State of Hawaii

Neighborhood Stabilization Program, Round 3
Substantial Amendment to
Consolidated Plan
Action Plan

Program Year 2010
(July 1, 2010 - June 30, 2011)

February 2011

Prepared by:
Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, Hawaii 96813
APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION:
   □ Construction  □ Non-Construction  ☑ Pre-application

2. DATE SUBMITTED: 3. DATE RECEIVED BY STATE:
   Applicant Identifier: HI 169999 - Hawaii State Program

4. DATE RECEIVED BY FEDERAL AGENCY:
   State Application Identifier:

5. APPLICANT INFORMATION

   Legal Name: State of Hawaii, Housing Finance and Development Corporation

   Organizational DUNS: 80-441-2661

   Address: Street: 677 Queen Street, Suite 300

   City: Honolulu
   County: Honolulu
   State: Hawaii
   Zip Code: 96813

   Organizational Unit: Department of Business, Economic Development and Tourism

   Division: Hawaii Housing Finance and Development Corporation

   Name and telephone number of person to be contacted on matters involving this application (give area code):
   Prefix: Ms
   First Name: Karen

   Middle Name: Seddon

   Email: karen.s.seddon@hawaii.gov

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
   14-1967871

7. TYPE OF APPLICATION:
   ☑ New  ☐ Continuation  ☐ Revision

8. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
   14-228

9. NAME OF FEDERAL AGENCY:
   Department of Housing and Urban Development

10. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
    State of Hawaii

11. DESCRIPTIVE TITLE OF APPLICANT’S PROJECT:
    Neighborhood Stabilization Program, Round 3, authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

12. PROPOSED PROJECT
    Start Date: 04/01/2011  Ending Date: 03/31/2014

13. ESTIMATED FUNDING:

   a. Federal NSP3 $ 5,000,000
   b. Applicant $ 1,632,400
   c. State $ 6,215,309
   d. Local County $ 4,887,800
   e. Other NSP1 $ 17,735,509
   f. Program Income $
   g. TOTAL $

14. CONGRESSIONAL DISTRICTS OF:

   a. Applicant 1  b. Project 2

15. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

   a. Yes. ☐  b. No. ☑  PROGRAM IS NOT COVERED BY E. O. 12372

16. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DUTY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

   a. Authorized Representative
      Prefix: Ms
      First Name: Karen
      Middle Name:
      Last Name: Seddon
      Suffix:
      Title: Executive Director
      Signature of Authorized Representative: [Signature]

   b. Telephone Number (give area code) 808-587-0641
   c. Date Signed: February 14, 2011

   Previous Edition Usable
   Authorized for Local Reproduction

INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

This is a standard form used by applicants as a required face sheet for pre-applications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant’s submission.

<table>
<thead>
<tr>
<th>Item:</th>
<th>Entry:</th>
<th>Item:</th>
<th>Entry:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Select Type of Submission.</td>
<td>11.</td>
<td>Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.</td>
</tr>
<tr>
<td>2.</td>
<td>Date application submitted to Federal agency (or State if applicable) and applicant’s control number (if applicable).</td>
<td>12.</td>
<td>List only the largest political entities affected (e.g., State, counties, cities).</td>
</tr>
<tr>
<td>3.</td>
<td>State use only (if applicable).</td>
<td>13.</td>
<td>Enter the proposed start date and end date of the project.</td>
</tr>
<tr>
<td>4.</td>
<td>Enter Date Received by Federal Agency Federal Identifier number: If this application is a continuation or revision to an existing award, enter the present Federal Identifier number. If for a new project, leave blank.</td>
<td>14.</td>
<td>List the applicant’s Congressional District and any District(s) affected by the program or project.</td>
</tr>
<tr>
<td>5.</td>
<td>Enter legal name of applicant, name of primary organizational unit (including division, if applicable), which will undertake the assistance activity, enter the organization’s DUNS number (received from Dun and Bradstreet), enter the complete address of the applicant (including country), and name, telephone number, e-mail and fax of the person to contact on matters related to this application.</td>
<td>15.</td>
<td>Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15.</td>
</tr>
<tr>
<td>6.</td>
<td>Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.</td>
<td>16.</td>
<td>Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.</td>
</tr>
<tr>
<td>7.</td>
<td>Select the appropriate letter in the space provided.</td>
<td>17.</td>
<td>This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.</td>
</tr>
<tr>
<td>A. State</td>
<td>I. State Controlled Institution of Higher Learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. County</td>
<td>J. Private University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Municipal</td>
<td>K. Indian Tribe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Township</td>
<td>L. Individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Interstate</td>
<td>M. Profit Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. Intermunicipal</td>
<td>N. Other (Specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G. Special District</td>
<td>O. Not for Profit Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. Independent School District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Select the type from the following list:</td>
<td>18.</td>
<td>To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)</td>
</tr>
<tr>
<td>• “New” means a new assistance award.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• “Continuation” means an extension for an additional funding/budget period for a project with a projected completion date.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• “Revision” means any change in the Federal Government’s financial obligation or contingent liability from an existing obligation. If a revision enter the appropriate letter:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Increase Award</td>
<td>B. Decrease Award</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Increase Duration</td>
<td>D. Decrease Duration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Name of Federal agency from which assistance is being requested with this application.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. NSP3 Grantee Information

<table>
<thead>
<tr>
<th>NSP3 Program Administrator Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name (Last, First)</td>
</tr>
<tr>
<td>Email Address</td>
</tr>
<tr>
<td>Phone Number</td>
</tr>
<tr>
<td>Mailing Address</td>
</tr>
</tbody>
</table>

2. Areas of Greatest Need

Map Submission
The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included in the attached Exhibit 1.

Data Sources Used to Determine Areas of Greatest Need

<table>
<thead>
<tr>
<th>Describe the data sources used to determine the areas of greatest need.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response:</td>
</tr>
<tr>
<td>HHFDC used the data provided by HUD at the HUDuser.org website to determine the NSP3 areas of greatest need.</td>
</tr>
</tbody>
</table>

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: |
Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:
The areas of greatest need were established in accordance with data provided by HUD for the State of Hawaii. Areas assigned a score of 15 or higher were determined to be areas of greatest need and designated as NSP3 Target Areas. There are a total of approximately fifty-nine NSP3 Target Areas in all four counties of the State of Hawaii.

A tiered approach is not being utilized to determine the distribution of funding. To comply with the objectives of the Dodd-Frank Act, the HHFDC established threshold criteria that would determine whether an NSP3 application would advance to be further evaluated to receive NSP3 funds. Threshold criteria included a requirement that a project be located in an NSP3 Target Area. Other threshold criteria required compliance with NSP3 income targeting, being an eligible NSP activity consistent with correlated CDBG eligible activities, being a developer that previously received and disbursed federal funds for the purposes of developing or acquiring and rehabilitating affordable housing for rent or sale, and satisfying relocation and environmental review requirements.

Applications meeting the threshold criteria were scored and ranked by a committee using selection criteria evaluating the activity’s feasibility and consistency with NSP3 objectives, the applicant’s capacity to carry out the proposed NSP3 activity in a timely manner, and an activity’s readiness to proceed and likelihood of meeting expenditure deadlines. 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.

