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).
APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION:
   - [ ] Construction
   - [ ] Non-Construction

2. DATE SUBMITTED
   - Pre-application

3. DATE RECEIVED BY STATE
   - State Application Identifier

4. DATE RECEIVED BY FEDERAL AGENCY
   - Federal identifier

5. APPLICANT INFORMATION

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

Organizational DUNS:
   - 80-441-2661

Organizational Unit:
   - Department:

Address:
   - 677 Queen Street, Suite 300
   - Honolulu, Hawaii 96813

City:
   - Honolulu

County:
   - Honolulu

State:
   - Hawaii

Country:
   - USA

Email:
   - karen.s.seddon@hawaii.gov

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
   - 84-19603

7. TYPE OF APPLICANT:
   - [ ] State
   - [ ] Other (specify)

8. TYPE OF SUBMISSION:
   - [ ] Application
   - [ ] Continuation
   - [ ] Revision

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

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
    - 14-227

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
    - Neighborhood Stabilization Program

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

13. PROPOSED PROJECT
    - Start Date: 02/01/2009
    - Ending Date: 01/31/2014
    - a. Applicant
    - Congressional Districts 1 and 2
    - b. Project
    - Congressional Districts 1 and 2

14. CONGRESSIONAL DISTRICTS OF:
    - [ ] Congressional Districts 1 and 2

15. ESTIMATED FUNDING:
    - a. Federal
    - $ 19,600,000
    - b. Applicant
    - $ 19,600,000
    - c. State
    - $ 19,600,000
    - d. Local
    - $ 19,600,000
    - e. Other
    - $ 19,600,000
    - f. Program Income
    - $ 19,600,000
    - g. TOTAL
    - $ 19,600,000

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
    - [ ] Yes
    - [ ] No

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
    - [ ] Yes
    - [ ] No

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

a. Authorized Representative
   - Prefix: Ms
   - First Name: Karen
   - Middle Name: Seddon
   - Last Name: S
   - Title: Executive Director
   - Date Signed: November 14, 2008

Authorized for Local Reproduction

Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

OMB Approved No. 3076-0006
INSTRUCTIONS FOR THE SF-424

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

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

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

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

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]

