NSP GRANT SUBMISSION TEMPLATE & CHECKLIST

(UPDATED 10.21.08)

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

(1) The NSP Substantial Amendment (attached below)
(2) Signed and Dated Certifications (attached below)
(3) Signed and Dated SF-424.

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): **State of Hawaii** *(identify lead entity in case of joint agreements)* Jurisdiction Web Address: • *(URL where NSP Substantial Amendment materials are posted)* **http://hawaii.gov/dbedt/hhfdc**	NSP Contact Person: **Karen Seddon** Address: **677 Queen Street, Suite 300** **Honolulu, Hawaii 96813** Telephone: **(808) 587-0641** Fax: **(808) 587-0600** Email: **Karen.s.seddon@hawaii.gov**

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

***Note:* An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.**

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data, in developing this section of the Substantial Amendment.

Response:

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

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

- Census tracts with a higher HUD "estimated foreclosure and abandonment risk score." (The HUD risk score ranges from 0 to 10, where 0 is an indicator of a very low risk of home foreclosure and abandonment and 10 suggest a very high risk. HUD utilized data from four sources: the Office of Federal Housing Enterprise Oversight, Federal Reserve Home Mortgage Disclosure Act data, Labor Department, and United States Postal Service.)

- 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.

- County assessments of local communities and neighborhoods most likely to experience the effects of an increased number of foreclosures.

- 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.

City & County of Honolulu

Census tract 62.02 is the only census tract in the City and County of Honolulu (and in the State of Hawaii) with a HUD risk score of 10. The census tract is comprised of Kuhio Park Terrace and Kuhio Homes, two federal public rental housing facilities with a total of 748 units and population exceeding 2,000. The remaining census tracts in Honolulu have HUD risk scores which range from a low of 1 to a high of 8. Census tracts with a HUD risk scores ranging from 5 to 8 are considered areas of greatest need in the City and County of Honolulu.

Other areas of greatest need 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.

- The Waianae and Hauula, and a portion of the Waialua-Mokuleia, neighborhoods have seriously delinquent loans ranging from 5.2 to 7.2 percent.[1] The Kapolei,

[1] Community Development Department, Federal Reserve Bank of San Francisco (FRBSF), "Mortgage Delinquencies and Foreclosures: Hawaii" (October 1, 2008). Calculations by McDash Analytics, LLC and FRBSF, August 2008 data.

Ewa Beach, Kahuku, Laie, Kaaawa, and Waimanalo neighborhoods have seriously delinquent loans ranging from 3.2 to 5.2 percent.[2]

- Neighborhoods with concentrations of subprime loans include Waianae, Waipahu and Ewa Beach (more than 750 subprime loans) and Kaneohe (500 to 750 subprime loans).[3]
- Neighborhoods with variable interest rate subprime loans that reset in 2008 include Waianae, Wahiawa, Mililani, and Pearl City (more than 52 percent) and Waialua, Kapolei, Ewa Beach, Waipahu, Aiea, portions of Honolulu, Waimanalo, and Kailua (48 to 52 percent).[4]

Table 1 identifies the census tracts in areas of greatest need based on HUD risk scores and "hot spot" data from the FRBSF.

Table 1. City and County of Honolulu
NSP Areas of Greatest Need

2000 census tract	2000 Name	HUD Risk Score
18.02	Jefferson School	5
20.02	Olohana Street	5
55	Palama	7
56	Kapalama	6
58	Waiakamilo	6
59	Mokauea	7
60	Kalihi Kai	6
61	Kalihi Waena	3
62.01	Kam IV	6
62.02	Kuhio Park Terrace	10
63.01	Kalihi Valley Park	4
63.02	Kalena Drive	3
64.01	Ulana Street	6
64.02	Kamanaiki	5
65	Upper Kalihi Valley	4
66	Kahauiki	7
67.01	Tripler	2
67.02	Moanalua	1
68.02	Aliamanu	3
68.04	Aliamanu Crater	1
68.05	Salt Lake - East	1
68.06	Salt Lake - West	2
68.08	Ala Ilima High Rise - Mauka	4
69	Radford	1

[2] Ibid
[3] FRBSF, "Mortgage Delinquencies and Foreclosures: Hawaii (July 21, 2008). Analysis by Federal Reserve Board of Governors, First American Loan Performance Data, February 2008.
[4] Ibid

Table 1. City and County of Honolulu NSP Areas of Greatest Need		
2000 census tract	**2000 Name**	**HUD Risk Score**
75.02	Red Hill	1
75.03	Halawa Heights	2
75.04	Aloha Stadium	4
75.05	Foster Village	1
77.01	Lower Aiea	4
77.02	Upper Aiea	1
78.04	Hoohulu Street	3
78.05	Waiau Townhouses	3
78.06	Kaonohi	2
78.08	Pearl Ridge Center	5
78.09	Newtown	1
78.10	Royal Summit	1
80.01	Hale Mohalu	7
80.02	Kula Drive	4
80.03	Kuokoa Street	5
80.05	Pacific Palisades	1
80.06	Pearl City	2
80.07	Pearl City Uplands	3
81	Pearl City Peninsula -Ford Island	5
83.02	Puuloa	7
84.01	Ewa Gentry – East	5
84.02	Ewa Beach	5
84.03	Ocean Pointe	2
84.04	Ewa Gentry-West	5
86.03	Kahe	4
86.04	Makakilo	3
86.05	East Kapolei – Ewa Villages	4
86.06	Villages of Kapolei - North	3
86.07	Villages of Kapolei - South	1
86.08	City of Kapolei	3
86.09	Ko Olina Expansion	6
86.10	Ko Olina – Campbell Industrial	3
87.01	Waipahu Park	5
87.02	St. Joseph School	8
87.03	Waipahu Intermediate School	4
88	Waipahu-Mauka	5
89.05	Village Park	3
89.06	Mililani Golf Course	3
89.07	Mililani – Kipapa	3
89.08	Mililani – Market Place	1
89.09	Mililani – District Park	1
89.12	August Ahrens School	4
89.13	Robinson Heights	5

Table 1. City and County of Honolulu NSP Areas of Greatest Need		
2000 census tract	**2000 Name**	**HUD Risk Score**
89.14	Punawai	6
89.15	Waipio Acres	4
89.16	Mililani Mauka	1
89.17	Mililani Town Center - Makaunulau	1
89.18	Mililani – Nob Hill	1
89.19	Waiawa	1
89.21	Seaview – Crestview	3
89.22	Waikele	2
89.23	Waipio Gentry	3
92	Wahiawa-Mauka	5
93	Wahiawa-Waena	5
94	Wahiawa-Makai	5
95.04	Leilehua Avenue	7
96.01	Nanakuli - Lualualei	8
96.03	Maili	7
96.04	Niulii Reservoir	8
97.01	Waianae Kai	7
97.02	Lualualei Homesteads	6
98.01	Makaha	7
98.02	Makaha Valley-Makua	7
99.01	Waialua - Mokuleia	1
101	Waimea-Kahuku	1
102.01	Hauula-Kaaawa	1
102.02	Laie	5
103.03	Waiahole Forest Reserve	2
113.02	Waimanalo Beach-Homesteads	2

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. According to Title Guaranty of Hawaii, during September 2008, sales of 215 single-family homes and 305 condominiums were reported, representing decreases of 15.7 percent for single-family homes and 26.3 percent for condominiums, compared to the same month a year ago. Through September 2008, total single-family home sales on Oahu totaled 2,134, a decrease of 25.8 percent over the same time period a year ago. Total condominium sales through September were 3,173, a 27 percent decrease from last year. The median resale prices for single family and condominiums in the first nine months of 2008 were $625,000 and $325,000, respectively, a decrease of 3.5 percent for single-family homes from the same time period in 2007 and no change for condominiums.