3. Definitions and Descriptions

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blighted Structure</td>
<td>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)</td>
</tr>
</tbody>
</table>
**4. Low-Income Targeting**

**Low-Income Set-Aside Amount**

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

Total low-income set-aside percentage (must be no less than 25 percent): 81.00%

Total funds set aside for low-income individuals = $4,050,000.00
Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

Response:

The County of Hawaii will re-develop a vacant area in Kailua-Kona, which will include the construction of 16 permanent affordable rental units in the Kaloko Housing Project. All 16 units will serve households with incomes that do not exceed 50% AMI. Approximately $4,050,000 in NSP3 funds will be used to meet this set-aside requirement.

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?</td>
<td>No</td>
</tr>
</tbody>
</table>

If yes, fill in the table below. **Not applicable.**

<table>
<thead>
<tr>
<th>Question</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>
6. Public Comment

Citizen Participation Plan

<table>
<thead>
<tr>
<th>Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response: A Notice of Public Comment was published in newspapers of general circulation in all counties on January 11, 2011 and posted to HHFDC’s website, informing the public that a draft NSP3 Substantial Amendment was available for review. The Notice of Public Comment and Affidavits of Publication are attached as Exhibit 2. The draft NSP3 Substantial Amendment was made available on HHFDC’s website, at regional libraries statewide, and at the housing agencies in the City and County of Honolulu, County of Hawaii, County of Kauai, and the County of Maui. The public was afforded a 15-day period to submit comments on the draft NSP3 Substantial Amendment; the deadline for public comment was January 26, 2011.</td>
</tr>
</tbody>
</table>

Summary of Public Comments Received.

During the public comment period, HHFDC received one public comment from a nonprofit organization stating that NSP3 funds should be spent in the City and County of Honolulu and requesting an opportunity to submit a proposal for NSP3 funds.

Due to the upcoming NSP3 deadline, HHFDC responded that it was no longer accepting proposals for NSP3 funding; the deadline for submitting proposals was December 22, 2010. Applications from all counties of the State of Hawaii were welcomed; HHFDC received two timely proposals for projects, one in the County of Maui and one in the County of Hawaii. A copy of the public comment and HHFDC’s response are attached as Exhibit 3.

7. NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions above.

The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it. Consult the NSP3 Program Design Guidebook for guidance on completing the “Performance Measures” component of the activity tables below.

For each of its eligible NSP3 activities, HHFDC may exercise its pre-award authority, and allow its recipients to incur pre-award costs for administrative actions, including environmental reviews under 24 CFR Part 58.
### Activity Number 1

<table>
<thead>
<tr>
<th>Activity Name</th>
<th>Na Hale O Maui – Acquisition of Foreclosed Residential Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uses</strong></td>
<td>Select all that apply:</td>
</tr>
<tr>
<td></td>
<td>☒ Eligible Use A: Financing Mechanisms</td>
</tr>
<tr>
<td></td>
<td>☒ Eligible Use B: Acquisition and Rehabilitation</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use C: Land Banking</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use D: Demolition</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use E: Redevelopment</td>
</tr>
<tr>
<td><strong>CDBG Activity or Activities</strong></td>
<td>570.201(a) Acquisition of Real Property</td>
</tr>
<tr>
<td><strong>National Objective</strong></td>
<td>Low Moderate Middle Income Housing (LMMH)</td>
</tr>
<tr>
<td><strong>Activity Description</strong></td>
<td>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. 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 or foreclosed residential properties; as such, vicinity hiring requirements are not applicable. HHFDC may exercise its pre-award authority and allow recipient to incur pre-award administrative costs, including environmental reviews under 24 CFR Part 58.</td>
</tr>
<tr>
<td><strong>Location Description</strong></td>
<td>Neighborhood ID: 2490570. (Central Maui: Kahului, Waikapu, Wailuku, Waiehu, and Waihee.)</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td><strong>Source of Funding</strong></td>
</tr>
<tr>
<td></td>
<td>NSP3</td>
</tr>
<tr>
<td></td>
<td>Maui County Affordable Hsg Fund</td>
</tr>
<tr>
<td></td>
<td>Owner Contribution</td>
</tr>
<tr>
<td><strong>Total Budget for Activity</strong></td>
<td>$3,232,400.00</td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
<td>Acquisition, rehabilitation and sale of approximately 19 abandoned or foreclosed properties, resulting in increased property values, stabilized neighborhoods, and increased homeownership opportunities to LMMI families..</td>
</tr>
<tr>
<td><strong>Projected Start Date</strong></td>
<td>4/1/2011</td>
</tr>
<tr>
<td><strong>Projected End Date</strong></td>
<td>11/30/11</td>
</tr>
<tr>
<td><strong>Responsible Organization</strong></td>
<td>Name: Housing And Land Enterprise Of Maui, Dba Na Hale O Maui</td>
</tr>
<tr>
<td></td>
<td>Location: P. O. Box 1829, 55 N. Church Street A-1, Wailuku, Maui, Hawaii, 96793</td>
</tr>
<tr>
<td></td>
<td>Administrator Contact Info: John Andersen, ph. (808)244-6110, <a href="mailto:john@nahaleomauai.org">john@nahaleomauai.org</a></td>
</tr>
</tbody>
</table>
### Activity Number 2

**Activity Name**  Kaloko Housing Project

**Use**

- Eligible Use A: Financing Mechanisms
- Eligible Use B: Acquisition and Rehabilitation
- Eligible Use C: Land Banking
- Eligible Use D: Demolition
- Eligible Use E: Redevelopment

**CDBG Activity or Activities**

New construction of housing as part of the redevelopment of demolished or vacant properties.

**National Objective**

Low-Income Housing to Meet 25% Set-Aside (LH25)

**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). 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. HHFDC may exercise its pre-award authority and allow recipient to incur pre-award administrative costs, including environmental reviews under 24 CFR Part 58.

**Location Description**

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

**Budget**

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Dollar Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSP3</td>
<td>$4,050,000.00</td>
</tr>
<tr>
<td>County of Hawaii CIP</td>
<td>$5,040,192.12</td>
</tr>
<tr>
<td>NSP1</td>
<td>$4,887,800.00</td>
</tr>
<tr>
<td>County of HI Revolving Fund</td>
<td>$75,117.00</td>
</tr>
</tbody>
</table>

**Total Budget for Activity**

$14,053,109.12

**Performance Measures**

Produce 16 new affordable rental units with NSP3 funds, all of which will serve families with incomes that do not exceed 50% AMI.