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\(^1\) 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>
<thead>
<tr>
<th>2000 census tract</th>
<th>2000 Name</th>
<th>HUD Risk Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.02</td>
<td>Jefferson School</td>
<td>5</td>
</tr>
<tr>
<td>20.02</td>
<td>Olohana Street</td>
<td>5</td>
</tr>
<tr>
<td>55</td>
<td>Palama</td>
<td>7</td>
</tr>
<tr>
<td>56</td>
<td>Kapalama</td>
<td>6</td>
</tr>
<tr>
<td>58</td>
<td>Waiakamilo</td>
<td>6</td>
</tr>
<tr>
<td>59</td>
<td>Mokauaea</td>
<td>7</td>
</tr>
<tr>
<td>60</td>
<td>Kalihi Kai</td>
<td>6</td>
</tr>
<tr>
<td>61</td>
<td>Kalihi Waena</td>
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</tr>
<tr>
<td>62.01</td>
<td>Kam IV</td>
<td>6</td>
</tr>
<tr>
<td>62.02</td>
<td>Kuhio Park Terrace</td>
<td>10</td>
</tr>
<tr>
<td>63.01</td>
<td>Kalihi Valley Park</td>
<td>4</td>
</tr>
<tr>
<td>63.02</td>
<td>Kalena Drive</td>
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<tr>
<td>64.01</td>
<td>Ulana Street</td>
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</tr>
<tr>
<td>64.02</td>
<td>Kamanaiiki</td>
<td>5</td>
</tr>
<tr>
<td>65</td>
<td>Upper Kalihi Valley</td>
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</tr>
<tr>
<td>66</td>
<td>Kahauiki</td>
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<td>67.01</td>
<td>Tripler</td>
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<tr>
<td>67.02</td>
<td>Moanalua</td>
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</tr>
<tr>
<td>68.02</td>
<td>Aliamanu</td>
<td>3</td>
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<td>68.04</td>
<td>Aliamanu Crater</td>
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<td>68.05</td>
<td>Salt Lake - East</td>
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<tr>
<td>68.06</td>
<td>Salt Lake - West</td>
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</tr>
<tr>
<td>68.08</td>
<td>Ala Ilima High Rise - Mauka</td>
<td>4</td>
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<tr>
<td>69</td>
<td>Radford</td>
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<td>2000 census tract</td>
<td>2000 Name</td>
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<tr>
<td>75.02</td>
<td>Red Hill</td>
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<td>75.03</td>
<td>Halawa Heights</td>
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<td>75.04</td>
<td>Aloha Stadium</td>
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<td>77.02</td>
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<td>78.04</td>
<td>Hoohulu Street</td>
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<td>78.05</td>
<td>Waiau Townhouses</td>
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<td>78.06</td>
<td>Kaonohi</td>
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<td>78.08</td>
<td>Pearl Ridge Center</td>
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<td>78.09</td>
<td>Newtown</td>
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<td>78.10</td>
<td>Royal Summit</td>
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<td>80.05</td>
<td>Pacific Palisades</td>
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<td>80.06</td>
<td>Pearl City</td>
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<td>Pearl City Uplands</td>
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<td>Pearl City Peninsula -Ford Island</td>
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<td>83.02</td>
<td>Pualoa</td>
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<td>84.01</td>
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<td>Ewa Beach</td>
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<td>Ewa Gentry -West</td>
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<td>Kahe</td>
<td>4</td>
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<td>86.04</td>
<td>Makakilo</td>
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<tr>
<td>86.05</td>
<td>East Kapolei – Ewa Villages</td>
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<tr>
<td>86.06</td>
<td>Villages of Kapolei - North</td>
<td>3</td>
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<td>86.07</td>
<td>Villages of Kapolei - South</td>
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<td>86.08</td>
<td>City of Kapolei</td>
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<td>86.09</td>
<td>Ko Olina Expansion</td>
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<td>86.10</td>
<td>Ko Olina – Campbell Industrial</td>
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<td>87.02</td>
<td>St. Joseph School</td>
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<td>Waipahu Intermediate School</td>
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<td>88</td>
<td>Waipahu-Mauka</td>
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<td>89.05</td>
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<tr>
<td>89.06</td>
<td>Mililani Golf Course</td>
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<td>89.07</td>
<td>Mililani – Kipapa</td>
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<tr>
<td>89.08</td>
<td>Mililani – Market Place</td>
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</tr>
<tr>
<td>89.09</td>
<td>Mililani – District Park</td>
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</tr>
<tr>
<td>89.12</td>
<td>August Ahrens School</td>
<td>4</td>
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<tr>
<td>89.13</td>
<td>Robinson Heights</td>
<td>5</td>
</tr>
<tr>
<td>2000 census tract</td>
<td>2000 Name</td>
<td>HUD Risk Score</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>89.14</td>
<td>Punawai</td>
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<td>89.15</td>
<td>Waipio Acres</td>
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<tr>
<td>89.16</td>
<td>Mililani Mauka</td>
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<td>89.17</td>
<td>Mililani Town Center - Makaunulau</td>
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<tr>
<td>89.18</td>
<td>Mililani – Nob Hill</td>
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<tr>
<td>89.19</td>
<td>Waiawa</td>
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</tr>
<tr>
<td>89.21</td>
<td>Seaview – Crestview</td>
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</tr>
<tr>
<td>89.22</td>
<td>Waiekele</td>
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<tr>
<td>89.23</td>
<td>Waipio Gentry</td>
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<tr>
<td>92</td>
<td>Wahiawa-Mauka</td>
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<td>93</td>
<td>Wahiawa-Waena</td>
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<td>94</td>
<td>Wahiawa-Makai</td>
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<tr>
<td>95.04</td>
<td>Leilehua Avenue</td>
<td>7</td>
</tr>
<tr>
<td>96.01</td>
<td>Nanakuli - Luahualei</td>
<td>8</td>
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<td>96.03</td>
<td>Maili</td>
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<td>96.04</td>
<td>Niulii Reservoir</td>
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<td>97.01</td>
<td>Waianae Kai</td>
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<td>97.02</td>
<td>Luahualei Homesteads</td>
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<td>Makaha</td>
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<td>Makaha Valley-Makua</td>
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<td>101</td>
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<td>102.02</td>
<td>Laie</td>
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<tr>
<td>103.03</td>
<td>Waiahole Forest Reserve</td>
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<tr>
<td>113.02</td>
<td>Waimanalo Beach-Homesteads</td>
<td>2</td>
</tr>
</tbody>
</table>

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. The Waikoloa, Kailua-Kona, Holualoa, Captain Cook, Volcano, Honokaa, and Kapaau neighborhoods have seriously delinquent loans ranging from 3.2 to 5.2 percent.

