

Grantee: Hawaii State Program

Grant: B-08-DN-15-0001

April 1, 2010 thru June 30, 2010 Performance Report

Grant Number:

B-08-DN-15-0001

Obligation Date:**Grantee Name:**

Hawaii State Program

Award Date:**Grant Amount:**

\$19,600,000.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Dean Sakata

Disasters:

Declaration Number

NSP

Plan Description:

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

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

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

Recovery Needs:

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

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

activity within the required 18-month time period.

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

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$19,600,000.00
Total CDBG Program Funds Budgeted	N/A	\$19,600,000.00
Program Funds Drawdown	\$2,598,388.89	\$7,899,468.27
Obligated CDBG DR Funds	\$9,829,227.56	\$16,348,792.27
Expended CDBG DR Funds	\$2,641,082.19	\$7,899,468.27
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$128,264.96
Program Income Drawdown	\$128,264.96	\$128,264.96

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	17.241%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$2,940,000.00	\$0.00
Limit on Admin/Planning	\$1,960,000.00	\$333,750.64
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

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

Overall Progress Narrative:

The Hawaii Housing Finance and Development Corporation has made progress in meeting the Neighborhood Stabilization Program's milestones.

The County of Kauai and the Na Hale O'Maui has been successful in implementing their respective acquisition, rehabilitation and resales of foreclosed homes programs. The County of Kauai has acquired or is under contract to acquire 6 homes as stated in the NSP Plan. The Na Hale O'Maui has obligated all of its NSP grant funds.

The Housing Solutions Inc.'s Seawind Apartments project has obligated all of its NSP grant funds. The project has

disbursed 95% of its grant funds to date. The project is under construction and on schedule to be completed in the first quarter of calendar year 2011.

The County of Kauai's lot development in Waimea and Eleele executed its construction contract. Construction will begin in the next quarter.

The Hui Kauhale Inc.'s Ewa Villages project is working to finalize its financing structure and its receive its development approvals.

The County of Hawaii has executed a construction contract for the Kaloko project. A groundbreaking was held on June 28, 2010.

The HHFDC accepted in applications in response to its Notice of Funding Availability to establish a list of alternate activities to fund, subject to the availability of NSP funds. The Notice of Funding Availability gave a preference for activities that fulfilled the set-aside requirement and the activities ability to meet the set-aside. Three applications were reviewed and each was rejected.

The HHFDC's deadline to obligate NSP funds was June 18, 2010. The HHFDC assessed the progress of each activity on this date to determine if progress was made in meeting the NSP requirements. Each activity was measured based on the type of activity being implemented and the progress made toward meeting the NSP requirements.

The HHFDC notified its NSP awardees to submit a Letter of interest to receive additional NSP funds, should funds become available by June 18, 2010. Letters of interest were received from the County of Hawaii, the Na Hale O'Maui and Housing Solutions, Inc.. The letters of interest are currently under review. A decision to reallocate NSP funds will be made should NSP funds become available.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Purchase and rehabilitate foreclosed and abandoned	\$1,058,343.20	\$3,344,500.00	\$1,275,627.21
001, Purchase and rehabilitate foreclosed and abandoned	\$0.00	\$0.00	\$0.00
001, Purchase and rehabilitate foreclosed and abandoned	\$206,485.36	\$3,500,000.00	\$3,325,000.00
001, Purchase and rehabilitate foreclosed and abandoned	\$0.00	\$2,000,000.00	\$0.00
002, Redevelop demolished or vacant properties	\$0.00	\$930,500.00	\$0.00
002, Redevelop demolished or vacant properties	\$88,565.22	\$4,887,800.00	\$185,518.22
002, Redevelop demolished or vacant properties	\$0.00	\$0.00	\$0.00
002, Purchase and rehabilitate foreclosed and abandoned	\$1,182,960.26	\$3,000,000.00	\$2,779,572.20
003, Administration	\$0.00	\$0.00	\$0.00
003, Program Admin	\$62,034.85	\$1,937,200.00	\$333,750.64
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

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

Activity Category:

Construction of new housing

Project Number:

001

Projected Start Date:

07/17/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Purchase and rehabilitate foreclosed and abandoned

Projected End Date:

03/18/2013

Responsible Organization:

Housing Solutions Incorporated

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$4,900,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,900,000.00
Program Funds Drawdown	\$206,485.36	\$3,325,000.00
Obligated CDBG DR Funds	\$0.00	\$3,500,000.00
Expended CDBG DR Funds	\$206,485.36	\$3,325,000.00
Housing Solutions Incorporated	\$206,485.36	\$3,325,000.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

The Seawind Apartments has disbursed 95% of its NSP funds to date. The Seawind Apartments project is on schedule for completion in the first quarter of 2011. Construction is approximately 52% complete. The Housing Solutions submitted a letter of interest for additional NSP funds to fund additional development costs. The letter of interest is currently under review.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/20
# of Households benefitting	0	0	0	0/20	0/0	0/20

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: HI-NSP-002

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

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

001

Project Title:

Purchase and rehabilitate foreclosed and abandoned

Projected Start Date:

06/15/2009

Projected End Date:

06/18/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Hui Kauhale, Inc.

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$2,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$2,000,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Hui Kauhale, Inc.	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

development plan.

>The Ewa Villages project was negatively affected by the financial markets. The project had difficulty securing financing from a low-income housing tax credit investor and structuring its tax-exempt bonds, as originally planned. Furthermore, its prior plans to exchange a portion of the site for infrastructure development from which it would benefit, could not move forward due to market conditions. The project has been re-structured to develop only one phase of the originally planned two phase (140 unit) project. NSP funds will be used to develop the 64 unit phase of the project consisting of 8 NSP units.

>Progress has been made in securing its development approvals. Tentative subdivision approval has been extended to December 28, 2010. An application for the issuance of building permits has been submitted and is currently under review. The building permits are anticipated to be issued in November, 2010.

>The financing of the project involves the issuance of tax-exempt bonds and the sale of low income housing tax credits. The financing team is conducting its due diligence to issue bonds and execute the sale of low income housing tax credits.

>The HKI is working with the HHFDC to amend its NSP Agreement to clarify its role as Developer for this activity.

>The financing for this project is anticipated to close in last quarter of this year. With construction commencing soon after closing of the financing. Based on this schedule, construction closing is scheduled for early 2012.

Performance Measures

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

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: HI-NSP-003

Activity Title: Hawaii County / Kaloko / LMMI

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

002

Project Title:

Redevelop demolished or vacant properties

Projected Start Date:

10/01/2009

Projected End Date:

06/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

County of Hawaii, Office of Housing and Community

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$4,887,800.00
Total CDBG Program Funds Budgeted	N/A	\$4,887,800.00
Program Funds Drawdown	\$88,565.22	\$185,518.22
Obligated CDBG DR Funds	\$4,790,847.00	\$4,887,800.00
Expended CDBG DR Funds	\$88,565.22	\$185,518.22
County of Hawaii, Office of Housing and Community	\$88,565.22	\$185,518.22
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

NSP funds for the Kaloko Housing Project ("KHP") have been obligated in June 2010. To date, the County of Hawaii has obtained the necessary environmental compliance and >completed site and vertical design. In addition, the County has awarded contracts for >site and vertical construction of the first phase of the KHP – consisting of 40 units (28 of

>which are NSP-funded), a community center, and related infrastructure.

Site construction will begin July 2010, with vertical construction commencing in November

>2010. Completion of vertical construction, which includes the NSP-funded units, is

>scheduled for November 2011.

The County of Hawaii does not anticipate any impediments that would hinder its ability to meet

>the NSP expenditure deadline.

The County of Hawaii has submitted a letter of interest to receive additional NSP funds to fund the development of additional units in the Kaloko Housing Project. The Letter of Interest is currently under review.

Performance Measures

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

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: HI-NSP-004

Activity Title: Kauai / Waimea Eleele Kauai / LMMI

Activity Category:

Construction of new housing

Activity Status:

Under Way

Project Number:

002

Project Title:

Redevelop demolished or vacant properties

Projected Start Date:

05/11/2009

Projected End Date:

06/18/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Kauai County Housing Agency

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$854,000.00
Total CDBG Program Funds Budgeted	N/A	\$854,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$17,000.00	\$854,000.00
Expended CDBG DR Funds	(\$12,550.24)	\$0.00
Kauai County Housing Agency	(\$12,550.24)	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

The County of Kauai executed its construction contract last quarter. The Notice to Proceed was issued to the contractor on April 11, 2010. Activity during this period primarily focused on permitting and clarifications on construction plans. Site work was done on the 3 lots with construction of the dwellings scheduled to begin early July. Funds expended has been adjusted to reflect \$0. Funds reported as being expended in the previous quarter has been corrected to reflect the proper activity.