**Projected Start Date**

8/1/2011

**Projected End Date**

12/31/2012

**Responsible Organization**

- **Name**: County Of Hawaii, Office Of Housing And Community Development
- **Location**: 50 Wailuku Drive, Hilo, Hawaii, 96720
- **Administrator Contact Info**: Jeremy McComber, ph (808)961-8379, ohcddev@co.hawaii.hi.us
<table>
<thead>
<tr>
<th>Activity Number</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Activity Name</strong></td>
<td>Administration - County of Hawaii</td>
</tr>
<tr>
<td><strong>Use</strong></td>
<td>Select all that apply:</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use A: Financing Mechanisms</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use B: Acquisition and Rehabilitation</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use C: Land Banking</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use D: Demolition</td>
</tr>
<tr>
<td></td>
<td>☐ Eligible Use E: Redevelopment</td>
</tr>
<tr>
<td><strong>CDBG Activity or Activities</strong></td>
<td>Program administrative costs as part of an activity delivery cost for an eligible activity.</td>
</tr>
<tr>
<td><strong>National Objective</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Activity Description</strong></td>
<td>$225,000 will be used for the County of Hawaii’s administrative costs in connection with its NSP activities. HHFDC may exercise its pre-award authority and allow recipient to incur pre-award administrative costs.</td>
</tr>
<tr>
<td><strong>Location Description</strong></td>
<td>50 Wailuku Drive, Hilo, Hawaii, 96720</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td>Source of Funding</td>
</tr>
<tr>
<td></td>
<td>NSP3</td>
</tr>
<tr>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Budget for Activity</strong></td>
<td>$225,000.00</td>
</tr>
<tr>
<td><strong>Performance Measures</strong></td>
<td>Program timeliness in committing and expending funds.</td>
</tr>
<tr>
<td><strong>Projected Start Date</strong></td>
<td>10/19/2010</td>
</tr>
<tr>
<td><strong>Projected End Date</strong></td>
<td>3/31/2014</td>
</tr>
<tr>
<td><strong>Responsible Organization</strong></td>
<td>Name</td>
</tr>
<tr>
<td></td>
<td>Location</td>
</tr>
<tr>
<td></td>
<td>Administrator Contact Info</td>
</tr>
<tr>
<td>Activity Name</td>
<td>HHFDC Administration</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Use</td>
<td>Select all that apply:</td>
</tr>
<tr>
<td></td>
<td>Eligible Use A: Financing Mechanisms</td>
</tr>
<tr>
<td></td>
<td>Eligible Use B: Acquisition and Rehabilitation</td>
</tr>
<tr>
<td></td>
<td>Eligible Use C: Land Banking</td>
</tr>
<tr>
<td></td>
<td>Eligible Use D: Demolition</td>
</tr>
<tr>
<td></td>
<td>Eligible Use E: Redevelopment</td>
</tr>
<tr>
<td>CDBG Activity or Activities</td>
<td>Program administration.</td>
</tr>
<tr>
<td>National Objective</td>
<td></td>
</tr>
<tr>
<td>Activity Description</td>
<td>$225,000 will be used for HHFDC's costs in the administration of NSP. HHFDC may exercise its pre-award authority to incur pre-award administrative costs.</td>
</tr>
<tr>
<td>Location Description</td>
<td>677 Queen Street, Suite 300, Honolulu, Hawaii, 96813</td>
</tr>
<tr>
<td>Budget</td>
<td>Source of Funding</td>
</tr>
<tr>
<td></td>
<td>NSP3</td>
</tr>
<tr>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Total Budget for Activity</td>
</tr>
<tr>
<td>Performance Measures</td>
<td>Effective program administration</td>
</tr>
<tr>
<td>Projected Start Date</td>
<td>10/19/2010</td>
</tr>
<tr>
<td>Projected End Date</td>
<td>3/31/2014</td>
</tr>
<tr>
<td>Responsible Organization</td>
<td>Name</td>
</tr>
<tr>
<td>Location</td>
<td>677 Queen Street, Suite 300, Honolulu, Hawaii, 96813</td>
</tr>
<tr>
<td>Administrator Contact Info</td>
<td>Karen Seddon, ph (808)587-0641, <a href="mailto:karen.s.seddon@hawaii.gov">karen.s.seddon@hawaii.gov</a></td>
</tr>
</tbody>
</table>
8. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
(11) The jurisdiction certifies:
   a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
   b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) Excessive force. The jurisdiction certifies that it has adopted and is enforcing:
   a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
   b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(13) Compliance with anti-discrimination laws. The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) Compliance with lead-based paint procedures. The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) Compliance with laws. The jurisdiction certifies that it will comply with applicable laws.

(16) Vicinity hiring. The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) Development of affordable rental housing. The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

Signature/Authorized Official

Executive Director
Title

FEB 14 2011
Date
Appendix: NSP3 Action Plan Contents Checklist

The checklist below is an optional tool for NSP3 grantees to help to ensure that all required elements of the NSP3 Substantial Amendment or the Abbreviated Plan are submitted to HUD. This checklist only includes the minimum required elements that must be included in the NSP3 Action Plan and grantees may want to add additional details. This document must be protected, as described above, in order to use the checkboxes in this checklist.

1. NSP3 Grantee Information

<table>
<thead>
<tr>
<th>Did you include the Program Administrator’s name, address, phone, and email address?</th>
<th>Yes</th>
</tr>
</thead>
</table>

2. Areas of Greatest Need

| Does the narrative description describe how funds will give priority emphasis to areas of greatest need? | Yes |
| Does the narrative description specifically address how the funds will give priority emphasis to those areas: | |
| • With the highest percentage of home foreclosures? | Yes |
| • With the highest percentage of homes financed by subprime mortgage related loan? and | Yes |
| • Identified by the grantee as likely to face a significant rise in the rate of home foreclosures? | Yes |

| Did you create the area of greatest needs map at http://www.huduser.org/NSP/NSP3.html? | Yes |
| Did you include the map as an attachment to your Action Plan? | Yes |

*ONLY Applicable for States: Did you include the needs of all entitlement communities in the State?* | Yes |
3. Definitions and Descriptions

<table>
<thead>
<tr>
<th>Are the following definitions and topics included in your substantial amendment?</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Blighted structure in context of state or local law,</td>
<td></td>
</tr>
<tr>
<td>• Affordable rents,</td>
<td></td>
</tr>
<tr>
<td>• Ensuring long term affordability for all NSP funded housing projects,</td>
<td></td>
</tr>
<tr>
<td>• Applicable housing rehabilitation standards for NSP funded projects</td>
<td></td>
</tr>
</tbody>
</table>

4. Low-Income Targeting

| Did you identify the estimated amount of funds appropriated to provide housing that meets the low-income set aside target? | Yes |
| Did you provide a summary describing how your jurisdiction will meet its low-income set aside goals? |     |

5. Acquisition & Relocation – *Not applicable.*

| For all acquisitions that will result in displacement did you specify: | Yes |
| • The planned activity,                                               |     |
| • The number of units that will result in displacement,               |     |
| • The manner in which the grantee will comply with URA for those residents? |     |

6. Public Comment

| Did you provide your draft of the NSP3 substantial amendment for a minimum of 15 days for public comment? | Yes |
| Did you include the public comments you received on the NSP3 substantial amendment in your plan? |     |
### 7. NSP Information by Activity