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

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

<table>
<thead>
<tr>
<th>2000 census tract</th>
<th>2000 Name</th>
<th>HUD Risk Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Papaikou-Wailea</td>
<td>5</td>
</tr>
<tr>
<td>202</td>
<td>Hilo: Upper Waiakea Forest Reserve</td>
<td>6</td>
</tr>
<tr>
<td>203</td>
<td>Hilo: Puueo-Downtown</td>
<td>6</td>
</tr>
<tr>
<td>204</td>
<td>Hilo: Villa Franca-Kaiko'o</td>
<td>5</td>
</tr>
<tr>
<td>205</td>
<td>Hilo: University-Houselots</td>
<td>6</td>
</tr>
<tr>
<td>206</td>
<td>Hilo: Keaukaha-Panaewa</td>
<td>6</td>
</tr>
<tr>
<td>207.01</td>
<td>Hilo: Puainako</td>
<td>5</td>
</tr>
<tr>
<td>207.02</td>
<td>Hilo: Kailandi</td>
<td>4</td>
</tr>
<tr>
<td>208.01</td>
<td>Hilo: Kukuau-Kaumana</td>
<td>5</td>
</tr>
<tr>
<td>208.02</td>
<td>Hilo: Pihoonua-Kaumana</td>
<td>6</td>
</tr>
<tr>
<td>209</td>
<td>Hilo: Haihai</td>
<td>5</td>
</tr>
<tr>
<td>210.01</td>
<td>Lower Keaau</td>
<td>3</td>
</tr>
</tbody>
</table>

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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

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. The Hanapepe, Kapaa, and Kilauea neighborhoods have seriously delinquent loans ranging from 3.2 to 5.2 percent.

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

<table>
<thead>
<tr>
<th>2000 census tract</th>
<th>2000 Name</th>
<th>HUD Risk Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>401</td>
<td>Hanalei</td>
<td>1</td>
</tr>
<tr>
<td>402.01</td>
<td>Kealia-Moloaa</td>
<td>1</td>
</tr>
<tr>
<td>402.02</td>
<td>Wailua-Kapaa Homesteads</td>
<td>3</td>
</tr>
<tr>
<td>403</td>
<td>Kapaa</td>
<td>4</td>
</tr>
<tr>
<td>404</td>
<td>Puhi-Hanamulu</td>
<td>5</td>
</tr>
<tr>
<td>405</td>
<td>Lihue</td>
<td>4</td>
</tr>
<tr>
<td>407</td>
<td>Eleele-Kalaheo</td>
<td>1</td>
</tr>
<tr>
<td>408</td>
<td>Kaumakani-Hanapepe</td>
<td>1</td>
</tr>
</tbody>
</table>

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. On October 9, 2008, foreclosureconnections.com showed ten foreclosure properties located mainly in Kapaa (five foreclosures), with others in Princeville, Koloa and Kilauea. 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

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11 Information gathered by the Kaua‘i County Housing Agency, from http://www.realtytrac.com (March/April, 2008 to September, 2008)
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>
<thead>
<tr>
<th>2000 census tract</th>
<th>2000 Name</th>
<th>HUD Risk Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>301</td>
<td>Hana</td>
<td>2</td>
</tr>
<tr>
<td>303.01</td>
<td>Kula</td>
<td>1</td>
</tr>
<tr>
<td>303.02</td>
<td>Wailea</td>
<td>1</td>
</tr>
<tr>
<td>304.01</td>
<td>Makawao</td>
<td>1</td>
</tr>
<tr>
<td>304.02</td>
<td>Pukalani</td>
<td>1</td>
</tr>
<tr>
<td>305</td>
<td>Paia</td>
<td>1</td>
</tr>
</tbody>
</table>

