

Grantee: Hawaii State Program

Grant: B-08-DN-15-0001

October 1, 2009 thru December 31, 2009 Performance Report

Grant Number:

B-08-DN-15-0001

Obligation Date:**Grantee Name:**

Hawaii State Program

Award Date:**Grant Amount:**

\$19,600,000.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

All counties within the State of Hawaii experience a shortage of affordable housing. The housing needs for the Counties of Hawaii, Kauai, and Maui are described in the State of Hawaii's Consolidated Plan for Program Years 2005-2010 and Action Plan for Program Year 2008-2009. The housing needs for the City and County of Honolulu are described in the City's Consolidated Plan for Program Years 2005-2010 and Action Plan for Program Year 2008-2009, which are incorporated by reference and may be viewed by consulting the links below:

http://www.honolulu.gov/budget/consol_plan_+2006_2010.pdf

<http://www.honolulu.gov/budget/final14thyractionplan.pdf> Hawaii's economy typically lags one to two years behind the mainland United States. HUD's foreclosure rate for Hawaii was estimated at 2.3%, which is low compared to foreclosure rates on the mainland. Instead of relying solely on HUD's risk scores, the State considered a combination of factors for purposes of identifying areas of greatest need for NSP funding: 1) Census tracts with a higher HUD estimated foreclosure and abandonment risk score; 2) Trends in the local housing market and economy. While a census tract may not have a high HUD risk score, home foreclosures in the State of Hawaii are on the rise due to job losses, rising costs, declining property values, and the effects of a weakened economy; 3) County assessments of local communities and neighborhoods most likely to experience the effects of an increased number of foreclosures; and 4) The impact of an NSP activity or project in meeting the housing needs of households of low-, moderate-, or middle-income (LMMI) and in stabilizing an LMMI neighborhood. Areas include neighborhood hot spots with relatively high percentages of loans that are seriously delinquent, concentrations of subprime loans, or variable interest rate subprime loans that reset in 2008. Declining residential sales volume and resale prices exert additional pressure on the risk for foreclosure, particularly for homeowners with variable interest rate subprime loans that reset in 2008. The increase in unemployment in all counties will also add to the potential for foreclosure. In the City and County of Honolulu, areas of greatest need include Waianae, Hauula, Ewa Beach, Waipahu, Waialua-Mokuleia, Kapolei, Kahuku, Laie, Kaaawa, Waimanalo, Kaneohe, Wahiawa, Mililani, Mililani, Pearl City, Aiea, and portions of Honolulu. The County of Hawaii's areas of greatest need include Papaikou-Wailea, Hilo, Kalaoa, Kaunakakai, Kealahou, Kailua-Kona, Kahului-Kaunakakai, Naalehu, Pahoa, Mountain View, Keaau, Waikoloa, Holualoa, Captain Cook, Volcano, Honokaa, Kapaau, and Paauilo. In the County of Kauai, areas of greatest need include Eleele, Hanapepe, Kapaa, Kilauea, Wailua-Kapaa, Puhi-Hanamalu, and Lihue. The County of Maui's areas of greatest need include Kahului, Kihei, Wailuku, Paia, Makawao, Hana, Lahaina, Kula and Puunene.

Recovery Needs:

Of the four county jurisdictions in the State, the City and County of Honolulu has the highest population. However, every county jurisdiction has been impacted by foreclosures, regardless of population size. Based on the State of Hawaii's needs assessment, the state selected projects that were serving communities in areas of greatest need, regardless of jurisdiction.

The HHFDC worked closely with the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui to identify eligible uses of the NSP funds. In identifying activities to be funded under NSP, HHFDC also considered the capability of an entity to effectively administer the NSP and the ability of the NSP funds to be used for a particular

activity within the required 18-month time period.