The increase in unemployment in the City and County of Honolulu will also add to the potential for foreclosure. The unemployment rate (not seasonally adjusted) jumped to 4.2 percent in September 2008 from 2.7 percent a year ago (Department of Labor and

Industrial Relations, October 20, 2008). Unemployment claims in the City and County of Honolulu rose from 736 claims in October 2007 to 1,032 in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

County of Hawaii

Census tracts in the County of Hawaii have a HUD risk score ranging from a low of 1 to a high of 7. Census tracts with a HUD risk scores ranging from 5 to 7 are considered areas of greatest need in the County of Hawaii.

Other areas of greatest need include neighborhood "hot spots" with relatively high percentages of loans that are seriously delinquent or concentrations of subprime loans.

- The Naalehu, Pahoa, Mountain View, and Keaau neighborhoods have seriously delinquent loans exceeding 7.2 percent.[5] The Waikoloa, Kailua-Kona, Holualoa, Captain Cook, Volcano, Honokaa, and Kapaau neighborhoods have seriously delinquent loans ranging from 3.2 to 5.2 percent.[6]

- Neighborhoods with concentrations of subprime loans include Kailua-Kona and Naalehu (500 to 750 subprime loans). Paauilo and portions of Hilo also have concentrations of subprime loans (250 to 500 subprime loans).[7]

Table 2 identifies the census tracts in areas of greatest need based on HUD risk scores and "hot spot" data from the FRBSF.

Table 2. County of Hawaii
NSP Areas of Greatest Need

2000 census tract	2000 Name	HUD Risk Score
201	Papaikou-Wailea	5
202	Hilo: Upper Waiakea Forest Reserve	6
203	Hilo: Puueo-Downtown	6
204	Hilo: Villa Franca-Kaiko'o	5
205	Hilo: University-Houselots	6
206	Hilo: Keaukaha-Panaewa	6
207.01	Hilo: Puainako	5
207.02	Hilo: Kawailani	4
208.01	Hilo: Kukuau-Kaumana	5
208.02	Hilo: Piihonua-Kaumana	6
209	Hilo: Haihai	5
210.01	Lower Keaau	3

[5] Community Development Department, Federal Reserve Bank of San Francisco (FRBSF), "Mortgage Delinquencies and Foreclosures: Hawaii" (October 1, 2008). Calculations by McDash Analytics, LLC and FRBSF, August 2008 data.
[6] Ibid
[7] FRBSF, "Mortgage Delinquencies and Foreclosures: Hawaii (July 21, 2008). Analysis by Federal Reserve Board of Governors, First American Loan Performance Data, February 2008.

210.02	Keaau - Volcano	3
211	Pahoa – Kalapana	3
212	Ka'u	3
215.01	Kalaoa	6
215.03	Kaumalumau-Kealakekua	5
216.01	Kailua	7
216.02	Kahului-Kaumalumalu	6

Declining residential sales volume and resale prices exert additional pressure on the risk for foreclosure. According to Title Guaranty of Hawaii, during September 2008, sales of 83 single-family homes and 24 condominiums were reported, representing decreases of 31.4 percent for single-family homes and 40 percent for condominiums, compared to the same month a year ago. Through September 2008, total single-family home sales on the Big Island totaled 894, a decrease of 32.9 percent over the same time period a year ago. Total condominium sales through September were 300, a 27.9 percent decrease from last year. The median resale prices for single family and condominiums in the first nine months of 2008 were $350,000 and $410,000, respectively, a decrease of 14.6 percent for single-family homes from the same time period in 2007 and an increase of 5.1 percent for condominiums.

The increase in unemployment in the County of Hawaii will also add to the potential for foreclosure. The Hawaii County unemployment rate (not seasonally adjusted) jumped to 6.7 percent in September 2008 from 3.7 percent a year ago (Department of Labor and Industrial Relations, October 20, 2008). The Kona area of the Big Island has experienced a surge in unemployment claims, jumping from 115 claims in October 2007 to 245 claims in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

County of Kaua'i

Census tracts in the County of Kauai have a HUD risk score ranging from a low of 1 to a high of 5. The areas which have been preliminarily identified as areas of greatest risk include census tracts with a HUD risk score of 3 to 5.

Other areas of greatest need include neighborhood "hot spots" with relatively high percentages of loans that are seriously delinquent or concentrations of subprime loans.

- The Eleele neighborhood has seriously delinquent loans exceeding 7.2 percent.[8] The Hanapepe, Kapaa, and Kilauea neighborhoods have seriously delinquent loans ranging from 3.2 to 5.2 percent.[9]

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[8] Community Development Department, Federal Reserve Bank of San Francisco (FRBSF), "Mortgage Delinquencies and Foreclosures: Hawaii" (October 1, 2008). Calculations by McDash Analytics, LLC and FRBSF, August 2008 data.

[9] Ibid

- Concentrations of subprime loans are also seen in Kilauea (500 to 750 subprime loans) and Eleele (250 to 500 subprime loans in Eleele).[10]

Table 3 identifies the census tracts in areas of greatest need based on HUD risk scores and "hot spot" data from the FRBSF.

Table 3. County of Kauai NSP Areas of Greatest Need		
2000 census tract	**2000 Name**	**HUD Risk Score**
401	Hanalei	1
402.01	Kealia-Moloaa	1
402.02	Wailua-Kapaa Homesteads	3
403	Kapaa	4
404	Puhi-Hanamaulu	5
405	Lihue	4
407	Eleele-Kalaheo	1
408	Kaumakani-Hanapepe	1

Declining residential sales volume and resale prices exert additional pressure on the risk for foreclosure. According to Title Guaranty of Hawaii, during September 2008, sales of 21 single-family homes and 8 condominiums were reported, representing decreases of 41.7 percent for single-family homes and 60 percent for condominiums, compared to the same month a year ago. Through September 2008, total single-family home sales on Kauai totaled 226, a decrease of 32.5 percent over the same time period a year ago. Total condominium sales through September were 144, a 40.2 percent decrease from last year. The median resale prices for single family and condominiums in the first nine months of 2008 were $632,500 and $560,000, respectively, a decrease of 4.3 percent for single-family homes from the same time period in 2007 and no change for condominiums.