<table>
<thead>
<tr>
<th>Question</th>
<th>Check all that apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you include a description of all eligible NSP3 activities you plan to implement with your NSP3 award?</td>
<td>☒</td>
</tr>
<tr>
<td>For each eligible NSP3 activity you plan to implement did you include:</td>
<td></td>
</tr>
<tr>
<td>• Eligible use or uses?</td>
<td>☒</td>
</tr>
<tr>
<td>• Correlated eligible CDBG activity or activities?</td>
<td>☒</td>
</tr>
<tr>
<td>• Associated national objective?</td>
<td>☒</td>
</tr>
<tr>
<td>• How the activity will address local market conditions?</td>
<td>☒</td>
</tr>
<tr>
<td>• Range of interest rates (if any)? Not applicable</td>
<td></td>
</tr>
<tr>
<td>• Duration or term of assistance?</td>
<td></td>
</tr>
<tr>
<td>• Tenure of beneficiaries (e.g. rental or homeowner)?</td>
<td>☒</td>
</tr>
<tr>
<td>• If the activity produces housing, how the design of the activity will ensure continued affordability?</td>
<td>☒</td>
</tr>
<tr>
<td>• How you will, to the maximum extent possible, provide for vicinity hiring?</td>
<td>☒</td>
</tr>
<tr>
<td>• Procedures used to create affordable rental housing preferences?</td>
<td>☒</td>
</tr>
<tr>
<td>• Areas of greatest need addressed by the activity or activities?</td>
<td>☒</td>
</tr>
<tr>
<td>• Amount of funds budgeted for the activity?</td>
<td>☒</td>
</tr>
<tr>
<td>• Appropriate performance measures for the activity (e.g. units of housing to be acquired, rehabilitated, or demolished for the income levels represented in DRGR) ?</td>
<td>☒</td>
</tr>
<tr>
<td>• Expected start and end dates of the activity?</td>
<td>☒</td>
</tr>
<tr>
<td>• Name and location of the entity that will carry out the activity?</td>
<td>☒</td>
</tr>
</tbody>
</table>

### 8. Certifications

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you sign and submit the certification form applicable to your jurisdiction?</td>
<td>☒</td>
</tr>
</tbody>
</table>

### 9. Additional Documentation

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you include a signed SF-424?</td>
<td>☒</td>
</tr>
</tbody>
</table>
EXHIBIT 1
Neighborhood ID: 2490570

NSP3 Planning Data

Grantee ID: 1599990N
Grantee State: HI
Grantee Name: HI NONENTITLEMENT
Grantee Address: 55 N. Church St Wailuku HI 96793
Grantee Email: john@nahaleomau.org

Neighborhood Name: Central Maui 2
Date: 2010-12-16 00:00:00

NSP3 Score
The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 15.35
State Minimum Threshold NSP3 Score: 15
Total Housing Units in Neighborhood: 13761

Area Benefit Eligibility
Percent Persons Less than 120% AMI: 75.38
Percent Persons Less than 80% AMI: 52.69

Neighborhood Attributes (Estimates)

Vacancy Estimate
USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 14481
Residential Addresses Vacant 90 or more days (USPS, March 2010): 285
Residential Addresses NoStat (USPS, March 2010): 477
Foreclosure Estimates
HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 5,836
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 21.05

Percent of Housing Units 90 or more days delinquent or in foreclosure: 9.29
Number of Foreclosure Starts in past year: 479
Number of Housing Units Real Estate Owned July 2009 to June 2010: 216

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 95

Supporting Data
Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -25.9
Place (if place over 20,000) or county unemployment rate June 2005*: 2.3
Place (if place over 20,000) or county unemployment rate June 2010*: 8.2
'Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:
HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.

2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.

3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.

4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.

5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points
-156.515007 20.856726 -156.522732 20.936912 -156.498356 20.936751 -156.452866 20.885117
-156.487541 20.848224
Blocks Comprising Target Neighborhood
The Neighborhood Stabilization Program Grants

Enter an Address, city or state  Go

Map Options : Clear | Reset

Click Mode: Zoom | Info

NSP3 Legend (%): — Tract Outline

The NSP3 mapping tool now provides a summary NSP3 score for all projects drawn. Click on "View Projects", which will list all of the projects (target areas) that have data calculated. It shows the NSP3 score for each target area along with the total estimated housing units in that area. At the bottom of the list is a sum of all housing units in all target areas and the NSP3 score for all target areas drawn. Grantees are advised to know their state minimum and if the summary score is less than the state minimum the grantee should delete, add, or revise target areas. Note that if you delete or add, the tool only recalculates after you close the "View Projects" box and reopen it. HUD also advises grantees to think carefully about the size of their target areas in total. If those target areas have a very large number of total housing units relative to the dollars available, HUD will likely ask that the grantee reduce the number and/or size of their target areas.
Neighborhood ID: 9734405

NSP3 Planning Data

Grantee ID: 1599990N
Grantee State: HI
Grantee Name: HI NONENTITLEMENT
Grantee Address: 50 Wailuku Dr Hilo HI 96720
Grantee Email: ohcdplanning@co.hawaii.hi.us

Neighborhood Name: Kaloko
Date:2010-12-19 00:00:00

NSP3 Score
The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 16
State Minimum Threshold NSP3 Score: 15
Total Housing Units in Neighborhood: 95

Area Benefit Eligibility
Percent Persons Less than 120% AMI: 49.8
Percent Persons Less than 80% AMI: 31.1

Neighborhood Attributes (Estimates)

Vacancy Estimate
USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 91
Residential Addresses Vacant 90 or more days (USPS, March 2010): 1
Residential Addresses NoStat (USPS, March 2010): 4
Foreclosure Estimates
HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 50
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 18.6
Percent of Housing Units 90 or more days delinquent or in foreclosure: 9.8
Number of Foreclosure Starts in past year: 4
Number of Housing Units Real Estate Owned July 2009 to June 2010: 2

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 1

Supporting Data
Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -25.9
Place (if place over 20,000) or county unemployment rate June 2005*: 3.1
Place (if place over 20,000) or county unemployment rate June 2010*: 9.7
*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:
HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.

2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.

3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.

4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.

5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points
Blocks Comprising Target Neighborhood
150010215012014,
The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with homes that have been foreclosed upon and are creating economic problems for their communities.

The NSP3 mapping tool now provides a summary NSP3 score for all projects drawn. Click on "View Projects", which will list all of the projects (target areas) that have data calculated. It shows the NSP3 score for each target area along with the total estimated housing units in that area. At the bottom of the list is a sum of all housing units in all target areas and the NSP3 score for all target areas drawn.

Grantees are advised to know their state minimum and if the summary score is less than the State minimum the grantee should delete, add, or revise target areas. Note that if you delete or add, the tool only recalculates after you close the "View Projects" box and reopen it. HUD also advises grantees to think carefully about the size of their target areas in total. If those target areas have a very large number of total housing units relative to the dollars available, HUD will likely ask that the grantee reduce the number and/or size of their target areas.
EXHIBIT 2
NOTICE OF PUBLIC COMMENT

The Neighborhood Stabilization Program was established pursuant to Title III of the Housing and Economic Recovery Act of 2008. Round 3 of the Neighborhood Stabilization Program (NSP3) is the third one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) to mitigate the negative impacts of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC) anticipates it will receive $5,000,000 under NSP3.

NSP3 funds may be used for activities which include, but are not limited to: (A) Financing mechanisms for foreclosed properties; (B) Purchase and rehabilitate abandoned or foreclosed homes and residential properties; (C) Land banks for foreclosed properties; (D) Demolition of blighted structures; and (E) Redevelopment of demolished or vacant properties. All NSP3 funds must benefit low-, moderate-, and middle-income (LMMI) households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI, and up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP3 funds, HHFDC must submit, for HUD approval, an “NSP3 Substantial Amendment” to the State of Hawaii’s Consolidated Plan, Action Plan for Program Year 2010-2011. The NSP3 Substantial Amendment will describe how NSP3 funds will be distributed and used. The proposed NSP3 activities are summarized below.