NSP funds will be used in the City and County of Honolulu for the redevelopment of vacant properties in Waianae and Ewa, producing 2 affordable rental housing projects. NSP funds used in these projects will meet the NSP requirement that 25% of the NSP allocation be used for households with incomes at or below 50% AMI. In the County of Hawaii, NSP funds will be used for the redevelopment of a vacant property in Kailua-Kona, to produce an affordable rental housing project. In the counties of Kauai and Maui, NSP funds will be used county-wide for the purchase and rehabilitation of abandoned or foreclosed homes and residential properties, to provide homeownership opportunities to LMMI households. The County of Kauai will also use NSP funds for the redevelopment of 3 vacant parcels in Waimea and Eleele, producing homeownership opportunities for LMMI households.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$23,100,000.00
Total CDBG Program Funds Budgeted	N/A	\$19,600,000.00
Program Funds Drawdown	\$1,384,955.02	\$1,952,461.07
Obligated CDBG DR Funds	\$4,975,412.39	\$5,542,918.44
Expended CDBG DR Funds	\$1,475,412.39	\$2,042,918.44
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$2,940,000.00	\$0.00
Limit on Admin/Planning	\$1,960,000.00	\$211,620.12
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

HHFDC's NSP program manager coordinated with the HHFDC's Development Branch, Fiscal Management Office and its Planning and Evaluation Office to implement the program.

On October 22 and 23, 2009, program staff attended the HOME NSP training at the San Francisco HUD office. HHFDC staff continues to work closely with its recipients and contractors to implement the program. Regular conference calls and meetings were conducted to track progress and provide technical assistance.

- On October 16, 2009, HHFDC staff facilitated a conference call with the Na Hale O Maui and the County of Kauai to discuss the successes and challenges of their respective programs to acquire, rehabilitate and resale

foreclosed homes.

- HHFDC staff worked with the Na Hale O Maui to acquire 3 properties during this period.
- HHFDC staff worked closely with the County of Kauai to provide technical assistance to improve the performance of the acquisition, rehabilitation and resale of foreclosed homes.
- In December 2009, the County of Kauai submitted a request to add a new activity, a homebuyer loan program. The activity is currently under review by the HHFDC.
- In November 2009, HHFDC conducted a technical assistance meeting at the office of Housing Solutions, Inc.
- HHFDC staff met with the Hui Kauhale, Inc. several times regarding the Ewa Villages Apartment project. The project is behind schedule. In December, 2009, HHFDC staff conducted a technical assistance meeting at the office of Hui Kauhale, Inc.
- In December 2009, the County of Hawaii assigned a new NSP program manager. Program staff provided technical assistance to facilitate a seamless transfer of duties.

Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Seawind Apts	\$0.00	\$0.00	\$3,500,000.00	\$0.00
002, Ewa Villages	\$0.00	\$0.00	\$2,000,000.00	\$0.00
003, Kaloko	\$0.00	\$0.00	\$4,887,800.00	\$0.00
004, Waimea Eleele	\$0.00	\$0.00	\$1,326,000.00	\$0.00
005, Kauai A/R	\$0.00	\$213,545.96	\$2,949,000.00	\$213,545.96
006, Maui A/R	\$0.00	\$1,130,233.40	\$3,000,000.00	\$1,527,294.99
007, Program Admin	\$0.00	\$41,175.66	\$1,937,200.00	\$211,620.12
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: HI-NSP-001

Activity Title: Seawind Apts

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

001

Project Title:

Seawind Apts

Projected Start Date:

02/28/2009

Projected End Date:

06/30/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Housing Solutions Incorporated

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$7,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$3,500,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$3,500,000.00	\$3,500,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP grant funds will be used to construct 20 units in a 50-unit affordable rental project on vacant land leased from the State of Hawaii in Waianae. The Waianae area has the highest rate of loans in foreclosure and real estate owned, and a concentration of subprime loans. The Waianae neighborhood area's estimated foreclosure rate is 4.5%, with a risk score of 7 and an unemployment rate of 4.2%. Phase I of the project is funded by HOME Investment Partnership Act funds from the City & County of Honolulu, and Economic Development Initiative grant funds, and consists of thirty two-bedroom units. Phase II will consist of twenty studio units; NSP funds will be used for Phase II. The project will include offices, a conference room, a computer center and lanai area. The project is supported by the Waianae Neighborhood Board and has approval of exemptions from development requirements pursuant to Resolution 08-161, adopted August 20, 2008. A construction contract has been awarded and permits are expected shortly. Because the project does not include tax credit or bank financing, construction will not be delayed due to current economic and tightened credit conditions. All 20 units in Phase II of the project will target families whose incomes do not exceed 50% AMI, with rents at \$831 per month. NSP funds for this project will be counted towards the total amount required to meet the NSP low-income housing requirement that funds benefit households with incomes that do not exceed 50% AMI. Program income would only be generated should there be net income after operating expenses are deducted from the gross income. Any program income generated would be returned to the HHFDC for other NSP-eligible uses. At a minimum, the project will be kept affordable for a 20-year period which will be ensured through a recorded use restriction on the property, required with the use of HOME funds. In addition, the 50-year land lease from the State of Hawaii requires the property to be used solely to provide rental housing opportunities to families whose incomes do not exceed 60% of the area median income, with preference given to people and families who are in need of transitional housing.