Information obtained from realtytrac.com indicates that foreclosures during the period March/April 2008 to September 2008 were scattered throughout the island. Foreclosure activity was high in the Kapaa, Koloa, Kalaheo, Lihue and Princeville areas.[11] On October 9, 2008, foreclosureconnections.com showed ten foreclosure properties located mainly in Kapaa (five foreclosures), with others in Princeville, Koloa and Kilauea.[12] Judicial foreclosure filings were scattered throughout the County of Kaua'i and totaled thirty-five from January 2007 through December 2007, and forty-nine from January 2008

[10] FRBSF, "Mortgage Delinquencies and Foreclosures: Hawaii (July 21, 2008). Analysis by Federal Reserve Board of Governors, First American Loan Performance Data, February 2008.
[11] Information gathered by the Kaua'i County Housing Agency, from http://www.realtytrac.com (March/April, 2008 to September, 2008)
[12] Information gathered by the Kaua'i County Housing Agency on October 9, 2008, from http://www.foreclosureconnections.com.

through September 26, 2008; a total of eleven foreclosure filings were recorded in the one-month period of August 25, 2008 through September 29, 2008.[13]

The increase in unemployment in the County of Kauai will also add to the potential for foreclosure. Unemployment on Kaua'i has increased significantly. The unemployment rate (not seasonally adjusted) jumped to 4.9 percent in September 2008 from 2.8 percent a year ago (Department of Labor and Industrial Relations, October 20, 2008). Unemployment claims on Kaua'i rose from 66 claims in October 2007 to 122 in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

County of Maui

Census tracts in the County of Maui have a HUD risk score ranging from a low of 1 to a high of 6. The areas which have been preliminarily identified as areas of greatest risk include census tracts with a HUD risk score of 4 to 6.

Other areas of greatest need include neighborhood "hot spots" with relatively high percentages of loans that are seriously delinquent or concentrations of subprime loans.

- The Kahului neighborhood has seriously delinquent loans ranging from 5.2 to 7.2 percent.[14] The Kihei, Wailuku, Paia, Makawao, and Hana neighborhoods have seriously delinquent loans ranging from 3.2 to 5.2 percent.[15]

- The Lahaina, Wailuku, Kahului, Makawao, Kula, and Kihei neighborhoods also have concentrations of subprime loans (250 to 500).[16]

Table 4 identifies the census tracts in areas of greatest need based on HUD risk scores and "hot spot" data from the FRBSF.

Table 4. County of Maui
NSP Areas of Greatest Need

2000 census tract	2000 Name	HUD Risk Score
301	Hana	2
303.01	Kula	1
303.02	Wailea	1
304.01	Makawao	1
304.02	Pukalani	1
305	Paia	1

[13] Information on judicial foreclosures in the County of Kaua'i was gathered by the Kaua'i County Housing Agency from the Fifth Judicial Circuit Court records.
[14] Community Development Department, Federal Reserve Bank of San Francisco (FRBSF), "Mortgage Delinquencies and Foreclosures: Hawaii" (October 1, 2008). Calculations by McDash Analytics, LLC and FRBSF, August 2008 data.
[15] Ibid
[16] FRBSF, "Mortgage Delinquencies and Foreclosures: Hawaii (July 21, 2008). Analysis by Federal Reserve Board of Governors, First American Loan Performance Data, February 2008.

Table 4. County of Maui NSP Areas of Greatest Need		
2000 census tract	**2000 Name**	**HUD Risk Score**
307.01	Maalaea	1
307.02	North Kihei	1
307.03	South Kihei	1
308	Waihee-Waikapu	1
309.01	West Central Wailuku	5
309.02	East Central Wailuku	5
309.03	North Wailuku	5
310	South Wailuku	4
311.01	West Kahului	5
311.02	Central Kahului	6
311.03	Southeast Kahului	5
312	Northeast Kahului	6
313	Puunene	5
314.01	Lahaina Town	5
314.02	North Lahaina	5
314.03	South Lahaina	2
315	Honokahua	3

Declining residential sales volume and resale prices exert additional pressure on the risk for foreclosure. According to Title Guaranty of Hawaii, during September 2008, sales of 65 single-family homes and 48 condominiums were reported, representing decreases of 12.2 percent for single-family homes and 42.9 percent for condominiums, compared to the same month a year ago. Through September 2008, total single-family home sales on Maui totaled 706, a decrease of 20.9 percent over the same time period a year ago. Total condominium sales through September were 672, a 26.6 percent decrease from last year. The median resale prices for single family and condominiums in the first nine months of 2008 were $594,500 and $570,000, respectively, a decrease of 7.1 percent for single-family homes from the same time period in 2007 and an increase of 6.9 percent for condominiums.

Maui County is experiencing a sharp increase in the foreclosure rate as the year proceeds. On July 17, 2008, there were 524 active foreclosures in the state. On September 3, 2008, the active foreclosures statewide had increased to 899, an increase of 72%. The County of Maui's share has also increased as compared to the state as a whole: As of September 3, 2008, the State of Hawaii has experienced 2,538 foreclosures during the year, of which 409 (or 16 percent of foreclosures) were in the County of Maui. In comparison, active pending foreclosures statewide numbered 899, of which 186 were in the County of Maui, representing 21 percent of the total active pending foreclosures.[17]

[17] Information gleaned by Na Hale O Maui, a Community Land Trust, from raw data based on recordings at the Bureau of Conveyances as reported by First American Title Company, September 3, 2008.

Statewide foreclosure data from a September 3, 2008 list of active foreclosures suggest 4 areas that have concentrations of foreclosures: Kihei, Kahului, Lahaina and Wailuku.[18]

The increase in unemployment in the County of Maui will also add to the potential for foreclosure. Unemployment on Maui Island and the County of Maui has increased significantly. The unemployment rates (not seasonally adjusted) for Maui Island and Maui County jumped to 5.2 percent and 5.5 percent, respectively, in September 2008 from 3.6 percent and 3.7 percent, respectively, a year ago (Department of Labor and Industrial Relations, October 20, 2008). Unemployment claims in the County of Maui rose from 167 claims in October 2007 to 425 in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note*: The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

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.

As such, NSP funds will be distributed to the areas of greatest need identified in Section A of this NSP Substantial Amendment.

The HHFDC worked closely with the City and County of Honolulu and the Counties of Hawaii, Kaua'i, and Maui to identify eligible uses of the NSP funds. In identifying activities to be funded under NSP, HHFDC also considered the capability of an entity to effectively administer the NSP and the ability of the NSP funds to be used for a particular activity within the required 18-month time period.