\(^{13}\) 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

Table 4. County of Maui
NSP Areas of Greatest Need

<table>
<thead>
<tr>
<th>2000 census tract</th>
<th>2000 Name</th>
<th>HUD Risk Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>307.01</td>
<td>Maalaea</td>
<td>1</td>
</tr>
<tr>
<td>307.02</td>
<td>North Kihei</td>
<td>1</td>
</tr>
<tr>
<td>307.03</td>
<td>South Kihei</td>
<td>1</td>
</tr>
<tr>
<td>308</td>
<td>Waihee-Waikapu</td>
<td>1</td>
</tr>
<tr>
<td>309.01</td>
<td>West Central Wailuku</td>
<td>5</td>
</tr>
<tr>
<td>309.02</td>
<td>East Central Wailuku</td>
<td>5</td>
</tr>
<tr>
<td>309.03</td>
<td>North Wailuku</td>
<td>5</td>
</tr>
<tr>
<td>310</td>
<td>South Wailuku</td>
<td>4</td>
</tr>
<tr>
<td>311.01</td>
<td>West Kahului</td>
<td>5</td>
</tr>
<tr>
<td>311.02</td>
<td>Central Kahului</td>
<td>6</td>
</tr>
<tr>
<td>311.03</td>
<td>Southeast Kahului</td>
<td>5</td>
</tr>
<tr>
<td>312</td>
<td>Northeast Kahului</td>
<td>6</td>
</tr>
<tr>
<td>313</td>
<td>Puunene</td>
<td>5</td>
</tr>
<tr>
<td>314.01</td>
<td>Lahaina Town</td>
<td>5</td>
</tr>
<tr>
<td>314.02</td>
<td>North Lahaina</td>
<td>5</td>
</tr>
<tr>
<td>314.03</td>
<td>South Lahaina</td>
<td>2</td>
</tr>
<tr>
<td>315</td>
<td>Honokahua</td>
<td>3</td>
</tr>
</tbody>
</table>

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

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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.  

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,
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.

<table>
<thead>
<tr>
<th>PROJECT DESCRIPTION</th>
<th>NSP USE*</th>
<th>HONOLULU</th>
<th>HAWAII</th>
<th>KAUAA'I</th>
<th>MAUI</th>
<th>HHFDC</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase/Rehab/Sell B</td>
<td>$0</td>
<td>$0</td>
<td>$2,949,000</td>
<td>$3,000,000</td>
<td>$0</td>
<td>$5,949,000</td>
<td></td>
</tr>
<tr>
<td>Ewa Villages Apts. E</td>
<td>$2,000,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$2,000,000</td>
<td></td>
</tr>
<tr>
<td>Seawind Apartments E</td>
<td>$3,500,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3,500,000</td>
<td></td>
</tr>
<tr>
<td>Kaloko E</td>
<td>$0</td>
<td>$4,887,800</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$4,887,800</td>
<td></td>
</tr>
<tr>
<td>Waiman/Eliebe LELP E</td>
<td>$0</td>
<td>$1,326,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$1,326,000</td>
<td></td>
</tr>
<tr>
<td>Administration Admin</td>
<td>$0</td>
<td>$486,400</td>
<td>$470,800</td>
<td>$0</td>
<td>$980,000</td>
<td>$1,937,200</td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>$5,500,000</td>
<td>$5,374,200</td>
<td>$4,745,800</td>
<td>$3,000,000</td>
<td>$980,000</td>
<td>$19,600,000</td>
<td></td>
</tr>
</tbody>
</table>

* 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:

<table>
<thead>
<tr>
<th>County</th>
<th>0 Bedroom</th>
<th>1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
<th>4 Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td>$770</td>
<td>$925</td>
<td>$1,038</td>
<td>$1,464</td>
<td>$1,604</td>
</tr>
<tr>
<td>Honolulu</td>
<td>$1,140</td>
<td>$1,337</td>
<td>$1,631</td>
<td>$2,367</td>
<td>$2,649</td>
</tr>
<tr>
<td>Kalawao</td>
<td>$925</td>
<td>$1,066</td>
<td>$1,253</td>
<td>$1,584</td>
<td>$1,803</td>
</tr>
<tr>
<td>Kaua’i</td>
<td>$888</td>
<td>$1,000</td>
<td>$1,318</td>
<td>$1,654</td>
<td>$1,800</td>
</tr>
<tr>
<td>Maui</td>
<td>$1,137</td>
<td>$1,260</td>
<td>$1,465</td>
<td>$1,960</td>
<td>$2,099</td>
</tr>
</tbody>
</table>
(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 Kauikokalani 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.
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 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:

<table>
<thead>
<tr>
<th>PHASE</th>
<th>NO. OF UNITS</th>
<th>% OF UNITS</th>
<th>INCOME GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I</td>
<td>4</td>
<td>6%</td>
<td>30% AMI</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>29%</td>
<td>50% AMI</td>
</tr>
<tr>
<td></td>
<td>41</td>
<td>65%</td>
<td>60% AMI</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td>Resident Mgr.</td>
</tr>
<tr>
<td>Phase II</td>
<td>4</td>
<td>5%</td>
<td>30% AMI</td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>25%</td>
<td>50% AMI</td>
</tr>
<tr>
<td></td>
<td>52</td>
<td>70%</td>
<td>60% AMI</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td>Resident Mgr.</td>
</tr>
<tr>
<td>TOTAL</td>
<td>140</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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) Location Description: (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) 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).

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) Total Budget: (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) Responsible Organization: (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) Projected Start Date:
July 1, 2009

(10) Projected End Date:
August 31, 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 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) **Location Description:** (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) **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).

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:

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

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, Kalaeo, 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: $450,000 x 6 = $2,700,000
- 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
(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.
(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 

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) Location Description: (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) **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).

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

<table>
<thead>
<tr>
<th>Total NSP Request:</th>
<th>Estimated total of 13 units during the first year of operation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000,000</td>
<td></td>
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</table>

(8) **Responsible Organization**: (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) **Projected Start Date**:  
February 1, 2009

(10) **Projected End Date**:  
May 31, 2010

(11) **Specific Activity Requirements**:  
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.
CERTIFICATIONS

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

(2) Anti-lobbying. The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) Authority of Jurisdiction. The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) Consistency with Plan. The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

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

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

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

(8) Following Plan. The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) Use of funds in 18 months. The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) Use NSP funds ≤ 120 of AMI. The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

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

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

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

\[Signature\]

Karen Seddon, Executive Director

[Date: Nov 14, 2008]
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](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

Exhibit "A"
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

October 29, 2008

Honolulu Star-Bulletin
Hawaii Tribune-Herald
West Hawaii Today
The Maui News
The Garden Island
NOTICE OF PUBLIC COMMENT

State of Hawaii,
County of Maui,

Notary Public, Second Judicial Circuit of the State of Hawaii,

Rhonda M. Kurohara

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

of which the annexed is a true and correct printed notice, was published times in THE MAUI NEWS, aforesaid, commencing on the 29th day of October, 2008, and ending on the 29th day of October, 2008, (both days inclusive), to-wit: on

October 29, 2008

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

This Notice of Public Comment, dated October 29, 2008, was subscribed and sworn to before me this 29th day of October, 2008, in the Second Circuit of the State of Hawaii, by

Rhonda M. Kurohara

LEILA ANN L. LEONG
My commission expires 11-23-11

AFFIDAVIT OF PUBLICATION

STATE OF HAWAII,

County of Maui,

Rhonda M. Kurohara, being duly sworn,

deposes and says, that in

Advertising Sales of the Maui Publishing Co., Ltd., publishers of THE MAUI NEWS, a newspaper published in Wailuku, County of Maui, State of Hawaii; that the ordered publication as to

of which the annexed is a true and correct printed notice, was published times in THE MAUI NEWS, aforesaid, commencing on the 29th day of October, 2008, and ending on the 29th day of October, 2008, (both days inclusive), to-wit: on

October 29, 2008

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Rhonda M. Kurohara

LEILA ANN L. LEONG
My commission expires 11-23-11

NOTICE OF PUBLIC COMMENT

Title III of the Housing and Economic Recovery Act, 2008 authorized $1.92 trillion to provide target emergency assistance to state and local governments to acquire and renovate foreclosed homes and properties that may otherwise become sources of abandonment and blight. The State of Hawaii, through its Consolidated Plan (CP) Action Plan for Program Year 2008-2009, has submitted a "NSP Substantial Amendment" to HHFDC, as the National SharePoint of the Neighborhood Stabilization Program (NSP).

