

**Grantee: Hawaii State Program**

**Grant: B-08-DN-15-0001**

**January 1, 2011 thru March 31, 2011 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

**QPR Contact:**

Glori Ann Inafuku

**Disasters:****Declaration Number**

NSP

**Narratives****Areas of Greatest Need:**

All counties within the State of Hawaii experience a shortage of affordable housing. The housing needs for the Counties of Hawaii, Kaua'i, 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/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, 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, Puhimau, and Lihue. The County of Maui's areas of greatest need include Kahului, Kihei, Wailuku, Paia, Makawao, Hana, Lahaina, Kula and Puunene.

**Distribution and and Uses of Funds:**

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, Kaua'i, 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.

**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
Total Projected Budget from All Sources	N/A	\$19,600,000.00
Total CDBG Program Funds Budgeted	N/A	\$19,600,000.00
Program Funds Drawdown	\$1,927,658.70	\$13,626,891.36
Program Funds Obligated	\$0.00	\$19,600,000.00
Program Funds Expended	\$2,074,711.68	\$13,773,944.37
Match Contributed	\$0.00	\$13,755.42
Program Income Received	\$0.00	\$128,264.96
Program Income Drawdown	\$0.00	\$128,264.96

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Required</b>	<b>To Date</b>
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$13,755.42
Limit on Public Services	\$2,940,000.00	\$0.00
Limit on Admin/Planning	\$1,960,000.00	\$543,457.88
Limit on State Admin	\$0.00	\$543,457.88

**Progress Toward Activity Type Targets**

**Progress Toward National Objective Targets**

<b>National Objective</b>	<b>Target</b>	<b>Actual</b>
NSP Only - LH - 25% Set-Aside	\$4,900,000.00	\$6,900,000.00

**Overall Progress Narrative:**

The Neighborhood Stabilization Program has sold 8 NSP homes to qualified households to date. Na Hale O Maui has one more pending home sale. The County of Kauai completed construction of three new homes and the leasehold sales of the new homes and existing rehabbed homes should be completed during the next quarter. The First Look Program is also being utilized to identify additional properties for acquisition.

Two rental projects are under construction with the third scheduled to begin in April, 2011.

The NSP3 grant agreement was executed by HUD on 3/3/11 and HHFDC has been working on the agreements with the developer and subrecipient to implement the program.

Note: Due to DRGR technical issues, the Na Hale O Maui activity has incorrect totals for the number of households and owner households for this period. The cumulative actual total is correct as 7 homes have been sold to date. For this period, there was 1 home buyer at 120% AMI (Pac Islander). In addition, the 2 homebuyers from the last QPR was also included in this report.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Purchase and rehabilitate foreclosed and abandoned	\$0.00	\$2,000,000.00	\$0.00
001, Purchase and rehabilitate foreclosed and abandoned	\$1,922.83	\$2,196,949.32	\$2,052,575.05
001, Purchase and rehabilitate foreclosed and abandoned	\$0.00	\$0.00	\$0.00
001, Purchase and rehabilitate foreclosed and abandoned	\$126,023.42	\$4,900,000.00	\$4,655,000.00
002, Redevelop demolished or vacant properties	\$366,792.64	\$854,000.00	\$720,744.18
002, Redeveop demolished or vacant properties	\$0.00	\$0.00	\$0.00
002, Purchase and rehabilitate foreclosed and abandoned	\$0.00	\$3,146,728.90	\$3,146,728.90
002, Redevelop demolished or vacant properties	\$1,359,347.40	\$4,887,800.00	\$2,508,385.35
003, Administration	\$0.00	\$0.00	\$0.00
003, Program Admin	\$73,572.41	\$1,614,521.78	\$543,457.88
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

<b>Grantee Activity Number:</b>	<b>HI-NSP-001</b>
<b>Activity Title:</b>	<b>Housing Solutions Inc. / Seawinds Apartments /LH25</b>

**Activity Category:**

Construction of new housing

**Project Number:**

001

**Projected Start Date:**

07/17/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Purchase and rehabilitate foreclosed and abandoned

**Projected End Date:**

03/18/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Housing Solutions Incorporated

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$4,900,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$4,900,000.00
<b>Program Funds Drawdown</b>	\$126,023.42	\$4,655,000.00
<b>Program Funds Obligated</b>	\$0.00	\$4,900,000.00
<b>Program Funds Expended</b>	\$126,023.42	\$4,655,000.00
Housing Solutions Incorporated	\$126,023.42	\$4,655,000.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$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 Kauhokalani Place (TMK: 8-5-028-044), Waianae, Hawaii. The site is mauka of the Waianae Neighborhood Community Center.

**Activity Progress Narrative:**

The Seawinds project did experience a slight delay in construction completion but is now expected to be completed in June, 2011.

### Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/20	
# of Multifamily Units	0		0/20	

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/20	0/0	0/20	0
# Renter Households	0	0	0	0/20	0/0	0/20	0

### 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-002

**Activity Title:** Hui Kauhale, Inc. / Ewa Villages / LH25

**Activity Category:**

Construction of new housing

**Project Number:**

001

**Projected Start Date:**

06/15/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Planned

**Project Title:**

Purchase and rehabilitate foreclosed and abandoned

**Projected End Date:**

06/18/2010

**Completed Activity Actual End Date:**

**Responsible Organization:**

Hui Kauhale, Inc.

Overall	Jan 1 thru Mar 31, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$2,000,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,000,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$2,000,000.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
Hui Kauhale, Inc.	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$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 financing closing was rescheduled to April, 2011 with construction to begin immediately after the closing. Projected construction completion date is July, 2012.

**Accomplishments Performance Measures**

This Report Period  
Total

Cumulative Actual Total / Expected  
Total

# of Housing Units	0	0/8
# of Multifamily Units	0	0/8

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/8	0/0	0/8	0
# Renter Households	0	0	0	0/8	0/0	0/8	0

## 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	

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**Grantee Activity Number:** HI-NSP-003

**Activity Title:** Hawaii County / Kaloko / LMMI

**Activity Category:**

Construction of new housing

**Project Number:**

002

**Projected Start Date:**

10/01/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Redevelop demolished or vacant properties

**Projected End Date:**

06/30/2010

**Completed Activity Actual End Date:**

**Responsible Organization:**

County of Hawaii, Office of Housing and Community

Overall	Jan 1 thru Mar 31, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$4,887,800.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$4,887,800.00
<b>Program Funds Drawdown</b>	\$1,359,347.40	\$2,508,385.35
<b>Program Funds Obligated</b>	\$0.00	\$4,887,800.00
<b>Program Funds Expended</b>	\$1,359,347.40	\$2,508,385.35
County of Hawaii, Office of Housing and Community	\$1,359,347.40	\$2,508,385.35
<b>Match Contributed</b>	\$0.00	\$13,755.42
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$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-profit's 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 Koloko 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:**

The Kaloko project construction completion is moving along ahead of schedule and construction is now estimated to be completed in September, 2011. In addition, the total number of NSP units have increased from 8 to 28 NSP units based on the fair share test by the County.

### Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/8	
# of Multifamily Units	0		0/8	

### 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	0/8	0/8	0
# Renter Households	0	0	0	0/0	0/8	0/8	0

### 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:** Kauai / Waimea Eleele Kauai / LMMI

**Activity Category:**

Construction of new housing

**Project Number:**

002

**Projected Start Date:**

05/11/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Redevelop demolished or vacant properties

**Projected End Date:**

06/18/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Kauai County Housing Agency

**Overall**

**Jan 1 thru Mar 31, 2011**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$854,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$854,000.00
<b>Program Funds Drawdown</b>	\$366,792.64	\$720,744.18
<b>Program Funds Obligated</b>	\$0.00	\$854,000.00
<b>Program Funds Expended</b>	\$442,086.35	\$796,037.89
Kauai County Housing Agency	\$442,086.35	\$796,037.89
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$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 Kauai's 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. Eleele Nani, TMK (4) 2-1-009-074. c. Census Tract 407.00. Eleele Nani, TMK (4) 2-1-009-077.

**Activity Progress Narrative:**

Construction was completed in January, 2011 for all three homes and the certificate of occupancy has been issued.

## Accomplishments Performance Measures

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

## 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	0/3	0/3	0
# Owner Households	0	0	0	0/0	0/3	0/3	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$0.00
Total Other Funding Sources	\$0.00

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**Grantee Activity Number:** HI-NSP-005

**Activity Title:** Kauai/ Acquisition, Rehabilitation & Sales / LMMI

**Activity Category:**

Acquisition - general

**Project Number:**

001

**Projected Start Date:**

05/11/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Purchase and rehabilitate foreclosed and abandoned

**Projected End Date:**

06/18/2010

**Completed Activity Actual End Date:**

**Responsible Organization:**

Kauai County Housing Agency

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$2,196,949.32
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,196,949.32
<b>Program Funds Drawdown</b>	\$1,922.83	\$2,052,575.05
<b>Program Funds Obligated</b>	\$0.00	\$2,196,949.32
<b>Program Funds Expended</b>	\$51,983.98	\$2,102,636.20
Kauai County Housing Agency	\$51,983.98	\$2,102,636.20
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$128,264.96
<b>Program Income Drawdown</b>	\$0.00	\$128,264.96

**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 1% from the current market-appraised value of the home. 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 HUD's 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 Kauai's 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:

Kauai County Housing Agency has been working on modifications to their leasehold document in order to meet financing requirements for their homebuyer program. The document should be finalized soon and the homes are projected to be sold to qualified LMHI households during the next quarter. Data correction is made to the number of housing units to correctly reflect one home resale to date.

### Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		1/6	
# of Parcels acquired by	0		0/0	
# of Parcels acquired by admin	0		0/0	
# of Parcels acquired voluntarily	0		6/6	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	-1		1/6	
# of Singlefamily Units	1		1/6	

### 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	1/6	1/6	100.00
# Owner Households	0	1	1	0/0	1/6	1/6	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	

<b>Grantee Activity Number:</b>	<b>HI-NSP-006</b>
<b>Activity Title:</b>	<b>Na Hale O Maui/ Acquisition, Rehab &amp; Sales/ LMMI</b>

**Activity Category:**

Acquisition - general

**Project Number:**

002

**Projected Start Date:**

04/29/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Purchase and rehabilitate foreclosed and abandoned

**Projected End Date:**

06/18/2010

**Completed Activity Actual End Date:**

**Responsible Organization:**

Na Hale O Maui

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$3,146,728.90
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$3,146,728.90
<b>Program Funds Drawdown</b>	\$0.00	\$3,146,728.90
<b>Program Funds Obligated</b>	\$0.00	\$3,146,728.90
<b>Program Funds Expended</b>	\$0.00	\$3,146,728.90
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$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:

### Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		8/13	
# of Parcels acquired by	0		0/0	
# of Parcels acquired by admin	0		0/0	
# of Parcels acquired voluntarily	0		8/13	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		8/13	
# of Singlefamily Units	0		0/13	

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	3	0/0	4/13	7/13	57.14
# Owner Households	0	4	7	0/0	4/13	7/13	57.14

### 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-007

**Activity Title:** HHFDC / Program Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

003

**Project Title:**

Program Admin

**Projected Start Date:**

09/29/2008

**Projected End Date:**

12/31/2013

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

Hawaii Housing Finance and Development Corporation

**Overall**

**Jan 1 thru Mar 31, 2011**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$776,920.21
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$776,920.21
<b>Program Funds Drawdown</b>	\$28,736.93	\$179,580.48
<b>Program Funds Obligated</b>	\$0.00	\$776,920.21
<b>Program Funds Expended</b>	\$28,736.93	\$179,580.48
Hawaii Housing Finance and Development Corporation	\$28,736.93	\$179,580.48
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

NSP Program Administration.

- HHFDC = \$776,920.21
- Kauai County Housing Agency = \$351,201.57
- Hawaii County, Office of Housing and Community Development = \$486,400

**Location Description:**

not applicable

**Activity Progress Narrative:**

In addition to the ongoing administration of the NSP program, HHFDC has been working on the planning and implementation of the NSP3 program. An RFI was issued and two activities were selected, County of Hawaii Kaloko rental project and Na Hale O Maui homebuyer program. Agreements were drafted and will be completed during the next quarter.

**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

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<b>Grantee Activity Number:</b>	<b>HI-NSP-007H</b>
<b>Activity Title:</b>	<b>County of Hawaii / Program Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

003

**Project Title:**

Program Admin

**Projected Start Date:**

06/12/2009

**Projected End Date:**

03/18/2013

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

Hawaii Housing Finance and Development Corporation

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$486,400.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$486,400.00
<b>Program Funds Drawdown</b>	\$24,371.53	\$75,952.08
<b>Program Funds Obligated</b>	\$0.00	\$486,400.00
<b>Program Funds Expended</b>	\$24,371.53	\$75,952.11
Hawaii Housing Finance and Development Corporation	\$24,371.53	\$75,952.11
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Administration of the Neighborhood Stabilization Program in the County of Hawaii.

**Location Description:**

County of Hawaii

**Activity Progress Narrative:**

**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

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<b>Grantee Activity Number:</b>	<b>HI-NSP-007K</b>
<b>Activity Title:</b>	<b>County of Kauai / Program Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

003

**Project Title:**

Program Admin

**Projected Start Date:**

05/11/2009

**Projected End Date:**

03/18/2013

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

Hawaii Housing Finance and Development Corporation

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$351,201.57
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$351,201.57
<b>Program Funds Drawdown</b>	\$20,463.95	\$287,925.32
<b>Program Funds Obligated</b>	\$0.00	\$351,201.57
<b>Program Funds Expended</b>	\$42,162.07	\$309,623.44
Hawaii Housing Finance and Development Corporation	\$42,162.07	\$309,623.44
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Administration of Neighborhood Stabilization Program by the Kauai County Housing Agency.

**Location Description:**

County of Kauai

**Activity Progress Narrative:**

**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

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