City and County of Honolulu

NSP funds will be used for the development of affordable rental housing in the Waianae Kai and East Kapolei-Ewa Villages "hot spots", which were determined to be areas of greatest need based on relatively high percentages of loans that are seriously delinquent,

[18] Ibid.

concentrations of subprime loans, and variable interest rate loans that reset in 2008. Funding for both projects will help to meet the need for permanent rental housing opportunities, particularly for homeless individuals and low- and moderate-income households, on the Leeward side of Oahu.

County of Hawaii

NSP funds will be used for the development of eight affordable rental housing units in Kaloko, located in census tract 215.01. This census tract has a higher HUD score for foreclosure and abandonment risk, as well as a concentration of subprime loans. The County of Hawaii has placed a priority on the development of the Kaloko Housing Program due to the impending closure of the only homeless facility in West Hawaii in June 2009.

County of Kaua'i

NSP funds will be used to finance two activities on Kaua'i. The first activity is the redevelopment of three residential lots, which are owned by the County and have been vacant for over 15 years. Two lots are located in Eleele-Kalaheo (census tract 407), which is a "hot spot" due to the high percentage of seriously delinquent loans and high concentrations of subprime loans. One lot is located in Kekaha-Waimea (census tract 409), which (according to Cyberhomes) has experienced a decline in property values of over 23 percent.

The second activity involves the acquisition, rehabilitation or redevelopment, and resale of residential property in which a mortgage or tax foreclosure is complete. The County of Kaua'i will place priority on the acquisition of properties in areas with higher foreclosure rates including Kapaa, Koloa, Kalaheo, Lihue and Princeville.

County of Maui

NSP funds will be used for the acquisition, rehabilitation, and resale of foreclosed homes under a community land trust model. Priority will be placed on acquiring homes in the higher risk foreclosure areas of North Kihei (census tract 307.02), Kahului (census tracts 311.01, 311.02, 311.03, and 312), Lahaina (census tracts 314.01 and 314.02), and Wailuku (census tracts 309.02 and 309.03). These areas have HUD foreclosure risk scores ranging from 3 to 5, and are located in areas with relatively high percentages of seriously delinquent loans or concentrations of subprime loans. The median value of homes in these areas has significantly declined since 2007. According to Cyberhomes, Kihei property values have decreased by about 15%; approximately 19% in Wailuku, and nearly 26% in Lahaina.

The distribution and uses of NSP funds are summarized in the table below.

PROJECT DESCRIPTION	NSP USE*	HONOLULU	HAWAII	KAUA'I	MAUI	HHFDC	TOTALS
Purchase/Rehab/Sell	B	$0	$0	$2,949,000	$3,000,000	$0	**$5,949,000**
Ewa Villages Apts.	E	$2,000,000	$0	$0	$0	$0	**$2,000,000**
Seawind Apartments	E	$3,500,000	$0	$0	$0	$0	**$3,500,000**
Kaloko	E	$0	$4,887,800	$0	$0	$0	**$4,887,800**
Waimea/Eleele LELP	E	$0	$0	$1,326,000	$0	$0	**$1,326,000**
Administration	Admin	$0	$486,400	$470,800	$0	$980,000	**$1,937,200**
TOTALS		**$5,500,000**	**$5,374,200**	**$4,745,800**	**$3,000,000**	**$980,000**	**$19,600,000**

*** Key for NSP Uses:**
(A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income buyers;
(B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;
(C) Establish land banks for homes that have been foreclosed upon;
(D) Demolish blighted structures; and
(E) Redevelop demolished or vacant properties.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of "blighted structure" in context of state or local law.

Response:

"Blighted structure" is one 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)

(2) Definition of "affordable rents." *Note:* Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

"Affordable Rent" – The maximum Affordable Rents shall not exceed the Fair Market Rents (FMR) for the Section 8 program as published annually by the U.S. Department of Housing and Urban Development for the State of Hawaii.

The current Affordable Rents are as follows:

County	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Hawaii	$770	$925	$1,038	$1,464	$1,604
Honolulu	$1,140	$1,337	$1,631	$2,367	$2,649
Kalawao	$925	$1,066	$1,253	$1,584	$1,803
Kaua'i	$888	$1,000	$1,318	$1,654	$1,800
Maui	$1,137	$1,260	$1,465	$1,960	$2,099

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The subrecipients will adhere to the minimum affordability provisions of the federal HOME Investment Partnership Program, as provided by 24 CFR 92.252 (rental housing) and 24 CFR 92.254 (homeownership).

Continued affordability of projects utilizing NSP funds will be ensured through the use of a recorded restrictive document which will detail a project's minimum affordability period.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

Rehabilitation standards that will apply to NSP-assisted activities will include moderate or substantial rehabilitation required to meet local building codes.

"Moderate rehabilitation" means rehabilitation to upgrade a unit to a decent, safe and sanitary condition, or to repair or replace major building systems or components in danger of failure.

"Substantial rehabilitation" means the improvement of a property to a decent, safe, and sanitary condition that requires more than routine or minor repairs or improvements that may include, but is not limited to, the gutting and extensive reconstruction of a unit or cosmetic improvements coupled with the curing of a substantial accumulation of deferred maintenance. Substantial rehabilitation also includes rehabilitation activity that is necessary to correct substandard conditions to make essential improvements, and to repair major systems in danger of failure. The term "major systems" includes, but is not limited to, such items as roof structures, ceiling, wall or floor structures, foundations, elevators, and plumbing or electrical repair, replacement, or in some cases removal. Substantial rehabilitation activities also include energy and other natural resource conservation related repairs and improvements, as well as improvements required to provide access or added safety for the handicapped or elderly and renovation, alteration, or remodeling to convert or adapt structurally sound property to the design and condition required for a specific use (e.g., conversion of a hotel to housing for elders).

D. Low Income targeting

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: $5,500,000.

***Note*: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.**

Response:

The minimum amount of NSP funds to be used for housing individuals or families whose incomes do not exceed 50 percent of area median income is $4,900,000 (the State of Hawaii's allocation of $19,600,000 x 25% = $4,900,000). The HHFDC estimates that $5,500,000 in two projects will be used to meet this requirement.

The Waianae Supportive Housing project (Seawind Apartments) will use $3,500,000 in NSP funds to construct twenty studio units. All twenty units will serve households with incomes that do not exceed 50% AMI.

The Ewa Villages Apartments will use $2,000,000 in NSP funds to construct eight units, all of which will serve households with incomes that do not exceed 50% AMI.

E. *Acquisitions & Relocation*

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

If so, include:

- **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.**
- **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).**
- **The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.**

Response:

The HHFDC does not intend to demolish or convert any low-income and moderate-income dwelling units (i.e., ≤ 80% of area median income).

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: **proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.**

Response:

On October 29, 2008, the State of Hawaii published a Notice of Public Comment (Notice), inviting public comments on the proposed uses of Neighborhood Stabilization Program funds, in newspapers of all four counties. Copies of the Notice are attached at Exhibit "A." The Notice was also posted on the website of the Hawaii Housing Finance and Development Corporation. The public was provided a 15-day period during which public comments were accepted; the public comment period ended on November 12, 2008.