County of Hawaii. The County of Hawaii will use $4,275,000 for its Kaloko Rental Housing Project in Kailua-Kona, Hawaii. The project is a redevelopment of vacant county-owned land and NSP3 funds will be used for the construction of sixteen permanent rental housing units, all of which will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kaloko Housing Program, which will include 96 multi-family units (24 transitional units and 72 affordable units), a warehouse, a self-contained wastewater treatment plant, and a community center. A portion of the NSP3 funds will be used for the County of Hawaii’s administrative costs related to the project.

County of Maui. Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will use $500,000 in NSP3 funds for the acquisition, rehabilitation and re-sale of abandoned and foreclosed residential properties in Kahului, Waikapu, Wailuku, Waiehu, and Waihee on the island of Maui. NHOM will provide long-term affordability of the rehabilitated homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. The residential properties will be leased to qualified LMMI homebuyers.

The draft NSP Substantial Amendment is available for public review at regional libraries and is posted on HHFDC’s website at http://hawaii.gov/dbedt/hhfdc. Interested persons may call Medy Esmena at 587-0634; Neighbor Island residents may call toll free at the numbers listed below to be mailed copies:
Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

County of Hawaii
Office of Housing and Community Development
50 Wailuku Drive, Hilo, Hawaii

City and County of Honolulu
Department of Budget and Fiscal Services
530 South King Street, Room 208, Honolulu, Oahu
and
Department of Community Services
715 South King Street, Suite 311, Honolulu, Oahu

County of Maui
Community Development Block Grant Office
David K. Trask Building, 2145 Kaohu Street, Suite 201, Wailuku, Maui
and
Department of Housing and Human Concerns
86 W. Kamehameha Avenue, Kahului, Maui

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

State of Hawaii, HHFDC
677 Queen Street, Suite 300, Honolulu, Oahu

Interested persons are invited to provide written comments on the draft *NSP3 Substantial Amendment* to HHFDC at the aforementioned address no later than January 26, 2010 at 4:00 p.m. Written comments may also be submitted via fax to (808)587-0600 or emailed to hhfcd.nsp@hawaii.gov. All written comments will be considered in preparing the final *NSP3 Substantial Amendment*.

If access or communication assistance and/or services (e.g., large print, taped materials, sign language interpreter, or translator) are required, please contact HHFDC’s Departmental Personnel Office at 586-2562, by written request, or by email to ltengan@dbedt.hawaii.gov by January 13, 2011. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Kauai: 274-3141, ext. 70634  From Hawaii: 974-4000, ext. 70634
From Maui: 984-2400, ext. 70634  From Molokai/Lanai: 1-800-468-4644, ext. 70634
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.

Karen Seddon  
Executive Director  
Hawaii Housing Finance and Development Corporation  
Department of Business, Economic Development and Tourism  
State of Hawaii  

Internet Posting: January 11, 2011  
Publication Date: January 11, 2011
STATE OF HAWAII

City and County of Honolulu

Doc. Date: JAN 11 2011  # Pages: 1

Notary Name: Patricia K. Reese  First Judicial Circuit

Doc. Description: Affidavit of Publication

Theresa Oyama, being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of Oahu Publications, Inc. publisher of The Honolulu Star-Advertiser and MidWeek, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the aforementioned newspapers as follows:

Honolulu Star-Advertiser 1 times on:
01/11/2011
Midweek Wed. 0 times on:
______ times on:

And that affiant is not a party to or in any way interested in the above entitled matter.

Theresa Oyama

Subscribed to and sworn before me this 11th day of A.D. 2011

Patricia K. Reese, Notary Public of the First Judicial Circuit, State of Hawaii

My commission expires: Oct 07 2014

Ad # 0000271049

NOTICE OF PUBLIC COMMENT

The Neighborhood Stabilization Program was established pursuant to Title III of the Housing and Economic Recovery Act of 2008. Round 3 of the Neighborhood Stabilization Program (NSP3) is the third one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) to mitigate the negative impacts of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC) anticipates it will receive $5,000,000 under NSP3.

NSP3 funds may be used for activities which include, but are not limited to: (A) Financing mechanisms for foreclosed properties; (B) Purchase and rehabilitation of abandoned or foreclosed homes and residential properties; (C) Land banks for foreclosed properties; (D) Demolition of blighted structures; and (E) Redevelopment of demolished or vacant properties. All NSP3 funds must benefit low-, moderate-, and middle-income (LMMI) households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI, and up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP3 funds, HHFDC must submit, for HUD approval, an “NSP3 Substantial Amendment” to the State of Hawaii’s Consolidated Plan. Action Plan for Program Year 2010-2011. The NSP3 Substantial Amendment will describe how NSP3 funds will be distributed and used. The proposed NSP3 activities are summarized below.

County of Hawaii. The County of Hawaii will use $4,275,000 for its Kakaako Rental Housing Project in Kalihi-Kona, Hawaii. The project is a redevelopment of vacant county-owned land and NSP3 funds will be used for the construction of 236 permanent rental housing units, all of which will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kalakaua Rental Housing Program, which will include 436 (24 transitional units and 72 affordable units), a warehouse, a self-contained wastewater treatment plant, and a community center. A portion of the NSP3 funds will be used for the County of Hawaii’s administrative costs related to the project.

County of Maui. No Hole O Maui (NHOM), a Hawaii nonprofit organization, will use $500,000 in NSP3 funds for the acquisition, rehabilitation, and re-sale of abandoned and foreclosed residential properties in Kahului, Wailuku, Waihee, and Wailuku on the island of Maui. NHOM will provide long-term affordability of the rehabilitated homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. The residential properties will be leased to qualified LMMI homeowners.

The draft NSP3 Substantial Amendment is available for public review at the State of Hawaii, Hawaii Housing Finance and Development Corporation, and: 4444 Rice Street, Suite 330, Lihue, Kauai 96766. The draft NSP3 Substantial Amendment is also available for public review at the State of Hawaii’s website at http://hhf.b.hawaii.gov.

Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

County of Hawaii
Office of Housing and Community Development
50 Waikele Drive, Hills, Hawaii
City and County of Honolulu
Department of Budget and Fiscal Services
530 South King Street, Room 208, Honolulu, Oahu
and Department of Community Services
715 South King Street, Suite 311, Honolulu, Oahu

County of Maui
Community Development Block Grant Office
David K. Ikena Building, 2145 Kalakaua Avenue, Suite 201, Wailuku, Maui
and Department of Housing and Human Concerns
35 Lunalilo Street, Suite 102, Wailuku, Maui

State of Hawaii, HHFDC
677 Queen Street, Suite 300, Honolulu, Oahu

Interested persons are invited to provide written comments on the draft NSP3 Substantial Amendment to HHFDC at the aforementioned address no later than January 26, 2011 at 4:00 p.m. Written comments may also be submitted via fax to (808) 367-2060 or emailed to hffcc.hawaii.gov. All written comments will be considered in preparing the final NSP3 Substantial Amendment.

If access or communication assistance and/or services (e.g., large print, taped materials, sign language interpreter, or translator) are required, please contact HHFDC’s Administrative Personnel Office at 586-2562, in written request, or by email to hfg.commStbts.hawaii.gov by January 13, 2011. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Kauai: 274-3141, ext. 70634 From Hawaii: 974-4000, ext. 70634
From Maui: 884-2400, ext. 70634 From Molokai/Lanai: 1-800-468-4644, ext. 70634

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.