Performance Measures

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

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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

Grantee Activity Number: HI-NSP-005

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

Activity Category:

Acquisition - general

Project Number:

001

Projected Start Date:

05/11/2009

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Purchase and rehabilitate foreclosed and abandoned

Projected End Date:

06/18/2010

Responsible Organization:

Kauai County Housing Agency

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$2,343,678.22
Total CDBG Program Funds Budgeted	N/A	\$2,343,678.22
Program Funds Drawdown	\$1,058,343.20	\$1,275,627.21
Obligated CDBG DR Funds	\$1,952,508.26	\$2,169,792.27
Expended CDBG DR Funds	\$984,174.12	\$1,275,627.21
Kauai County Housing Agency	\$984,174.12	\$1,275,627.21
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$128,264.96
Program Income Drawdown	\$128,264.96	\$128,264.96

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

During this quarter, the County of Kauai acquired 3 homes. A total of 5 homes have been acquired to date.

One home is under contract for purchase, the closing of the sale is scheduled for the next quarter. With the acquisition of its sixth home, the County of Kauai will have achieved its goal as reported in the NSP plan.

The County of Kauai is currently working on procuring a contract to rehabilitate 2 homes. The execution of the contract(s) for the rehabilitation is anticipated to be in late July or early August.

The number of properties acquired voluntarily is reported as 4 for this quarter. One property acquired last quarter was not reported and is being reported in this quarter.

An adjustment was made this quarter to reflect the correct expenditure. The expenditure consists of \$1,275,167.21 in NSP funds disbursed and \$128,264.96 in program income disbursed.

The acquisition of 4232B Malae Street was inadvertently excluded from the Quarterly Report ending March 21, 2010. It is reported in this report.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	1/6
# of housing units	0	0	0	0/0	0/0	2/6
# of Households benefitting	0	0	0	0/0	1/0	1/6
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	4	0/0	0/0	5/6

Activity Locations

Address	City	State	Zip
3874 Hunakai Street	Lihue	NA	96766
4232B Malae Street	Lihue	NA	96766
3868 Olona Street	Koloa	NA	96756
4734 Mimilo Road	Kapaa	NA	96746

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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

Activity Category:

Acquisition - general

Activity Status:

Under Way

Project Number:

002

Project Title:

Purchase and rehabilitate foreclosed and abandoned

Projected Start Date:

04/29/2009

Projected End Date:

06/18/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

Na Hale O Maui

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$3,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$3,000,000.00
Program Funds Drawdown	\$1,182,960.26	\$2,779,572.20
Obligated CDBG DR Funds	\$1,403,388.06	\$3,000,000.00
Expended CDBG DR Funds	\$1,252,277.21	\$2,779,572.20
Na Hale O Maui	\$1,252,277.21	\$2,779,572.20
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

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

Activity Progress Narrative:

The Na Hale O'Maui (NHOM) acquired 3 properties this quarter which raised its total to 8 properties acquired. The NHOM also

resold 4 properties to qualified moderate income buyers. The NHOM also obligated its NSP grant during this quarter. The expenditure of all funds should occur in the next quarter. The NSP plan projected 13 homes could be purchased with the NSP grant. The actual cost and value of foreclosed homes in the County of Maui was more than estimated. Consequently, the number of homes purchased with NSP funds was less than projected. Expenditure reported this quarter includes \$69,316.95 adjustment to reflect unreported expenditure for the previous quarter. The acquisition of 109 Papahi Loop was accidentally excluded from the Quarterly Report ending December 31, 2009. The property has been added in this report.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	4	0/0	0/0	8/13
# of housing units	0	0	4	0/0	0/0	4/13
# of Households benefitting	0	4	4	0/0	4/0	4/13
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	4/13

Activity Locations

Address	City	State	Zip
233 Anamuli Street	Kahului	NA	96732
109 Papahi Loop	Kahului	NA	96732
12 Ko'ula Place	Wailuku	NA	96793
100 Honuea Place	Kihei	NA	96753

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: HI-NSP-007

Activity Title: HHFDC / Program Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

003

Project Title:

Program Admin

Projected Start Date:

09/29/2008

Projected End Date:

12/31/2013

National Objective:

N/A

Responsible Organization:

Hawaii Housing Finance and Development Corporation

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$776,920.21
Total CDBG Program Funds Budgeted	N/A	\$776,920.21
Program Funds Drawdown	\$23,809.05	\$122,284.85
Obligated CDBG DR Funds	\$881,524.20	\$980,000.00
Expended CDBG DR Funds	(\$89,335.27)	\$122,284.85
Hawaii Housing Finance and Development Corporation	(\$89,335.27)	\$122,284.85
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

NSP Program Administration.