The HHFDC received twenty-one letters and emails in response to the Notice. Nineteen responses were in support of specific activities proposed in the draft NSP Substantial Amendment. Two responses proposed that NSP funds be used for the acquisition, rehabilitation, and rental of foreclosed or condemned properties for low-income veterans or other adults in need of sober housing options in the City and County of Honolulu. In reply, the HHFDC acknowledged that while the proposal appeared to be an eligible use of NSP funds, the HHFDC worked closely with the counties to identify eligible uses, considered the capability of the entity to effectively administer the NSP funds in a timely manner, and selected the activities from those proposed by the counties.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

(1) Activity Name: Honolulu - Waianae Supportive Housing Project (Seawind Apartments)

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: 2301(c)(3)(E) – Redevelop demolished or vacant properties
CDBG Eligible Activity: 570.201(m) – Construction of housing

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

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.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

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

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Twenty units will be produced in Phase II of the project that will serve households with incomes that do not exceed 50% AMI. The NSP allocation of $3,500,000 for Phase II of this project will be targeted for all 20 units. NSP funds used 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.

(7) Total Budget: (Include public and private components)

The total budget for the 50-unit project is $13,702,159. The budget for Phase II is $5,500,000; the request for NSP funds of $3,500,000 will be used for all 20 units in Phase II.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Housing Solutions Incorporated
P. O. Box 11360
Honolulu, Hawaii 96828
Contact: Terry Brooks, President and CEO
(808)222-5510

(9) Projected Start Date:
February, 2009

(10) Projected End Date:
June, 2010

(11) Specific Activity Requirements:
For acquisition activities, include:

- **discount rate**

For financing activities, include:

- **range of interest rates**

For housing related activities, include:

- **duration or term of assistance;**

  At a minimum, the project will be kept affordable for a 20-year period; in addition, the project will be leased under a 50-year land lease from the State of Hawaii.

- **tenure of beneficiaries--rental or homeownership;**

  Rental housing.

- **a description of how the design of the activity will ensure continued affordability**

  Continued affordability will be assured through a recorded use restriction on the property. In addition, the 50-year land lease from the State of Hawaii requires the property to be used solely to provide rental housing opportunities for low-income households. Non-compliance with the affordability period would trigger a recapture / repayment of the entire amount of NSP funds utilized for the project.

  For the duration of the affordability period, the twenty NSP units will be floating units serving households with incomes that do not exceed 50% AMI. Lease-up procedures have been established to ensure that applicants are income-eligible under the NSP program. As part of the ongoing monitoring, tenant annual income re-certifications will be reviewed to ensure continued occupancy by households in the intended income target groups. The project will be monitored for 20 years to ensure continued affordability.

  The non-profit will maintain project and participant records evidencing compliance with NSP regulations and other applicable federal, state and county laws. The non-profit will be required to submit compliance reports to the HHFDC.

  The HHFDC will conduct compliance monitoring reviews to ensure compliance with the NSP program.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

(1) Activity Name: Honolulu - Ewa Villages Apartments

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: 2301(c)(3)(E) – Redevelop demolished or vacant properties.
CBDG Eligible Activity: 570.201(m), Construction of Housing

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of AMI.

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

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.

(5) <u>Location Description</u>: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

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

(6) <u>Performance Measures</u> (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

The project will deliver four affordable rental units in Phase I and four affordable rental units in Phase II for households with incomes that do not exceed 50% AMI. The NSP allocation of $2,000,000 will be targeted for all eight units. NSP funds of $2,000,000 used 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.

(7) <u>Total Budget</u>: (Include public and private components)

The total budget for Phases I and II is $60,085,455. The request for NSP funds is $2,000,000, to be used toward the construction of eight affordable rental units serving households with incomes that do not exceed 50% AMI.

(8) <u>Responsible Organization</u>: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Hui Kauhale, Inc.
841 Bishop Street, Suite 2208
Honolulu, Hawaii 96813
Contact: Marian Gushiken, Director of Real Estate Development, (808)523-8826

(9) <u>Projected Start Date</u>:
July 1, 2009

(10) <u>Projected End Date</u>:
August 31, 2010

(11) <u>Specific Activity Requirements:</u>
For acquisition activities, include:

- **discount rate**

For financing activities, include:

- **range of interest rates**

For housing related activities, include:

- **duration or term of assistance;**

  At a minimum, the project will be kept affordable for a 20-year period in accordance with NSP affordability requirements.

- **tenure of beneficiaries--rental or homeownership;**

  Rental housing.

- **a description of how the design of the activity will ensure continued affordability**

  Continued affordability will be assured through a recorded use restriction on the property. Non-compliance with the affordability period would trigger a recapture / repayment of the entire amount of NSP funds utilized for the project.

  For the duration of the affordability period, the eight NSP units will be floating units serving households with incomes that do not exceed 50% AMI.

  Lease-up procedures have been established to ensure that applicants are income-eligible under the NSP program. As part of the ongoing monitoring, tenant annual income re-certifications will be reviewed to ensure continued occupancy by households in the intended income target groups. The project will be monitored for 20 years to ensure continued affordability.

  The non-profit will maintain project and participant records evidencing compliance with NSP regulations and other applicable federal, state and county laws. The non-profit will be required to submit compliance reports to the HHFDC.

  The HHFDC will conduct compliance monitoring reviews to ensure compliance with the NSP program.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

(1) Activity Name: Hawaii - Kaloko Rental Housing Project (KRHP)

(2) Activity Type: **(include NSP eligible use & CDBG eligible activity)**

NSP Eligible Use: 2301(c)(3)(E), Redevelop demolished or vacant properties
CDBG Eligible Activity: 570.201(m), Construction of Housing and 570.201(c), Public Facilities and Improvements.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent AMI.

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The County of Hawaii is proposing to use NSP funds for the development of eight affordable rental units in a 96-unit multi-family project called the Kaloko Housing Program (KHP). The KHP project site is in the West Hawaii Census Tract 215.01, an area with a high HUD foreclosure and abandonment risk score.

The KHP facility will include approximately 24 transitional housing units and 72 affordable rental units, a warehouse, a self-contained wastewater treatment plant and a community center. The NSP funds will also be used to pay for a proportionate share of the Community Center, the on- and off-site construction, flood, sewer and storm drain improvements, access roads, sidewalks, landscaping and parking.

The eight multi-family affordable rental units will be designed into a building containing four rental units upstairs and four rental units downstairs. All units will be rented to households with incomes that do not exceed 120% AMI.
Program income would only be generated should there be net income after operating expenses are deducted from the gross income. Any program income generated would be returned to the HHFDC for other NSP-eligible uses.

A Federal and State Environmental Assessment (EA) for the Kaloko Rental Housing Project (KRHP) is being completed and will be amended to include the NSP funding. The County is preparing to publish the EA for public review and comment. The expected project start of construction will be in November 2009 which will meet the NSP requirement of obligating NSP funds in 18 months.