Karen Seddon, Executive Director
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawaii
(808) 271-1049 / 1/11/11
NOTICE OF PUBLIC COMMENT

The Neighborhood Stabilization Program was established pursuant to Title III of the Housing and Economic Recovery Act of 2008. Round 3 of the Neighborhood Stabilization Program (NSP3) is the third one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) to mitigate the negative impacts of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities hardest hit by the hardest. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC) anticipates it will receive $5,000,000 under NSP3.

NSP3 funds may be used for activities which include, but are not limited to: (A) Financing mechanisms for foreclosed properties; (B) Purchase and rehabilitate abandoned or foreclosed homes and residential properties; (C) Land banks for foreclosed properties; (D) Demolition of blighted structures; and (E) Redevelopment of demolished or vacant properties. All NSP3 funds must benefit low, moderate, and very low-income (VLI) households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI, and up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP3 funds, HHFDC must submit, for HUD approval, an “NSP3 Substantial Amendment” to the State of Hawaii’s Consolidated Plan. Action Plan for Program Year 2010-2011. The NSP3 Substantial Amendment will describe how NSP3 funds will be distributed and used. The proposed NSP3 activities are summarized below.

County of Hawaii. The County of Hawaii will use $4,275,000 for its Kaloko Rental Housing Project in Kailua-Kona, Hawaii. The project is a redevelopment of vacant county-owned land and NSP3 funds will be used for the construction of sixteen permanent rental housing units, all of which will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kaloko Housing Program, which will include 96 multi-family units (24 transitional units and 72 affordable units), a warehouse, a self-contained wastewater treatment plant, and a community center. A portion of the NSP3 funds will be used for the County of Hawaii’s administrative costs related to the project.

County of Maui. Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will use $550,000 in NSP3 funds for the acquisition, rehabilitation and re-sale of abandoned and foreclosed residential properties in Kahului, Wailuku, Wailuku, Waihele, and Wailea on the island of Maui. NHOM will provide permanent low cost affordability of the rehabilitated homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. The residual properties will be leased to qualified LMI homeowners.

The draft NSP3 Substantial Amendment is available for public review at regional libraries and is posted on HHFDC’s website at http://hawaii.gov/dbedt/HHCDC. Interested persons may call Meda Esmaea at 587-9034; Neighbor island residents may call toll free at the numbers listed below to be mailed copies:

From: Hawaii: 974-4000, ext. 70634
From: Molokai/Lanai: 1-800-404-4644, ext. 70634

Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.

County of Hawaii
Office of Housing and Community Development
50 Waiolu Drive, Hilo, Hawaii
City and County of Honolulu
Department of Budget and Fiscal Services
530 South King Street, Room 208, Honolulu, Oahu
and
Department of Community Services
715 South King Street, Suite 311, Honolulu, Oahu

County of Maui
Community Development Block Grant Office
David R. Trask Building, 2145 Rauch Street, Suite 201, Wailuku, Maui
and
Department of Housing and Human Concerns
35 Lunalilo St., Suite 102, Wailuku, Maui

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

State of Hawaii, HHFDC
677 Queen Street, Suite 300, Honolulu, Oahu

Interested persons are invited to provide written comments on the draft NSP3 Substantial Amendment to HHFDC at the aforementioned address no later than January 26, 2011 at 4:00 p.m. Written comments may also be submitted via fax to (808) 587-9030 or emailed to hhhdc.nsp3@hawaii.gov. All written comments will be considered in preparing the final NSP3 Substantial Amendment.

If access or communication assistance and/or services (e.g., large print, taped materials, sign language interpreter, or translator) are required, please contact HHFDC’s Departmental Personnel Office at 586-5622; by written request, or by email to hhhdc.nsp3@hawaii.gov by January 13, 2011. Prompt requests help ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Hawaii: 974-4000, ext. 62562
From Maui: 986-2400, ext. 62562
From Molokai & Lanai, 1-800-486-4644, ext. 62562

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.

Karen Sedlak, Executive Director
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawaii
January 11, 2011
AFFIDAVIT OF PUBLICATION

State of Hawaii )
) SS:
County of Hawaii )

______________________________, being first
duly sworn, deposes and says:

1. That she is the BUSINESS MANAGER of
   HAWAII TRIBUNE-HERALD, a
   newspaper published in the City of HILO,
   State of Hawaii.

2. That the "NOTICE OF PUBLIC COMMENT The Neighborhood
   Stabilization Program...etc.,
   of which a clipping from the newspaper as published is attached hereto, was pub-
   lished in said newspaper on the following date(s) January 11, 2011
   (etc.).

______________________________

______________________________

______________________________

Subscribed and sworn to before me
this ______ 19th ______ day of January, 2011.

______________________________

SHARON H. P. OGATA
Notary Public, Third Circuit, State of Hawaii
My commission expires October 1, 2012
NOTICE OF PUBLIC COMMENT

The Neighborhood Stabilization Program was established pursuant to Title III of the Housing and Economic Recovery Act of 2008. Round 3 of the Neighborhood Stabilization Program (NSP3) is the third one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) to mitigate the negative impacts of the nation's economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC) anticipates it will receive $5,000,000 under NSP3.

NSP3 funds may be used for activities which include, but are not limited to: (A) Financing mechanisms for foreclosed properties; (B) Purchase and rehabilitate abandoned or foreclosed homes and residential properties; (C) Land banks for foreclosed properties; (D) Demolition of blighted structures; and (E) Redevelopment of demolition or vacant properties. All NSP3 funds must benefit low-, moderate-, and middle-income (LMMI) households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI, and up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP3 funds, HHFDC must submit, for HUD approval, an "NSP3 Substantial Amendment" to the State of Hawaii's Consolidated Plan, Action Plan for Program Year 2010-2011. The NSP3 Substantial Amendment will describe how NSP3 funds will be distributed and used. The proposed NSP3 activities are summarized below.

County of Hawaii: The County of Hawaii will use $4,275,000 for its Kaloko Rental Housing Project in Kailua-Kona, Hawaii. The project is a redevelopment of vacant county-owned land and NSP3 funds will be used for the construction of sixteen permanent rental housing units, all of which will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kaloko Housing Program, which will include 96 multi-family units (24 transitional units and 72 affordable units), a warehouse, a self-contained water treatment plant, and a community center. A portion of the NSP3 funds will be used for the County of Hawaii's administrative costs related to the project.

County of Maui: Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will use $500,000 in NSP3 funds for the acquisition, rehabilitation and re-sale of abandoned and foreclosed residential properties in Kula, Wailuku, Waiehu, and Wailea on the island of Maui. NHOM will provide long-term affordability of the rehabilitated homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99 year ground lease. The residential properties will be leased to qualified LMMI homebuyers.