NSP funds may be used for activities that include, but are not limited to (A) establishing financing mechanisms for purchase and redevelopment of foreclosed homes and properties, (B) purchasing and rehabilitating homes and residential properties abandoned or foreclosed, (C) developing land banks for functional homes, (D) demolishing blighted structures, and (E) redeveloping foreclosed or vacant properties. All NSP funds must benefit households whose incomes do not exceed 100 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 30 percent of the AMI. Up to 10 percent of NSP funds may be used for administrative costs.

The draft NSP Substantial Amendment describes how NSP funds will be disbursed and used. The proposed activities, which were identified in collaboration with the City and County of Honolulu and County of Maui, are summarized below.

City and County of Honolulu: $5,500,000 in two redevelopment activities. The first activity uses $1,500,000 in NSP funds for the construction of the Seawinds Apartments, an affordable rental housing project being proposed on a leasehold interest of land in the Waianae Valley. The project will benefit households whose incomes do not exceed 50% and 60% AMI. The project will be developed by Housing Solutions, Inc., a Hawaiian nonprofit organization.

The second activity uses $4,000,000 in NSP funds for the construction of the Ewa Villages Apartments, which has a total budget of $13,500,000. The project will provide 50 affordable rental units for households whose incomes do not exceed 30% of the AMI. The project will be developed by Na Kamaalii, Inc., a Hawaiian nonprofit organization.

County of Maui: $3,000,000 in NSP funds for the purchase, rehabilitation, and sale of foreclosed properties in the County of Maui. Up to 10 households whose incomes do not exceed 120% AMI may be eligible to purchase these homes as their primary residences. Under both activities, the homes will be sold under the County of Maui's Limited Equity Leasehold Program. The County of Maui will administer both activities.

County of Kauai: $3,275,000 for two activities. The first uses $1,225,000 in NSP funds for the rehabilitation of three vacant lots in Waimea and Elie. Permanent housing structures will be constructed for homeless, or elderly, permanent housing opportunities for families whose incomes do not exceed 60% AMI. The project will benefit 60% AMI households. The project will be developed by Na Hama, Inc., a Hawaiian nonprofit organization.

The second activity uses $1,050,000 in NSP funds for the construction of the Na Hale permanent housing project in Kalaheo. The project is a redevelopment of a vacant county-owned land and consists 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 developed by the Department of Hawaiian Home Lands, a state agency.

Persons with special needs (e.g., large print, taped materials, sign language) may receive all written comments on the draft NSP Substantial Amendment by contacting HHFDC at 2145 Kaohu Street, Suite 201, Wailuku, Maui, 96793 or by calling 808-240-8080, ext. 70634. Interested persons are invited to provide written comments on the draft NSP Substantial Amendment to HHFDC at the aforementioned address no later than November 13, 2008 at 4:30 p.m. Written comments received via fax to 808-576-6800 or via email to HHFDC-CP. 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) may receive all written comments on the draft NSP Substantial Amendment by contacting HHFDC at the aforementioned address no later than November 13, 2008 at 4:30 p.m. Written comments received via fax to 808-576-6800 or via email to HHFDC-CP. All written comments will be considered in preparing the final NSP Substantial Amendment.

HHFDC does not discriminate against any person because of race, color, sex, including gender identity or expression, sexual orientation, national origin, 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

AM: Oct. 29, 2008
IN THE MATTER OF

Public Notice

STATE OF HAWAII
City and County of Honolulu

Doc. Date: OCT 29 2008 # Pages: 1
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Notary Name: Patricia K. Reese
Notary Signature: Patricia K. Reese

Affidavit of Publication

STATE OF HAWAII
City and County of Honolulu

This is the Housing and Economic Recovery Act, 2008 authorized $3.52 billion to provide targeted housing assistance to states and local governments to create and enhance affordable 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 $18,000,000 under the Neighborhood Stabilization Program (NSP).