Prior to the completion of KHP, the County will lease KHP to a non-profit organization for a minimum of 20 years for its management and day-to-day operations. The OHCD will monitor the lease and the non-profit's management and record-keeping requirements, which will be in accordance with applicable government and other program rules and requirements. The OHCD will incorporate into its lease that the project shall remain affordable for not less than 20 years to meet the NSP affordability requirements.

The affordable rental units will provide long-term affordable rentals near the urban core areas to households with incomes that do not exceed 120% AMI, providing ready access to employment, education and other essential resources. Increased access will also reduce household transportation costs, alleviate commute time, and increase time spent with family.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

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.

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

NSP funds will produce eight new affordable rental units, all of which will be rented to households with incomes that do not exceed 120% AMI.

(7) Total Budget: (Include public and private components)

The total budget for the construction of Phase II, consisting of eight residential units, and a portion of the community center, is $4,887,800. Based on the information currently available, approximately 32% of the NSP allocation will be used for public facilities and improvements.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

County of Hawaii, Office of Housing and Community Development (OHCD)
50 Wailuku Drive
Hilo, Hawaii 96720
Contact Person: Leah Yanagi, Interim Housing Administrator, (808) 961-8379

(9) Projected Start Date:
October 2009 – Estimated execution of project construction Contract

(10) Projected End Date:
June 2010

(11) Specific Activity Requirements:
For acquisition activities, include:
- **discount rate**

For financing activities, include:
- **range of interest rates**

For housing related activities, include:
- **duration or term of assistance;**
  The project will remain affordable for not less than 20 years.

- **tenure of beneficiaries--rental or homeownership;**
  Rental housing.

- **a description of how the design of the activity will ensure continued affordability.**
  Continued affordability will be assured through a recorded use restriction on the property. In addition, the County of Hawaii's Office of Housing and Community Development will incorporate into its lease that the project shall remain affordable for not less than twenty (20) years. Non-compliance with the affordability period would trigger a recapture / repayment of the entire amount of NSP funds utilized for the project.

  Throughout the affordability period, eight units will be floating units serving households with incomes that do not exceed 120% AMI, as required by the NSP program.

  Lease-up procedures have been established to ensure that applicants are income-eligible under the NSP program. All applications will be placed on a wait list based on the date and time of application. Initial lease-up of the units will begin with the applicant at the top of the wait list, pending third-party verification of income to determine eligibility. Consideration and selection of applicants will continue (based on wait list order) until all units have been leased up. After the initial lease-up of all units, subsequent vacancies will be made available for occupancy to the next income-eligible wait-listed applicant.

The County of Hawaii will use the Housing Choice Voucher (Section 8) program guidelines to determine whether or not a family is income-eligible. Income will be verified through a third-party.

The project will be monitored for 20 years to ensure continued affordability.

The County of Hawaii will maintain project and participant records evidencing compliance with NSP regulations and other applicable federal, state and county laws. The County of Hawaii will be required to submit compliance reports to the HHFDC.

The HHFDC will conduct compliance monitoring reviews to ensure compliance with the NSP program.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

(1) Activity Name: Kaua'i - New Construction to Redevelop Vacant Land

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: 2301(c)(3)(E) New construction to redevelop vacant land.
CDBG Eligible Activity: Direct Homeownership assistance

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

Provide housing that will be occupied by households with incomes that do not exceed 120% AMI

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

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 Kaua'i's Limited Equity Leasehold Program (LELP), which provides an inventory of permanently affordable housing units. The County of Kaua'i 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 Kaua'i. 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 Kaua'i 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.

(5) <u>Location Description</u>: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

a. Census Tract 409.00. Waimea, TMK (4)1-2-008-007. The lot is 90 feet wide by 150 feet deep. It will eventually be divided into two CPR units, identified as Unit “a”, 6,150 square feet, and Unit “B”, 7,350 square feet. One house will be built on this lot with NSP funds. Electrical power, telephone and CATV are located overhead. The property will be serviced by the Waimea wastewater treatment facility. There are existing dwellings on all three sides of this vacant parcel.

   The County will not be able to build on the remnant CPR lot because the Waimea sewage treatment plant does not have adequate capacity at this time. The County’s Wastewater Division will not approve construction of a second unit on the lot until capacity is increased.

b. Census Tract 407.00. Eleele Nani, TMK (4) 2-1-009-074. The lot is located on the corner of Lilia Place and Akalei Street in the Eleele Nani subdivision. It is rectangular, 100 feet by 65 feet with one rounded corner. The area is 6,414 square feet. All necessary utilities are located in the adjacent streets.

c. Census Tract 407.00. Eleele Nani, TMK (4) 2-1-009-077. This is a flag lot located on Akalei Street in the Eleele Nani subdivision. It has an odd shape with an area of 7,661 square feet. All necessary utilities are located on Akalei Street. The lot is surrounded by adjacent homes on all sides.

(6) <u>Performance Measures</u> (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Three housing units will be constructed and sold to households with incomes that do not exceed 120% AMI.

(7) Total Budget: (Include public and private components)

The estimated cost per unit for new construction to redevelop vacant land in Waimea and Eleele:

Cost	Amount
Living Area	$264,375
Carport	$57,255
Porch / Stairs	$17,850
WH Shed	$1,500
Concrete Walk	$5,120
Concrete Driveway	$18,850
Appliances	$7,500
Solar Water Heater	$10,000
Contingency 15%	$59,550
TOTAL per Unit:	$442,000

The total estimated budget for all three units is $1,326,000 ($442,000 x 3).

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Kaua'i County Housing Agency
Piikoi Building, Suite 330
4444 Rice Street
Lihue, Hawaii 96766

NSP Contact: Jo Ann Shimamoto
Ph: (808) 241-4428
Fax: (808) 241-5118
E-mail: jshimamoto@kauai.gov

(9) Projected Start Date:
Upon receipt of NSP funds (Est. February 2009)

(10) Projected End Date:
12 months after receipt of funds (Est. January 2010)

(11) Specific Activity Requirements:
For acquisition activities, include:

- **discount rate**

For financing activities, include:

- **range of interest rates**

For housing related activities, include:

- **duration or term of assistance;**

  The minimum NSP affordability of 15 years will apply to the units.

- **tenure of beneficiaries--rental or homeownership;**

  Homeownership

- **a description of how the design of the activity will ensure continued affordability**

  The homes will be sold through the County of Kaua'i's Limited Equity Leasehold Program (LELP), which provides an inventory of permanently affordable housing units. The County of Kaua'i will retain fee ownership of all properties and sell the leasehold interest to buyers under 99-year leases. Non-compliance with the affordability period would trigger a recapture / repayment of the entire amount of NSP funds utilized for the project. Buyers must be income-qualified as required by the NSP program. There will be a separate document mandating a minimum NSP affordability period of 15 years for the units.