The draft NSP3 Substantial Amendment is available for public review at regional libraries and is posted on HHFDC's website at http://hawaii.gov/dbedt/hhfdc. Interested persons may call Medy Eslena at 587-0634; Neighbor Island residents may call toll free at the numbers listed below to be mailed copies:

From Maui: 984-2400, ext. 70634
From Molokai/Lanai: 1-800-468-4644, ext. 70634

Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

County of Hawaii
Office of Housing and Community Development
50 Wailuku Drive, Hilo, Hawaii
City and County of Honolulu
Department of Budget and Fiscal Services
530 South King Street, Room 208, Honolulu, Oahu

and

Department of Community Services
715 South King Street, Suite 311, Honolulu, Oahu

County of Maui
Community Development Block Grant Office
David K. Trask Building, 2145 Kaohu Street, Suite 201, Wailuku, Maui

and

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

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

State of Hawaii, HHFDC
677 Queen Street, Suite 300, Honolulu, Oahu

Interested persons are invited to provide written comments on the draft NSP3 Substantial Amendment to HHFDC at the aforementioned address no later than January 26, 2011 at 4:00 p.m. Written comments may also be submitted via fax to (808) 587-0600 or emailed to hhfcd.rs@hawaii.gov. All written comments will be considered in preparing the final NSP3 Substantial Amendment.

If access or communication assistance and/or services (e.g., large print, taped materials, sign language interpreter, or translator) are required, please contact HHFDC's Departmental Personnel Office at 586-2562, by written request, or by email to hffdc@hawaii.gov by January 13, 2011. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Kauai, 274-3141, ext. 62562
From Hawaii, 974-4000, ext. 62562
From Maui, 984-2400, ext. 62562
From Molokai & Lanai, 1-800-468-4644, ext. 62562

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.

Karen Seddon, Executive Director
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawaii
(28019r1 Hawaii Tribune-Herald: January 11, 2011)
AFFIDAVIT OF PUBLICATION

State of Hawaii )
  ) SS:
County of Hawaii )

M. R. Chavez, being first duly sworn, deposes and says:

1. That she is the Classified Accountant of WEST HAWAII TODAY, a newspaper published in the City of Kailua Kona, State of Hawaii.

2. That "NOTICE OF PUBLIC COMMENT The Neighborhood Stabilization Program was established pursuant to Title III" of which a clipping from the newspaper is attached hereto, was published in said newspaper on the following date(s) January 11, 2011 (etc.)

Subscribed and sworn to before me
This 11th day of January, 2011

Lana L. Taira
Notary Public, Third Circuit,
State of Hawaii

My Commission expires: August 4, 2013
# Page(s): 1
NOTICE OF PUBLIC COMMENT

The Neighborhood Stabilization Program was established pursuant to Title III of the Housing and Economic Recovery Act of 2008. Round 3 of the Neighborhood Stabilization Program (NSP3) is the third one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) to mitigate the negative impacts of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC) anticipates it will receive $5,000,000 under NSP3.

NSP3 funds may be used for activities which include, but are not limited to: (A) Financing mechanisms for foreclosed properties; (B) Purchase and rehabilitate abandoned or foreclosed homes and residential properties; (C) Land banks for foreclosed properties; (D) Demolition of blighted structures; and (E) Redevelopment of demolished or vacant properties. All NSP3 funds must benefit low-, moderate-, and middle-income (LMI) households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI, and up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP3 funds, HHFDC must submit, for HUD approval, an “NSP3 Substantial Amendment” to the State of Hawaii’s Consolidated Plan, Action Plan for Program Year 2010-2011. The NSP3 Substantial Amendment will describe how NSP3 funds will be distributed and used. The proposed NSP3 activities are summarized below.

County of Hawaii. The County of Hawaii will use $4,275,000 for its Kaloko Rental Housing Project in Kailua-Kona, Hawaii. The project is a redevelopment of vacant county-owned land and NSP3 funds will be used for the construction of sixteen permanent rental housing units, all of which will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kaloko Housing Program, which will include 96 multi-family units (34 transitional units and 72 affordable units), a warehouse, a self-contained wastewater treatment plant, and a community center. A portion of the NSP3 funds will be used for the County of Hawaii’s administrative costs related to the project.

County of Maui. Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will use $500,000 in NSP3 funds for the acquisition, rehabilitation and re-sale of abandoned and foreclosed residential properties in Kahului, Wailuku, Wailea, and Waihee on the island of Maui. NHOM will provide long-term affordability of the rehabilitated homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. The residential properties will be leased to qualified LMI homebuyers.

The draft NSP3 Substantial Amendment is available for public review at regional libraries and is posted on HHFDC’s website at http://hawaii.gov/hdfc. Interested persons may call Medy Esman at 587-0634; Neighbor Island residents may call toll free at the numbers listed below to be mailed copies:

From Kauai: 274-3141, ext. 70634 From Hawaii: 974-4000, ext. 70634
From Maui: 984-2400, ext. 70634 From Molokai/Lanai: 1-800-468-4644, ext. 70634

Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

County of Hawaii
Office of Housing and Community Development
90 Waiiwai Drive, Hilo, Hawaii
City and County of Honolulu
Department of Budget and Fiscal Services
530 South King Street, Room 208, Honolulu, Oahu
Department of Community Services
715 South King Street, Suite 311, Honolulu, Oahu

County of Maui
Community Development Block Grant Office
David K. Trask Building, 2145 Kaahumanu Avenue, Suite 301, Wailuku, 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, Lihu‘e, Kauai
State of Hawaii, HHFDC
877 Queen Street, Suite 300, Honolulu, Oahu

Interested persons are invited to provide written comments on the draft NSP3 Substantial Amendment to HHFDC at the aforementioned address no later than January 31, 2011 at 4:00 p.m. Written comments may also be submitted via fax to (808) 587-0600 or emailed to hhfcd@hdfc.state.hawaii.gov. All written comments will be considered in preparing the final NSP3 Substantial Amendment.

If access or communication assistance and/or services (e.g., large print, taped materials, sign language interpreter, or translator) are required, please contact HHFDC’s Departmental Personnel Office at 808-266-2562, by written request, or by email to hdfs@hdfc.state.hawaii.gov by January 13, 2011. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Kauai: 274-3141, ext. 62562 From Hawaii, 974-4000, ext 62562
From Maui: 984-2400, ext. 62562 From Molokai & Lanai: 1-800-468-4644, ext. 62562

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.

Karen Seddon, Executive Director
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawaii
(No. 37044-West Hawaii Today; January 11, 2011)
AFFIDAVIT OF PUBLICATION

STATE OF HAWAII, Countv of Maui. ss.

Rhonda M. Kurohara being duly sworn deposes and says, that she is in Advertising Sales of the Maui Publishing Co., Ltd., publishers of THE MAUI NEWS, a newspaper published in Wailuku, County of Maui, State of Hawaii; that the ordered publication as to

NOTICE OF PUBLIC COMMENT

of which the annexed is a true and correct printed notice, was published 1 times in THE MAUI NEWS, aforesaid, commencing on the 11th day of January, 2011, and ending on the 11th day of January, 2011, (both days inclusive), to wit:

January 11, 2011

and that affiant is not a party to or in any way interested in the above

entitled matter

This 1 page Notice of Public Comment, dated January 11, 2011, was subscribed and sworn to before me this 14th day of January, 2011, in the Second Circuit of the State of Hawaii, by

Rhonda M. Kurohara

Notary Public, Second Judicial Circuit, State of Hawaii

BETTY E. UEHARA
My commission expires 09-28-11

NOTICE OF PUBLIC COMMENT

The Neighborhood Stabilization Program was established pursuant to Title III of the Housing and Economic Recovery Act of 2008. Round 3 of the Neighborhood Stabilization Program (NSP3) is the third one-time appropriation authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203) to mitigate the negative impacts of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest. The State of Hawaii, through the Housing Finance and Development Corporation (HHFDC) anticipates it will receive $5,000,000 under NSP3.

