.00	\$4,050,000.00

Overall Progress Narrative:

The HHFDC fully expended the NSP3 grant funds prior to the March 2, 2014 deadline. Na Hale O Maui was successful in acquiring their 3rd NSP 3 foreclosed property in Kahului, Maui.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Acquisition	\$117,000.00	\$617,000.00	\$617,000.00
002, Redevelopment	\$15,367.15	\$4,050,000.00	\$4,050,000.00
003, Administration	\$11,929.74	\$333,000.00	\$330,326.48

Activities

Project # / Title: 001 / Acquisition

Grantee Activity Number: HI-NSP3-006

Activity Title: Na Hale O Maui - Acquisition

Activity Category:

Acquisition - general

Project Number:

001

Projected Start Date:

04/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition

Projected End Date:

11/30/2014

Completed Activity Actual End Date:

Responsible Organization:

Housing and Land Enterprise of Maui dba Na Hale O Maui

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2014

N/A

To Date

\$617,000.00

Total Budget

\$117,000.00

\$617,000.00

Total Obligated

\$117,000.00

\$617,000.00

Total Funds Drawdown

\$117,000.00

\$617,000.00

Program Funds Drawdown

\$117,000.00

\$617,000.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$117,000.00

\$617,000.00

Housing and Land Enterprise of Maui dba Na Hale O Maui

\$117,000.00

\$617,000.00

Match Contributed

\$0.00

\$0.00

Activity Description:

NSP3 funds of \$500,000 will be used exclusively for the acquisition of abandoned or foreclosed residential properties in high risk foreclosure areas. If necessary, the properties will be rehabilitated using other funding sources, and sold to low-, moderate-, or middle-income (LMMI) families with incomes that do not exceed 120% AMI. HHFDC will exercise its pre-award authority and allow recipients to incur pre-award administrative costs, including environmental reviews under 24 CFR Part 58. This is a continuation of funding for a project previously approved for NSP 1. This project meets both NSP 1 and NSP 3 requirements. The targeted areas contain a large portion of the County of Maui's workforce housing. Approximately 75% of the households in the target areas are LMMI households, and approximately 53% earn less than 80% AMI. The targeted areas contain subdivisions with homes financed with subprime loans or 100% financed, and are experiencing high foreclosure rates-in some cases, 40% and rising. NHOM will convert acquired properties to NHOM Community Land Trust homes, under which NHOM retains fee ownership of the land and sells the improvements with a sustainable leasehold interest to qualified LMMI households under a renewable 99-year ground lease. The lease will provide for an equity sharing resale formula to preserve affordability for future qualified buyers. Continued affordability will be assured through a recorded use restriction on the property mandating a minimum affordability period based on the minimum HOME affordability period standards. The acquisition, rehabilitation and sale of approximately 19 abandoned or foreclosed residential properties will defend against blight in these



neighborhoods by reducing the number of vacant and deteriorating properties. In addition, this activity will help to stabilize or increase property values and revitalize these communities, while providing homeownership opportunities to LMMI families. Note: NSP3 funds will be used exclusively for acquisition of abandoned and foreclosed residential properties; as such, vicinity hiring requirements are not applicable. NHOM has other sources of funds that will contribute towards the accomplishment of acquiring 19 abandoned or foreclosed homes. Two of the 19 properties will be NSP3 assisted homes acquired with \$500,000 of NSP 3 funds and an additional \$240,000 of other funds to acquire, rehab and sell the two homes. HHFDC has reallocated \$117,000 of its admin funds to provide NHOM with funds to be used towards the acquisition of one additional NSP3 property for a total of three NSP3 assisted homes.

Location Description:

Neighborhood ID: 2490570. (Central Maui: Kahului, Waikapu, Wailuku, Waiehu, and Waihee.)

Activity Progress Narrative:

Na Hale O Maui was successful in acquiring their 3rd NSP 3 foreclosed property. NSP 3 funds were used towards the purchase of the home and NHOM will utilize other funds to rehab the property then sell it to an eligible household at 120% AMI.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/3
# of Singlefamily Units	0	2/3

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/2	2/3	0.00
# Owner Households	0	0	0	0/0	0/2	2/3	0.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Project # / Title: 002 / Redevelopment

Grantee Activity Number: HI-NSP3-003
Activity Title: Hawaii County/Kaloko/LH25

Activity Category: _____ **Activity Status:** _____

Construction of new housing

Planned

Project Number:

002

Project Title:

Redevelopment

Projected Start Date:

08/01/2011

Projected End Date:

12/31/2012

Benefit Type:

Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

County of Hawaii, Office of Housing and Community

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2014

N/A

To Date

\$4,050,000.00

Total Budget

\$0.00

\$4,050,000.00

Total Obligated

\$0.00

\$4,050,000.00

Total Funds Drawdown

\$15,367.15

\$4,050,000.00

Program Funds Drawdown

\$15,367.15

\$4,050,000.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$15,367.15

\$4,050,000.00

County of Hawaii, Office of Housing and Community

\$15,367.15

\$4,050,000.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Construction of 16 permanent affordable housing rental units in a larger project that will include 96 two-bedroom units (both transitional and permanent rentals), and an administrative building, a warehouse to provide employment training services, and a sewage treatment plant, called the Kaloko Housing Program (KHP). HHFDC will exercise its pre-award authority and allow recipients to incur pre-award administrative costs, including environmental reviews under 24 CFR Part 58. This is a continuation of funding for a project previously approved for NSP 1. This project meets both NSP 1 and NSP 3 requirements. KHP is in an area with a high HUD foreclosure and abandonment risk score, and high unemployment. Approximately 50% of the households in the target area are LMMI households, and approximately 31% earn less than 80% AMI. All 16 units will benefit households with incomes that do not exceed 50% AMI. The units will provide much needed long-term affordable rentals near Kailua-Kona's urban core areas to households with incomes that do not exceed 50% AMI, providing ready access to employment, education and other essential resources. Increased access will also reduce household transportation costs, alleviate commute time, and increase time spent with family. The County of Hawaii will ensure compliance with local hiring and contracting through monthly certification that Hawaii residents compose not less than 80% of the workforce employed on the contracted project. Prior to completion, the County will lease KHP to a nonprofit for a minimum of 20 years for its management and day-to-day operations. The County will monitor the lease and the nonprofit's management and record-keeping requirements to ensure compliance with applicable government and other program rules and requirements. The County will incorporate into its lease that the project shall remain affordable for not less than 20 years to meet the NSP3 affordability requirements. NSP3 funds of \$4,050,000 will be used for the construction of the affordable rental units in the Kaloko Project.

Location Description:

Neighborhood ID: 9734405. (Kailua-Kona, Census Tract 215.01)



Activity Progress Narrative:

Phase 3 of the project was completed and all funds have been fully disbursed. HHFDC and its agent conducted on site monitoring of the project during the quarter.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# ELI Households (0-30% AMI)	0		11/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		16/16	
# of Multifamily Units	0		16/16	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	16/16	0/0	16/16	100.00
# Renter Households	0	0	0	16/16	0/0	16/16	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Project # / Title: 003 / Administration

Grantee Activity Number: HI-NSP3-007

Activity Title: Program Admin

Activity Category:

Administration

Project Number:

003

Projected Start Date:

10/19/2010

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/31/2014

Completed Activity Actual End Date:



Benefit Type:

()

National Objective:

N/A

Responsible Organization:

Hawaii Housing Finance and Development Corporation

Overall	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$108,000.00
Total Budget	(\$117,000.00)	\$108,000.00
Total Obligated	(\$22,000.00)	\$108,000.00
Total Funds Drawdown	\$11,929.74	\$105,326.48
Program Funds Drawdown	\$11,929.74	\$105,326.48
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$14,603.26	\$108,000.00
Hawaii Housing Finance and Development Corporation	\$14,603.26	\$108,000.00
Match Contributed	\$0.00	\$0.00

Activity Description:

\$225,000 will be used for HHFDC's costs in the administration of NSP. HHFDC will exercise its pre-award authority to incur pre-award administrative costs.

Location Description:

677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Activity Progress Narrative:

The HHFDC continues to administer the NSP1 and NSP3 activities throughout the state. Admin funds through the period 2/28/14 have been fully expended.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found



Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number: HI-NSP3-007H

Activity Title: Program Admin

Activity Category:

Administration

Project Number:

003

Projected Start Date:

10/19/2010

Benefit Type:

()

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

County of Hawaii, Office of Housing and Community

Overall	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$225,000.00
Total Budget	\$0.00	\$225,000.00
Total Obligated	\$0.00	\$225,000.00
Total Funds Drawdown	\$0.00	\$225,000.00
Program Funds Drawdown	\$0.00	\$225,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$225,000.00
County of Hawaii, Office of Housing and Community	\$0.00	\$225,000.00
Match Contributed	\$0.00	\$0.00

Activity Description:

\$225,000 will be used for the County of Hawaii's costs in the administration of NSP. HHFDC will exercise it's pre-award authority and allow recipients to incur pre-award administrative costs.

Location Description:

50 Wailuku Drive
Hilo, Hawaii 96720

Activity Progress Narrative:

The County of Hawaii continues to administer the NSP program and oversee the compliance of the Ulu Wini project in Kailua-Kona, Hawaii.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	County	State	Zip	Status / Accept
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Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
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No Other Funding Sources Found

Total Other Funding Sources