  Throughout the affordability period, the NSP units will serve households with incomes that meet NSP requirements. As required under the County of Kaua'i's LELP, households wishing to sell their leasehold interest in an NSP-assisted unit may only sell to the County of Kaua'i; the County of Kaua'i will ensure that the leasehold interest is then sold to other NSP-eligible, income-qualified applicant households.

  The resale of the NSP-assisted property will follow the County of Kaua'i's LELP program. The County of Kaua'i will permit the leasehold estate to be transferred to a qualified family member, or the leasehold estate may be re-issued to a qualified family member with a revised term to facilitate the refinancing of the property. However, if there are conflicts between the County of Kaua'i's LELP and the resale / recapture provisions under the HOME Investment Partnership Program, provisions under the HOME Investment Partnership Program shall prevail.
  The County of Kaua'i will maintain project and participant records evidencing compliance with NSP regulations and other applicable federal, state and county laws. The County of Kaua'i will be required to submit compliance reports to the HHFDC.

  The HHFDC will conduct compliance monitoring reviews to ensure compliance with the NSP program.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

(1) Activity Name: Kaua'i - Purchase, rehabilitate, and sell foreclosed real estate.

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: 2301(c)(3)(B) – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, or transferred in lieu of foreclosure, in order to sell, rent or redevelop such homes and properties.

CDBG Eligible Activity: Acquisition; Disposition; Direct homeownership assistance; rehabilitation and preservation activities for homes and other residential properties.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

Provide housing that will be occupied by a household whose income does not exceed 120% AMI.

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Information obtained from realtytrac.com revealed that foreclosures during the period of March/April 2008 to present were scattered throughout the county of Kaua'i. Foreclosure activity was high in the Kapaa, Koloa, Kalaheo, Lihue, and Princeville areas.

On October 9, 2008, foreclosureconnections.com showed 10 foreclosure properties located mainly in Kapaa (5) with others in Princeville, Koloa and Kilauea. The Fifth Judicial Circuit Court records provided the following information on judicial foreclosures:

January 2007 – December 2007:	35 foreclosures (filings)
January 2008 – September 26, 2008:	49 foreclosures (filings)

On October 8, 2008, the Court's records noted 11 foreclosures filings during the period of August 25, 2008 to September 29, 2008. Reference properties were scattered around the County of Kaua'i.

The Kaua'i County Real Property Tax Collection Office reported that the County's non-judicial foreclosures were as follows:

2006	2 foreclosures (both in the Kawaihau district which includes Kapaa, Wailua and Moloaa);
2007	3 foreclosures (two in Lihue and one in Hanalei
2008	Auction scheduled for November 2008. To date, listing includes 1 property in Hanalei.

Additionally, the same office reported that it has recorded liens on 150+ condominiums at the Kaua'i Beach Resort in Wailua.

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 Kaua'i's LELP, which provides an inventory of permanently affordable housing units. The County of Kaua'i 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 Kaua'i. 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 Kaua'i 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.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

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

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Approximately six or more foreclosed units will be purchased, rehabilitated or reconstructed if necessary to meet HUD's housing quality standards, and then sold to households who are at or below 120% AMI.

(7) Total Budget: (Include public and private components)

Estimated budget for the purchase, rehabilitation, and resale of foreclosed real estate:

Discounted purchase price/unit:	$450,000
Times 6 units	x 6
Total Purchase for 6 units:	$2,700,000
Plus Cost of Repairs for 6 units:	$249,000
TOTAL COST:	$2,949,000

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Kaua'i County Housing Agency
Piikoi Building, Suite #330
444 Rice Street
Lihue, Hawaii 96766

NSP Contact: Jo Ann Shimamoto
Ph: (808) 241-4428
Fax: (808) 241-5118
E-mail: jshimamoto@kauai.gov

(9) Projected Start Date:
Upon receipt of NSP funds (Est. February 2009)

(10) Projected End Date:
16 months after receipt of funds (Est. May 2010)

(11) Specific Activity Requirements:
For acquisition activities, include:

- **discount rate**

  Depending on the area and circumstance, units will be purchased at a minimum discount of 5% from the current market-appraised value of the home (as determined through an appraisal completed within 60 days prior to an offer to purchase), but in the end, the County will have an aggregate discount of 15% as required.

For financing activities, include:

- **range of interest rates**

For housing related activities, include:

- **duration or term of assistance;**

  The minimum NSP affordability of 15 years will apply to the units.

- **tenure of beneficiaries--rental or homeownership;**

  Homeownership

- **a description of how the design of the activity will ensure continued affordability**

  The County of Kaua'i will retain fee ownership of all properties and sell the leasehold interest to buyers under 99-year leases. Non-compliance with the affordability period would trigger a recapture / repayment of the entire amount of NSP funds utilized for the project. There will be a separate document mandating a minimum NSP affordability period of 15 years for the units. Buyers must be income-qualified as required by the NSP program. There will be a separate document mandating a minimum NSP affordability period of 15 years for the units.

  Throughout the affordability period, the NSP units will serve households with incomes that meet NSP requirements. As required under the County of Kaua'i's LELP, households wishing to sell their leasehold interest in an

NSP-assisted unit may only sell to the County of Kaua'i; the County of Kaua'i will ensure that the leasehold interest is then sold to other NSP-eligible, income-qualified applicant households.

The resale of the NSP-assisted property will follow the County of Kaua'i's LELP program. The County of Kaua'i will permit the leasehold estate to be transferred to a qualified family member, or the leasehold estate may be re-issued to a qualified family member with a revised term to facilitate the refinancing of the property. However, if there are conflicts between the County of Kaua'i's LELP and the resale / recapture provisions under the HOME Investment Partnership Program, provisions under the HOME Investment Partnership Program shall prevail.

The County of Kaua'i will maintain project and participant records evidencing compliance with NSP regulations and other applicable federal, state and county laws. The County of Kaua'i will be required to submit compliance reports to the HHFDC.

The HHFDC will conduct compliance monitoring reviews to ensure compliance with the NSP program.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

(1) Activity Name: Maui - Affordable Workforce Housing

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: HERA Section 2301(c)(3)(B) - Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Activity:
- 24 CFR 570.201(a) Acquisition; (b) Disposition; (i) relocation; and (n) Direct homeownership assistance;

and

- 24 CFR 570.202 Eligible rehabilitation and preservation activities for homes and other residential properties

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The State of Hawai'i and the County of Maui are experiencing a sharp increase in the foreclosure rate in 2008. On July 17, 2008, there were 524 active foreclosures in the state. Less than 2 months later, on September 3, 2008, the active foreclosures had jumped to 899, an increase of 72%. The number of foreclosures in the County of Maui has also increased as compared to the state as a whole. Year-to-date, the County of Maui had 16% of the total foreclosure activity; on September 3, 2008, Maui had 21% of the active foreclosures.