NSP3 funds may be used for activities which include, but are not limited to: (A) Financing mechanisms for foreclosed properties, (B) Purchase and rehabilitate abandoned or foreclosed homes and residential properties; (C) Land banks for foreclosed properties; (D) Demolition of blighted structures; and (E) Redevelopment of demolished or vacant properties. All NSP3 funds must benefit low-, moderate-, and middle-income (LMMI) households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI, and up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP3 funds, HHFDC must submit, for HUD approval, an “NSP3 Substantial Amendment” to the State of Hawaii’s Consolidated Plan, Action Plan for Program Year 2010-2011. The NSP3 Substantial Amendment will describe how NSP3 funds will be distributed and used. The proposed NSP3 activities are summarized below.

County of Hawaii: The County of Hawaii will use $4,275,000 for its Kaloko Rental Housing Project in Kula-Kona, Hawaii. The project is a redevelopment of vacant county-owned land and NSP3 funds will be used for the construction of sixteen permanent rental housing units, all of which will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kaloko Housing Program, which will include 55 multi-family units (24 two- and one-bedroom units), a warehouse, a self-contained wastewater treatment plant, and a community center. A portion of the NSP3 funds will be used for the County of Hawaii’s administrative costs related to the project.

County of Maui: Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will use $500,000 in NSP3 funds for the acquisition, rehabilitation and re-sale of foreclosed and abandoned residential properties in Kula-Waikapu, Wailuku, Waihe'e, and Wailea on the island of Maui. NHOM will provide long-term affordability of the rehabilitated homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. The residential properties will be leased to qualified LMMI homeowners.

The draft NSP3 Substantial Amendment is available for public review at regional libraries and is posted on HHFDC’s website at http://hawaii.gov/hhfdc. Interested persons may call Mely Esmea at 887-0634; Neighbor Island residents may call toll free at the numbers listed below to be mailed copies:

From Kauai: 274-3141, ext. 70634 From Hawaii: 974-4000, ext. 70634
From Maui: 984-2400, ext. 70634 From Molokai/Lanai: 1-800-468-4644, ext. 70634

Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

County of Hawaii: Office of Housing and Community Development 50 Wailuku Drive, Hilo, Hawaii City and County of Honolulu: Department of Budget and Fiscal Services 530 South King Street, Room 208, Honolulu, Oahu and Department of Community Services 715 South King Street, Suite 311, Honolulu, Oahu County of Maui: Community Development Block Grant Office David K. Trask Building, 2145 Koahu Street Suite 201, Wailuku, Maui and 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 State of Hawaii, HHFDC 677 Queen Street, Suite 300, Honolulu, Oahu

Interested persons are invited to provide written comments on the draft NSP3 Substantial Amendment to HHFDC at the aforementioned address no later than January 26, 2011 at 4:00 p.m. Written comments may also be submitted via fax to (808) 586-0600 or emailed to hhfdc@hhfdc.hawaii.gov. All written comments will be considered in preparing the final NSP3 Substantial Amendment.

If access to communication assistance and/or services (e.g., large print, taped materials, sign language interpreter, or translator) are required, please contact HHFDC’s Departmental Personnel Office at 586-2562, by written request, or by email to liggard@hhfcd.hawaii.gov by January 13, 2011. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Kauai, 274-3141, ext. 62562 From Hawaii, 974-4000, ext. 62562
From Maui, 984-2400, ext. 62562 From Molokai & Lanai, 1-800-468-4644, ext. 62562

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.

KAREN SEDDON Executive Director Hawaii Housing Finance and Development Corporation Department of Business, Economic Development and Tourism State of Hawaii
EXHIBIT 3
Ms. Patricia Ulloa-Curcio, Executive Director
Palmarie Community Transformation Alliance
patricia@rainbowsendfinancial.com

Dear Ms. Ulloa-Curcio,

Re: Neighborhood Stabilization Program, Round 3

Thank you for your interest in the Neighborhood Stabilization Program, Round 3 (NSP3). NSP3 was authorized by Congress under the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 for the purpose of mitigating the negative impacts of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest.

NSP3 has stringent application and completion deadlines. To meet the application deadline of March 1, 2011, HHFDC issued a Request for Interest (RFI) on December 14, 2010 with a response deadline of December 22, 2010. Applications in response to the RFI would have been considered from any county in the State of Hawaii, as long as the project served an area of greatest need as defined by the U.S. Department of Housing and Urban Development (HUD), and met other NSP3 criteria, such as timely completion. As the application period ended on December 22, 2010, we cannot now accept an application for NSP3 funding.

Your letter does not provide specifics on your “affordable, sustainably constructed green village on Oahu,” but community development projects may be eligible for funding under HUD’s Community Development Block Grant program. CDBG funds may be applied for through the respective county agencies; in Honolulu, the CDBG program is administered by the City and County of Honolulu’s Department of Community Services, telephone number 768-3933.

Should additional NSP funding become available, we would consider a timely application from you for funding. NSP3 eligibility requirements as stated in the Request for Interest of December, 2010 may be viewed on HHFDC’s website, at http://hawaii.gov/dbedt/hhfdc/copy_of_Folder.2009-07-13.3838/NSP3RFI.pdf.

Again, thank you for your interest in the NSP3 program.

Sincerely,

Karen Seddon
Executive Director

c: G. Inafuku, HHFDC Branch Finance Specialist
January 26, 2011

Ms. Karen Seddon
Executive Director
Department of Business, Economic Development & Tourism
State of Hawaii

Fax No: (808) 587-0600

Subj: Neighborhood Stabilization Program Round 3

Dear Ms. Seddon,

Responding to the DBEDT’s Notice of Public Comment, regarding proposed use of NSP3 funds, please consider our comments below in your review and deliberation:

While the Kaloko Rental Housing Project in Kailua-Kona has reasonable application, we have a concern that it serves a small fraction of our island population.

By contrast, on Oahu where approximately 78% of the population resides, the effects of homelessness are apparent in all districts and neighborhoods, including primary city streets in densely populated areas. I am including photos taken at Stadium Park on King St. as recently as December 2010.

Since almost all sectors of our island state have been affected by the economic conditions of the past few years, it seems equitable to utilize federal aid in a way that has a high impact effect on the greater populated areas.

Ms. Seddon, I urge you and the DBEDT to revisit the allocation of federal NSP3 funds and consider addressing some of the vital needs that exist on Oahu.

As partner and Executive Director for Palmanie Community Transformation Alliance (an emerging Not for Profit corporation dedicated to community rebuilding and revitalization), we desire an opportunity to submit a Request for Proposal for NSP3 funds and have a fighting chance to build an affordable, sustainably constructed “green village” on Oahu to serve our homeless and displaced.

Your consideration is appreciated.

Respectfully,

[Signature]

Patricia Ulloa-Curcio
Executive Director
Palmanie Community Transformation Alliance
(808) 375-8154
patricia@rainbowseofinancial.com