Location Description:

Census Tract 97.01. Vacant site on Kauioakalani Place (TMK: 8-5-028-044), Waianae, Hawaii. The site is mauka of the Waianae Neighborhood Community Center.

Activity Progress Narrative:

A groundbreaking ceremony was held for the Seawind Apartments on December 17, 2009. Construction began in December 2009. Sitework, trenchwork and initial framing is in process. Projected construction completion date for the project is April 2011.

Performance Measures

This Report Period			Cumulative Actual Total / Expected		
Low	Mod	Total	Low	Mod	Total

# of housing units	0	0	0	0/0	0/0	0/20
# of Households benefitting	0	0	0	0/20	0/0	0/20

Activity Locations

Address	City	State	Zip
85-295 Kauliokalani Place	Waianae	NA	96792

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$3,500,000.00
Total Other Funding Sources	\$3,500,000.00

Grantee Activity Number: HI-NSP-002

Activity Title: Ewa Villages

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

002

Project Title:

Ewa Villages

Projected Start Date:

07/01/2009

Projected End Date:

08/31/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Hui Kauhale, Inc.

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$2,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$2,000,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP grant funds will be used to construct eight units in a 140-unit affordable rental project on vacant land in Ewa, Oahu. The Ewa / Ewa Beach area has a high rate of loans in foreclosure and real estate owned, high concentrations of subprime loans, and a high rate of variable interest subprime loans scheduled to reset in 2008. The Ewa / Ewa Beach neighborhood area is a LMMI area, with a foreclosure risk score of 4 and an unemployment rate of 4.2%. Construction of the project will be in two phases. The project will consist of 140 one-, two-, and three-bedroom affordable rental units serving the following income groups: PHASE NO. OF UNITS % OF UNITS INCOME GROUP Phase I 4 6% 30% AMI 18 29% 50% AMI 41 65% 60% AMI 1 Resident Mgr. Phase II 4 5% 30% AMI 19 25% 50% AMI 52 70% 60% AMI 1 Resident Mgr. TOTAL 140 NSP funds for this project will be counted towards the total amount required to meet the NSP low-income housing requirement that funds benefit households with incomes that do not exceed 50 percent AMI. Program income would only be generated should there be net income after operating expenses are deducted from the gross income. Any program income generated would be returned to the HHFDC for other NSP-eligible uses.

Location Description:

Census Tract 86.05. Vacant site on Renton Road, Ewa, Hawaii, TMK: (1) 9-1-017-076 and 077

Activity Progress Narrative:

The Ewa Villages Apartments project is currently in predevelopment and behind schedule. Construction was projected to start in January 2010. Hui Kauhale has missed its milestones for subdivision approval and building permits from the City and County of Honolulu.

- Subdivision approval was originally scheduled for October 2009 and building permits to be issued in January 2010.
- The project is currently working to secure financing through the sale of Low Income Housing Tax Credits and Tax-exempt bonds.
- The project is also funded with Rental Housing Trust Fund.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/8

# of Households benefitting	0	0	0	0/8	0/0	0/8
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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-NSP-003

Activity Title: Kaloko

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

003

Project Title:

Kaloko

Projected Start Date:

10/01/2009

Projected End Date:

06/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

County of Hawaii, Office of Housing and Community

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$4,887,800.00

Total CDBG Program Funds Budgeted

N/A

\$4,887,800.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The County of Hawaii is proposing to use NSP funds for the development of eight affordable rental units in a 96-unit multi-family project called the Kaloko Housing Program (KHP). The KHP project site is in the West Hawaii Census Tract 215.01, an area with a high HUD foreclosure and abandonment risk score. The KHP facility will include approximately 24 transitional housing units and 72 affordable rental units, a warehouse, a self-contained wastewater treatment plant and a community center. The NSP funds will also be used to pay for a proportionate share of the Community Center, the on- and off-site construction, flood, sewer and storm drain improvements, access roads, sidewalks, landscaping and parking. The eight multi-family affordable rental units will be designed into a building containing four rental units upstairs and four rental units downstairs. All units will be rented to households with incomes that do not exceed 120% AMI. Program income would only be generated should there be net income after operating expenses are deducted from the gross income. Any program income generated would be returned to the HHFDC for other NSP-eligible uses. A Federal and State Environmental Assessment (EA) for the Kaloko Rental Housing Project (KRHP) is being completed and will be amended to include the NSP funding. The County is preparing to publish the EA for public review and comment. The expected project start of construction will be in November 2009 which will meet the NSP requirement of obligating NSP funds in 18 months. Prior to the completion of KHP, the County will lease KHP to a non-profit organization for a minimum of 20 years for its management and day-to-day operations. The OHCD will monitor the lease and the non-profits management and record-keeping requirements, which will be in accordance with applicable government and other program rules and requirements. The OHCD will incorporate into its lease that the project shall remain affordable for not less than 20 years to meet the NSP affordability requirements. The affordable rental units will provide long-term affordable rentals near the urban core areas to households with incomes that do not exceed 120% 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.

Location Description:

Census Tract 215.01. The Kaloko Rental Housing Project will be constructed on part of a vacant parcel owned by the County of Hawaii. The site is located north of Kaloko Industrial Park, off Hina Lani Street in Kailua-Kona, Hawaii. TMK: (3)7-3-009-055.

Activity Progress Narrative:

County of Hawaii's Kaloko Rental Housing project is behind schedule.

- The project was scheduled to begin construction in February 2010 but has been delayed to May/June 2010 due to the County of Hawaii's efforts in complying with new procurement requirements.
- Site development work is projected to start in March 2010.
- The current schedule projects the execution of a construction contract obligating funds to the project in February/March

2010.

- Application for permits has been submitted and currently under review.
- The County of Hawaii is currently working with its development team to finalize design of the project such that it can begin procurement of a construction contract.
- The project is projected to be completed in December 2010.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/8
# of Households benefitting	0	0	0	0/0	0/0	0/8

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-NSP-004

Activity Title: Waimea Eleeele Kauai

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

004

Project Title:

Waimea Eleeele

Projected Start Date:

04/01/2009

Projected End Date:

03/31/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

Kauai County Housing Agency

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1,326,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,326,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$12,550.24
Expended CDBG DR Funds	\$0.00	\$12,550.24
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Permanent structures will be constructed and occupied by households whose incomes do not exceed 120% AMI (low-, moderate-, and middle-income, or LMMI). The benefit to income-qualified persons is that LMMI households will be able to purchase homes to serve as their primary residence. In this activity, three single family homes will be built on land that has been vacant for over 15 years. The vacant lots have a blighting effect on the surrounding neighborhood. Residential development of the lots will help to stabilize the neighborhood. The homes will be sold through the County of Kauais Limited Equity Leasehold Program (LELP), which provides an inventory of permanently affordable housing units. The County of Kauai will retain fee ownership of all properties and sell the leasehold interest to buyers under 99-year leases. There will be a separate document which will mandate a minimum NSP affordability period of 15 years for the units. Every buyer will be required to receive and complete eight hours of counseling provided by a HUD-approved counseling agency retained by the County of Kauai. Curriculum will include such topics as budgeting, understanding credit, mortgage loan basics, home selection criteria, money management, and avoiding default and foreclosure. The HHFDC will allow the County of Kauai to retain program income generated from this NSP activity. Program income will be used for the purchase, rehabilitation and sale of additional foreclosed real estate. Construction plans for the three homes have been drawn, and building and zoning permits have been approved. The total cost of constructing the home is estimated at \$442,000, a total of \$1,326,000 for the 3 homes.

Location Description:

a. Census Tract 409.00. Waimea, TMK (4)1-2-008-007. b. Census Tract 407.00. Eleeele Nani, TMK (4) 2-1-009-074. c. Census Tract 407.00. Eleeele Nani, TMK (4) 2-1-009-077.