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

Location Description:

not applicable

Activity Progress Narrative:

The HHFDC has been monitoring progress of each of the NSP activities to ensure that the NSP milestones are met. HHFDC staff met conducted on site meetings with the County of Kauai and the Na Hale O'Maui. The meetings included preliminary file reviews associated with the acquisitions and rehabilitation of foreclosed properties.

HHFDC staff is in regular contact with each of its NSP partners meeting via phone or in person.

Staff from Honolulu's HUD CPD office has been updated on the progress of NSP. HHFDC staff has consulted with staff from Honolulu's HUD CPD office on clarifying technical issues.

HUD's Honolulu CPD staff conducted on-site monitoring of NSP this quarter.

Representatives from the Urban Land Institute and the Rural Community Assistance Corporation provided direct technical assistance to the HHFDC and to the County of Kauai and the Na Hale O'Maui.

A correction was made this quarter to match the expenditure amount to the disbursement amount. In past quarters, the Admin account for HHFDC, the County of Kauai and the County of Hawaii was administered as the same activity. Currently, the County of Kauai and the County of Hawaii each has its own activity.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

003

Project Title:

Program Admin

Projected Start Date:

06/12/2009

Projected End Date:

03/18/2013

National Objective:

N/A

Responsible Organization:

Hawaii Housing Finance and Development Corporation

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$486,400.00
Total CDBG Program Funds Budgeted	N/A	\$486,400.00
Program Funds Drawdown	\$3,152.43	\$7,267.93
Obligated CDBG DR Funds	\$482,284.53	\$486,400.00
Expended CDBG DR Funds	\$7,267.93	\$7,267.93
Hawaii Housing Finance and Development Corporation	\$7,267.93	\$7,267.93
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

County of Hawaii

Activity Progress Narrative:

The County of Hawaii is utilizing its administration funds to cover the costs of planning, monitoring, reporting, training, technical assistance and other administrative related activities. An adjustment was made to the expenditure amount to reflect the amount disbursed. In past quarters, the administration funds activity was maintained in the HHFDC Administration activity.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources**Amount**

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: HI-NSP-007K**Activity Title:** County of Kauai / Program Administration**Activity Category:**

Administration

Activity Status:

Under Way

Project Number:

003

Project Title:

Program Admin

Projected Start Date:

05/11/2009

Projected End Date:

03/18/2013

National Objective:

N/A

Responsible Organization:

Hawaii Housing Finance and Development Corporation

Overall**Apr 1 thru Jun 30, 2010****To Date**

Total Projected Budget from All Sources	N/A	\$351,201.57
Total CDBG Program Funds Budgeted	N/A	\$351,201.57
Program Funds Drawdown	\$35,073.37	\$204,197.86
Obligated CDBG DR Funds	\$301,675.51	\$470,800.00
Expended CDBG DR Funds	\$204,197.86	\$204,197.86
Hawaii Housing Finance and Development Corporation	\$204,197.86	\$204,197.86
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

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

Location Description:

County of Kauai

Activity Progress Narrative:

The County of Kauai is utilizing its Administration funds are used for NSP project management and implementation functions such as evaluation and identification of properties for feasibility to purchase with NSP funds; complete Environmental Review to meet National Environmental Protection Agency (NEPA) requirements; ordering appraisals and property inspections; marketing properties; preparation of purchase contracts; monitoring project activities for progress and compliance with program requirements; preparing reports for submission to the State; evaluation and planning; training.

>

>NSP staff attended trainings relevant to the acquisition, rehabilitation and re-sale of REO properties (8/2009 and 2/2010).

An adjustment was made to the expenditure amount to reflect the amount disbursed. In past quarters, the administration funds activity was maintained in the HHFDC Administration activity.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
