

**STATE OF HAWAII
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
SUBSTANTIAL AMENDMENT NO. 2 TO THE
PY2017 ANNUAL ACTION PLAN**

This Substantial Amendment No. 2 to the State of Hawaii’s PY2017 Annual Action Plan (AAP) incorporates specific activities under the National Housing Trust Fund (HTF) program into the PY2017 AAP. The activities are located in the City and County of Honolulu.

In its PY2017 AAP, the Hawaii Housing Finance and Development Corporation (HHFDC) allocated HTF grant funds in the amount of \$1,425,000 to the City and County of Honolulu (City), its PY2017 Sub-Grantee, to be used for the production or preservation of affordable rental housing units serving households with incomes at or below 30% of the area median income, and for the administration of the HTF program activities. The City has since identified specific activities that will utilize the PY2017 HTF, as shown in the chart below.

PY2017 HTF Activity	+ \$ Amount
Hale Makana o Maili (HMOM) (Waianae)	\$1,006,185
Queen Emma Tower (QET) (Downtown Honolulu)	\$343,815
City and County of Honolulu’s Administration of the HTF Program	\$75,000
TOTAL PY2017 HTF	\$1,425,000

The City plans to use its HTF funds for the development of HMOM, a new construction, 52-unit rental housing project, five units of which will be HTF-assisted, serving families with incomes at or below 30% of the Area Median Income (AMI), for the acquisition of QET and its re-development into a 71-unit residential project, three units of which will be HTF-assisted, serving families with incomes at or below 30% AMI, and for the City’s administration of the HTF program.

Section AP-38 of the PY2017 AAP in HUD’s Integrated Disbursement and Information System will be amended to replace the existing language with information on the specific activities in Honolulu, as follows. Other sections relating to specific HTF activities will be amended accordingly.

AP-38, Project Summary

Project Name	HTF 2017 – City and County of Honolulu Administration
Target Area	City and County of Honolulu
Goals Supported	HA-1 Administration
Needs Addressed	Planning and Administration
Funding	Housing Trust Fund: \$75,000
Description	The City and County of Honolulu will use HTF grant funds of up to \$75,000 for allowable administrative and planning expenses.
Target Date	06/30/2021
Estimate no. and type of families to benefit	n/a
Location	City and County of Honolulu
Planned Activities	Administration
Project Name	HTF 2017 – Hale Makana o Maili
Target Area	Waianae Coast
Goals Supported	HR-4 New Construction/Rehab – Rental Housing
Needs Addressed	Rental Housing

Funding	Housing Trust Fund: \$1,006,185
Description	The City and County of Honolulu will provide \$1,006,185 in PY2017 National Housing Trust Funds to the Hawaiian Community Development Board for the new construction/development of a 52-unit rental housing project in Waianae, Oahu. Five of the units will be HTF-assisted, serving families with incomes at or below 30% AMI.
Target Date	06/30/2021
Estimate no. and type of families to benefit	Five units of the 52-unit project will be HTF-assisted, serving households with incomes at or below 30% AMI.
Location	87-137 Kulaaupuni Street, Waianae, Oahu
Planned Activities	Site acquisition, grading, erection of townhouse-type 52-unit rental housing project.
Project Name	HTF 2017 – Queen Emma Tower
Target Area	Downtown Honolulu
Goals Supported	HR-4 New Construction/Rehab – Rental Housing
Needs Addressed	Rental Housing
Funding	Housing Trust Fund: \$343,815
Description	The City and County of Honolulu will provide HTF grant funds of \$343,815 to the Affordable Housing and Economic Development Foundation for the acquisition and re-development of 71 units in a downtown commercial building into an affordable residential project. Three of the 71 residential units will be HTF-assisted, serving families with incomes at or below 30% AMI.
Target Date	06/30/2019
Estimate no. and type of families to benefit	Of the total 71 units, three will be HTF-assisted, serving families with incomes at or below 30% AMI.
Location	1254 / 1270 Queen Emma Street, Honolulu, Oahu
Planned Activities	Renovation and conversion of an existing 12-story commercial building to a 71-unit rental housing project.

Other aspects of the PY2017 Annual Action Plan remain the same.