Activity Progress Narrative:

The County of Kauai solicited bids for a contractor to build 3 houses. Ten bids were received. Selection of a contractor is projected to be in January, 2010. Execution of the construction contract is scheduled for February, 2010. The contractor will have 180 days to complete the construction of all 3 houses.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/3
# of Households benefitting	0	0	0	0/0	0/0	0/3

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-NSP-005

Activity Title: Kauai Acquisition, Rehabilitation & Sales

Activity Category:

Acquisition - buyout of residential properties

Activity Status:

Planned

Project Number:

005

Project Title:

Kauai A/R

Projected Start Date:

03/02/2009

Projected End Date:

06/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

Kauai County Housing Agency

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$2,949,000.00
Total CDBG Program Funds Budgeted	N/A	\$2,949,000.00
Program Funds Drawdown	\$213,545.96	\$213,545.96
Obligated CDBG DR Funds	\$213,545.96	\$291,453.09
Expended CDBG DR Funds	\$213,545.96	\$291,453.09
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The activity will provide six permanent housing structures, all of which will be occupied by households whose incomes do not exceed 120% AMI. The benefit to income-qualified persons is that LMMI households will be able to purchase homes to serve as their primary residence. The County will buy approximately six or more housing units from bank owned (foreclosed) real estate. The housing units to be purchased shall not have been built before 1978. Foreclosed properties will include property for which the mortgage or tax foreclosure is complete - - i.e., after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law. Depending on the area and circumstance, the County will purchase units at a minimum discount of 5% from the current market-appraised value of the home, but in the end, the County will have an aggregate discount of 15% as required. Such discounts will ensure that buyers are paying below-market value for the home. The current market-appraised value will be determined through an appraisal completed within 60 days prior to an offer to purchase. NSP administrative funds will be required to obtain these appraisals. If necessary, the County will rehabilitate the unit pursuant to Chapter 12, Building Code of the County Code, which was recently amended by Ordinance No. 857. The Ordinance adopted the 2003 Edition of the International Building Code and International Residential Code for One- and Two-Family Dwellings of the International Code Council, Incorporated. The units will also meet HUDs housing quality standards for habitability. The property will then be sold to an eligible household as a primary residence. The sales price shall be equal to or less than the cost to acquire and rehabilitate the home up to a decent, safe and habitable condition. The sales price may include sales and closing costs. All sales will be through the County of Kauais LELP, which provides an inventory of permanently affordable housing units. The County of Kauai will retain fee ownership of all properties and sells the leasehold interest to buyers under 99-year leases. There will be a separate document which will mandate a minimum NSP affordability period of 15 years for the units. Every buyer will be required to receive and complete eight hours of counseling provided by a HUD-approved counseling agency retained by the County of Kauai. Curriculum will include such topics as budgeting, understanding credit, mortgage loan basics, home selection criteria, money management, and avoiding default and foreclosure. The HHFDC will allow the County of Kauai to retain and utilize program income generated from NSP activities. Program income will be used for the purchase and rehabilitation of additional foreclosed homes in subsequent phases until all funds are utilized or the program time limit is reached, at which time any remaining NSP funds will be returned.

Location Description:

This activity will take place island-wide as foreclosed properties become available. However, the County of Kauai will place priority on the acquisition of properties in areas with higher foreclosure rates including Kapaa, Koloa, Kalaheo, Lihue and Princeville.

Activity Progress Narrative:

County of Kauai's Acquisition, Rehabilitation and Resale activity is behind schedule. To date the county has:

- Inspected 28 properties.
- Submitted offers on 10 properties.
- Acquired 1 foreclosed home using NSP funds.

The County of Kauai is working in a competitive market where the length of time needed to close is an important consideration for the seller in selecting an offer. The County's lengthy process to acquire properties has been a deterrent for sellers.

During this quarter, the County of Kauai:

- Inspected 5 properties.
- Submitted offers for 2 properties.
- Acquired 0 properties.
- Rehabilitation of one acquired property. The home will be marketed for re-sale to a qualified homebuyer.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	1/6
# of housing units	0	0	1	0/0	0/0	1/6
# of Households benefitting	0	0	0	0/0	0/0	0/6
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	1	0/0	0/0	1/6

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-NSP-006

Activity Title: Maui Acquisition, Rehabilitation & Sales

Activity Category:

Acquisition - buyout of residential properties

Activity Status:

Planned

Project Number:

006

Project Title:

Maui A/R

Projected Start Date:

03/02/2009

Projected End Date:

06/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

Na Hale O Maui

Overall	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$3,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$3,000,000.00
Program Funds Drawdown	\$1,130,233.40	\$1,527,294.99
Obligated CDBG DR Funds	\$1,130,233.40	\$1,527,294.99
Expended CDBG DR Funds	\$1,130,233.40	\$1,527,294.99
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NHOM is a 501(c)(3) nonprofit organization. It is prepared to track, analyze, inspect, acquire, rehabilitate, and resell foreclosed homes in the County of Maui suitable for workforce housing, and negotiate discounted acquisitions from lenders who have REOs that have already completed the foreclosure process or deed in lieu process. Funds generated by resale of the foreclosed homes will be used of the purchase and rehabilitation of additional foreclosed homes until all funds are utilized or until the program expiration date, at which time any remaining funds will be returned. The affordability of the abandoned and foreclosed homes will be preserved by converting them to community land trust homes that remain affordable. Na Hale O Maui (NHOM) will provide long-term stewardship of the rehabilitated affordable homes by holding title to the underlying land in trust and providing the homeowner with a renewable 99-year ground lease that contains an equity-sharing resale formula that preserves affordability for future qualified buyers. NHOM has an established project affordability criteria that requires land trust homes to be at least 25% below market value for a comparable fee simple home, which will guide their resale pricing for the benefit of low-, moderate-, and middle-income buyers. The resale price will not exceed the cost to acquire, rehabilitate, and dispose of the home. In addition to compliance with rehabilitation standards previously described, NHOM will utilize the rehabilitation standards set forth in the HUD Nationally Applicable Recommended Rehabilitation Provisions (NARRP) 1997 and the Uniform Building Code 1997 Edition as amended by the County of Maui. Every NSP-assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from Hale Mahaolu, a Maui-based, HUD-approved housing counseling agency before obtaining a mortgage loan. During the first year of operation, NHOM anticipates acquiring and rehabilitating approximately 13 homes using NSP funds. All of the homes will be sold to households with incomes that do not exceed 120% AMI, as required by the NSP program. The HHFDC will allow NHOM to retain program income generated from NSP activities. Funds generated by resale of the rehabilitated foreclosed homes will be used for the purchase and rehabilitation of additional foreclosed homes in subsequent phases until all funds are utilized or the program time limit is reached, at which time any remaining NSP funds will be returned.

Location Description:

Abandoned and foreclosed homes will be targeted in the high risk foreclosure areas of Kihei, Kahului, Lahaina and Wailuku. Specifically, activity will be focused in the following census tracts: Census Tract 307.02 (North Kihei); Census Tracts 311.01, 311.02 311.03 and 312 (Dream City-Maui Lani, Kahului); Census Tracts 314.01 and 314.02 (Lahaina); and Census Tracts 309.02 and 309.03 (North Wailuku/Waiehu).

Activity Progress Narrative:

During this quarter, the Na Hale O Maui acquired 3 properties. A total of 4 properties were acquired with NSP funds. Rehabilitation was completed on 2 properties. Both properties are for sale to a qualified buyer. Renovation work is in progress for 1 property.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	4	0/0	0/0	4/13
# of housing units	0	0	0	0/0	0/0	0/13
# of Households benefitting	0	0	0	0/0	0/0	0/13
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	4	0/0	0/0	4/13

Activity Locations

Address	City	State	Zip
857 Mahealani Street	Kihei	NA	96753
48 Hooheho Street	Kahului	NA	96732

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-NSP-007

Activity Title: Program Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

007

Project Title:

Program Admin

Projected Start Date:

09/29/2008

Projected End Date:

12/31/2013

National Objective:

N/A

Responsible Organization:

Hawaii Housing Finance and Development Corporation

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1,937,200.00
Total CDBG Program Funds Budgeted	N/A	\$1,937,200.00
Program Funds Drawdown	\$41,175.66	\$211,620.12
Obligated CDBG DR Funds	\$131,633.03	\$211,620.12
Expended CDBG DR Funds	\$131,633.03	\$211,620.12
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP Program Administration. HHFDC = \$980,000 Kauai County Housing Agency = \$470,800 Hawaii County, Office of Housing and Community Development = \$486,400

Location Description:

not applicable

Activity Progress Narrative:

The HHFDC allocated \$1,937,200 in NSP funds for program administration.

- The HHFDC retained \$980,000 to reimburse its administrative expenses. This quarter, \$37,016.52 has been obligated and expended. In total, \$79,987.09 has been obligated and disbursed.
- The HHFDC allocated \$486,400 to the County of Hawaii to reimburse its administrative expenses. No funds have been obligated or disbursed.
- The HHFDC allocated \$470,800 to the County of Kauai to reimburse its administrative expenses. This quarter, \$94,616.51 has been obligated and expended. In total, \$131,633.03 has been obligated and disbursed.

Performance Measures

No 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
