



**State of Hawaii
Department of Business, Economic Development and Tourism
Hawaii Housing Finance and Development Corporation**

**Grants in Lieu of Low-Income Housing Credit
Allocations for 2009 Program
(Section 1602)**

Summary / Status of Projects

The [American Recovery and Reinvestment Act of 2009](#) (ARRA), signed into law on February 17, 2009, provides resources to various programs to reinvigorate the nation's economy. Under ARRA, the [Grants in Lieu of Low-Income Housing Allocations for 2009 Program \(Section 1602\)](#) allows housing credit agencies, such as the Hawaii Housing Finance and Development Corporation (HHFDC), to exchange federal low-income housing tax credits (LIHTC) for direct funds from the U. S. Department of the Treasury for the construction or acquisition and rehabilitation of qualified affordable housing projects. In July 2009, the HHFDC announced its Section 1602 program and posted a [Program Outline and Application Process](#) notice to its website, providing information on ARRA and the program.

Eligible projects that were allocated 2007, 2008 and a portion of 2009 LIHTC were allowed to request an exchange for grant funds under HHFDC's Section 1602 program. The HHFDC received approval from the U. S. Department of Treasury for Section 1602 assistance totaling \$47,079,690 for five projects: Hale Ohana Apartments (Koloa, Kauai), Honokowai Villa Apartments (Lahaina, Maui), Hale Wai Vista Phase II (Waianae, Oahu), Hale Mahaolu Ehiku Phase II (Kihei, Maui) and Villas at Maluohai (Kapolei, Oahu). Construction of these rental housing projects had been stalled due to the downturn in the financial market. Section 1602 funds will provide necessary capital to spur the development of these projects, which will generate or preserve a total of 368 affordable rental housing units.

Hale Ohana Apartments requested an exchange of \$438,065 in LIHTC for Section 1602 funds. This acquisition/rehabilitation project preserves 48 units for families earning up to 30 percent and 50 percent of the area median income (AMI) and will remain affordable for sixty-one years. The total project cost is approximately \$13.9 million. Project amenities include a playground/tot lot and laundry facilities. Rehabilitation work commenced in March 2010 and is completed. As of June 30, 2011, 74 percent of the \$3,723,552.50 in Section 1602 funds was expended.

Honokowai Villa Apartments requested an exchange of \$654,500 in LIHTC for Section 1602 funds. This is another acquisition/rehabilitation project, preserving 56 units for families earning up to 30 percent and 50 percent of AMI, and will remain affordable for sixty-one years. The total project cost is approximately \$18.5 million. Project amenities include a playground/tot lot, laundry facilities, picnic area and elevator. Rehabilitation work commenced in January 2010 and is completed. As of June 30, 2011, 73 percent of the \$5,563,250 in Section 1602 funds was expended.

Hale Wai Vista Phase II requested an exchange of \$1,966,222 in LIHTC for Section 1602 funds. This is a new construction project that consists of 132 units serving families with incomes at or below 30 percent and 60 percent of AMI, and remain affordable for sixty-two years. The total project cost is approximately \$35.6 million. Project amenities include a playground/tot lot, picnic area, community room, and laundry room. Construction commenced in March 2010 and is completed. As of June 30, 2011, 97 percent of the \$16,712,887 in Section 1602 funds was expended.

Hale Mahaolu Ehiku Phase II requested an exchange of \$700,000 in LIHTC for Section 1602 funds. This is a new construction project for seniors with incomes that do not exceed 60 percent of AMI. The project consists of 60 units and will remain affordable for forty-one years. The total project cost is approximately \$27.3 million. Project amenities are shared with Phase I and include a senior center, an adult day care building, laundry room, dental office, beauty salon, meeting rooms, support services offices, playground and a picnic area. The project was completed in October 2010. As of June 30, 2011, all of the \$5,950,000 in Section 1602 funds were expended.

The Villas at Maluohai requested an exchange of \$1,780,000 in LIHTC for Section 1602 funds. This is a new construction project that will consist of 72 units for families with incomes that do not exceed 60 percent of AMI, and remain affordable for fifty-five years. The total project cost is approximately \$22.9 million. Project amenities will include a laundry room on each floor. Construction commenced in September 2010 and is scheduled for completion in February 2012. As of June 30, 2011, 66 percent of the \$15,881,459.50 in Section 1602 funds was expended.

All projects must disburse its Section 1602 funds within the deadlines established by the U. S. Department of Treasury in 31 CFR Part 32.

March 9, 2010, Revised August 8, 2011