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. Housing units to be purchased by NHOM shall not have been built before 1978.

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.

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.

(5) <u>Location Description</u>: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

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).

(6) <u>Performance Measures</u> (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Purchase, rehabilitate and sell an estimated 13 homes during the first year in the County of Maui to eligible households with incomes that do not exceed 120% AMI.

(7) <u>Total Budget</u>: (Include public and private components)

Total NSP Request: $3,000,000	Estimated total of 13 units during the first year of operation.

(8) <u>Responsible Organization</u>: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Na Hale O Maui
P. O. Box 1829
Wailuku, Hawaii 96793
Contact Person: John Anderson
Ph: (808) 244-6110
Fax: (808) 244-6115
E-mail: info@nahaleomaui.org

(9) <u>Projected Start Date</u>:
February 1, 2009

(10) <u>Projected End Date</u>:
May 31, 2010

(11) <u>Specific Activity Requirements:</u>
For acquisition activities, include:

- **discount rate**

  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.

For financing activities, include:

- **range of interest rates**

For housing related activities, include:

- **duration or term of assistance;**

The minimum HOME affordability period will apply to the NSP units. However, NHOM intends to exceed the affordability period utilizing a 99-year ground lease.

- **tenure of beneficiaries--rental or homeownership;**

  Homeownership

- **a description of how the design of the activity will ensure continued affordability**

  The affordability of the abandoned and foreclosed homes will be preserved by converting them to community land trust homes that remain affordable. 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. Non-compliance with the affordability period would trigger a recapture / repayment of the entire amount of NSP funds utilized for the project. Buyers must be income-qualified as required by the NSP program.

  Additionally, continued affordability will be assured through a recorded use restriction on the property; the use restriction will mandate a minimum affordability period based on the minimum HOME affordability period standards. Throughout the affordability period, the NSP units will serve households with incomes that meet NSP requirements.

  The resale of the NSP-assisted property will follow NHOM's Proposal to Redevelop Foreclosed Homes, dated October 17, 2008 (NHOM's Proposal). However, if there are conflicts between NHOM's Proposal and the resale / recapture provisions under the HOME Investment Partnership Program, provisions under the HOME Investment Partnership Program shall prevail.

  NHOM will maintain project and participant records evidencing compliance with NSP regulations and other applicable federal, state and county laws. NHOM will be required to submit compliance reports to the HHFDC.

  The HHFDC will conduct compliance monitoring reviews to ensure compliance with the NSP program.

NOTICE OF PUBLIC COMMENT

Title III of the Housing and Economic Recovery Act, 2008 authorized $3.92 billion to provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC), is eligible to receive $19,600,000 under the Neighborhood Stabilization Program (NSP).

NSP funds may be used for activities which include, but are not limited to: (A) establishing financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties; (B) purchasing and rehabilitating homes and residential properties abandoned or foreclosed; (C) establishing land banks for foreclosed homes; (D) demolishing blighted structures; and (E) redeveloping demolished or vacant properties. All NSP funds must benefit 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. Up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP funds, HHFDC must submit, for HUD's approval, an "*NSP Substantial Amendment*" to the State of Hawaii's Consolidated Plan, Action Plan for Program Year 2008-2009. The *NSP Substantial Amendment* will describe how NSP funds will be distributed and used. The proposed priority activities, which were identified in collaboration with the City and County of Honolulu and Counties of Hawaii, Kauai, and Maui, are summarized below.

City and County of Honolulu: $5,500,000 in two redevelopment activities. The first activity uses $3,500,000 in NSP funds for the construction of the Seawinds Apartments, an affordable rental housing project being proposed on vacant State-owned land in the Waianae Neighborhood Community. The total budget is $12,490,000. The project will provide 50 affordable rental units that will serve households whose incomes do not exceed 50% and 60% AMI. The project will be developed by Housing Solutions, Inc., a Hawaii nonprofit organization. The second activity uses $2,000,000 in NSP funds for the construction of the Ewa Villages Apartments, which has a total budget of $53.5 million. The project, located on vacant land in Ewa, will be constructed in two phases and will produce 140 affordable rental units for families whose incomes do not exceed 30%, 50% and 60% AMI. The project will be developed by Hui Kauhale, Inc., a Hawaii nonprofit organization.

County of Hawai'i: $4,887,800 in NSP funds for the Kaloko Rental Housing Project in Kailua-Kona. The project is a redevelopment of vacant county-owned land and construction of eight permanent rental housing units. Six units will be rented to households whose incomes do not exceed 120% AMI and two units 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. The County of Hawai'i will administer the project.

County of Kaua'i: $4,275,000 for two activities. The first activity uses $1,326,000 in NSP funds for the redevelopment of three vacant lots in Waimea and Eleele. Permanent housing structures will be constructed for homeownership opportunities for households whose incomes do not exceed 120% AMI. The second activity uses $2,949,000 in NSP funds to purchase, rehabilitate (or demolish and rebuild), and sell at least six foreclosed residential properties. Foreclosed properties to be purchased would include bank-owned (foreclosed) real estate or properties for which tax foreclosures are complete under state or local law. Families whose incomes do not exceed 120% AMI and 50% AMI may be eligible to purchase these homes as their primary residences. Under both activities, the homes will be sold under the County of Kauai's Limited Equity Leasehold Program. The County of Kaua'i will administer both activities.

County of Maui: $3,000,000 in NSP funds for the purchase, rehabilitation and sale of foreclosed properties in the County of Maui. Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will acquire abandoned and foreclosed homes in the towns of North Wailuku/Waiehu, Dream City/Maui Lani in Kahului, North Kihei, and Lahaina. NHOM will provide long-term stewardship of the rehabilitated affordable homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. NHOM will initially target 13 households whose incomes do not exceed 50%, 80%, and 120% AMI. Over a four-year period, approximately 37 households are estimated to be assisted.

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

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

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

County of Maui
Community Development Block Grant Office
David K. Trask Jr. 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, Hawaii 96813

Interested persons are invited to provide written comments on the draft *NSP Substantial Amendment* to HHFDC at the aforementioned address no later than November 12, 2008 at 4:30 p.m. Written comments may also be submitted via fax to (808) 587-0600 or e-mailed to hhfdc.nsp@hawaii.gov. All written comments will be considered in preparing the final *NSP Substantial Amendment.*

Persons with special needs (e.g., large print, taped materials, sign language interpreter, or translator) shall make all requests to HHFDC by calling 587-0634 and from the neighbor islands toll free at the numbers listed below for access and communication assistance or by written request at least five (5) days before the end of the comment period.

Kauai	274-3141, ext. 70634	Hawaii	974-4000, ext. 70634
Maui	984-2400, ext. 70634	Molokai and 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

EQUAL HOUSING OPPORTUNITY

October 29, 2008

Honolulu Star-Bulletin
Hawaii Tribune-Herald
West Hawaii Today
The Maui News
The Garden Island