On December 31, 2018, a Notice of Public Comment was published in the Honolulu Star-Advertiser newspaper, and posted to HHFDC’s website at <http://hawaii.gov/dbedt/hhfdc>, to accept comments from the public on the proposed inclusion of the HTF activities in the City and County of Honolulu. The Notice of Public Comment and a Draft Substantial Amendment No. 2 were also sent to depository libraries, county housing agencies, and the Department of Human Services’ Homeless Programs Office, who were asked to provide public access to these documents.

A copy of the Notice of Public Comment is attached as Exhibit A. The 30-day comment period ended on January 30, 2019. No comments were received.

Attachment: Exhibit A, Notice of Public Comment

EXHIBIT A

NOTICE OF PUBLIC COMMENT

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The Hawaii Housing Finance and Development Corporation (HHFDC) is proposing a substantial amendment to its Program Year (PY) 2018 Annual Action Plan (AAP) and a substantial amendment to its PY2017 AAP. The amendments propose to remove three activities from the PY2018 AAP and include all three activities in the PY2017 AAP. The activities were selected by the City and County of Honolulu (City) to receive assistance under the National Housing Trust Fund (HTF) program, administered by HHFDC.

The Hale Makana o Maili new construction project in Waianae, the Queen Emma Tower (QET) acquisition and re-development project in downtown Honolulu, and the City's administration of HTF funds were originally scheduled to utilize PY2018 HTF funds. However, the City has found that all three activities could be funded with PY2017 HTF funds, prompting substantial amendments to HHFDC's PY2018 and PY2017 AAPs. Additionally, the QET was initially projected to provide seven (7) affordable rental units to households with incomes at or below 30% of the Area Median Income (AMI), however PY2017 HTF funds will support the re-development of three (3) affordable rental units for households with incomes at or below 30% AMI. All other project descriptions remain the same. HHFDC will process a substantial amendment to its PY2018 AAP when the City selects replacement activities for its PY2018 HTF funds.

The HHFDC plans to submit to HUD its Substantial Amendments to its PY2018 and PY2017 AAPs, to incorporate the amendments described above. Other aspects of both AAPs would remain the same.

The *Draft Substantial Amendment No. 1 to the PY2018 Annual Action Plan* and the *Draft Substantial Amendment No. 2 to the PY2017 Annual Action Plan* are posted on HHFDC's website at <http://hawaii.gov/dbedt/hhfdc> and are also available for public review at depository libraries and the following offices from 7:45 a.m. to 4:30 p.m.:

Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300, Honolulu, Oahu

Department of Human Services, Homeless Programs Office
Benefits, Employment and Support Services Division
1010 Richards Street, Suite 312, Honolulu, Oahu

County of Hawaii, Office of Housing and Community Development
50 Wailuku Drive, Hilo, Hawaii Island; and
West Hawaii Civic Center, 74-5044 Ane Keohakalole Highway,
Kailua-Kona, Hawaii Island

County of Maui, Department of Housing and Human Concerns
35 Lunalilo Street, Suite 102, Wailuku, Maui

County of Kauai, Kauai County Housing Agency
4444 Rice Street, Suite 330, Lihue, Kauai

City and County of Honolulu, Department of Community Services
925 Dillingham Boulevard, Suite 200, Honolulu, Oahu

Interested persons are invited to provide written comments on either or both draft substantial amendments to HHFDC at the above address no later than January 30, 2019 at 4:00 p.m. Comments may also be emailed to hhfdc.consolidatedplan@hawaii.gov, or submitted via fax to (808) 587-0600. All comments received by the deadline will be considered in preparing the final substantial amendments to the PY2018 and PY2017 AAPs.

Persons with special needs (i.e., needing materials in large print, taped materials, sign language interpreter, or translator) shall make all requests for access and communication assistance by contacting the HHFDC Personnel Office at 587-0501, by written request, or by email to hhfdchr@hawaii.gov by January 9, 2019. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call toll free: from Kauai, 274-3141, ext. 70501; from Maui, 984-2400, ext. 70501; from Molokai/Lanai, 1-800-468-4644, ext. 70501; from Hawaii Island, 974-4000, ext. 70501.

HHFDC does not discriminate against any person because of race, color, religion, sex, including gender identity or expression, sexual orientation, disability, familial status, ancestry, age, marital status, or HIV infection.

Craig K. Hirai, Executive Director
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism



Honolulu Star-Advertiser

December 31, 2018