NSP funds may be used for activities which include, but are not limited to: (A) establishing housing mechanisms for purchase and rehabilitation of foreclosed homes and residential properties; (B) purchasing and stabilizing homes and residential properties; (C) establishing and funding banks for foreclosed homes; (D) rehabilitating and stabilizing structures; and (E) addressing damage or property-critical properties. All NSP funds must benefit households whose incomes do not exceed 120 percent of the area median income (AMI) established by the U.S. Department of Housing and Urban Development (HUD). At least 15 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI. Up to 15 percent of NSP funds may be used for administrative purposes.

To receive the NSP funds, HHFDC must submit, by HUD's approved, an "NSP Substantial Amendment" to the State of Hawaii's Certified, Consensus Plan, dated for Program Year 2008-2009. The NSP Substantial Amendment will outline how NSP funds will be distributed and used. The proposed priority activities, which are 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: $3,550,000 in two sub-recipient activities. The first activity over $3,550,000 in HSP funds for the construction of the Sandwich Apartments, an affordable rental project; and the construction of the Kealakehe Apartment-derived funds for the construction of the Kealakehe Apartment. The gross outlay is $32,000,000. The total budget is $32,000,000. The project will provide 127 units of rental housing for families with incomes up to 80 percent of the AMI. The project is located in the Olomana area of Windward Oahu. The project will be developed by the Hawaii Housing Finance and Development Corporation (HHFDC), a Hawaii nonprofit organization. The second activity over $3,550,000 in HSP funds for the construction of the Kealakehe Apartment, which has a total budget of $300,000. The project, located on several lots in Ka'u, will be constructed in two phases and will produce 140 affordable rental units for households whose incomes do not exceed 30%, 50%, and 80% AMI. The project will be developed by the F.K. Kahaku, a Hawaii nonprofit organization. The City of Honolulu will administer the activities.

County of Kauai's $4,275,000 for two activities. The first activity over $4,275,000 in HSP funds for the improvement of three vacant townhouses in Waimea and Lihue. Permanent housing solutions will be constructed for homeownership opportunities for households whose incomes do not exceed 120% AMI. The second activity over $4,275,000 in HSP funds for the construction of the Kahului Village Apartments, which has a total budget of $4,275,000. The project, located on several vacant lots in Kahului, will be constructed in two phases and will produce 144 affordable rental units for households whose incomes do not exceed 50% AMI. The project will be developed by the Hawaii Housing Finance and Development Corporation (HHFDC), a Hawaii nonprofit organization. The County of Kauai will administer the activities.

City of Hawai'i's $3,500,000 in HSP funds for the purchase, rehabilitation, and sale of foreclosed properties in the County of Hawai'i. The first activity over $3,500,000 in HSP funds for the purchase, rehabilitation, and sale of foreclosed properties in the County of Hawai'i. The second activity over $3,500,000 in HSP funds for the purchase, rehabilitation, and sale of foreclosed properties in the County of Hawai'i. The project is located in the Kula area of Maui. The project will provide 127 units of rental housing for families with incomes up to 80% AMI. The project will be developed by the Hawaii Housing Finance and Development Corporation (HHFDC), a Hawaii nonprofit organization. The project will be developed by the Hawaii Housing Finance and Development Corporation (HHFDC), a Hawaii nonprofit organization. The City of Honolulu will administer the activities.

The draft NSP Substantial Amendment is available for public review at regional libraries and on the HHFDC website at https://www.hhfdc.org/NSP. Copies are also available at the following offices from 7:30 a.m. to 4:30 p.m.

City and County of Honolulu
Department of Finance and Financial Services
1256 King Street, Suite 206, Honolulu, Oahu

City and County of Honolulu
Department of Community Services
1155 King Street, Suite 301, Honolulu, Oahu

City of Nanakuli
Housing and Community Development
701 Kilauea Drive, Wahiawa, Oahu

City of Maui
Community Development Board Office
777 Kamehameha Avenue, Wailuku, Maui

City of Kahului
Housing and Community Development
1151 Kamehameha Avenue, Wailuku, Maui

City of Hilo
Housing and Community Development
4444 Waiahole Street, Suite 303, Kailua, Oahu

State of Hawaii
HHFDC
701 Queen Street, Suite 206, Honolulu, Oahu 96813

Housing partners are invited to provide written comments on the draft NSP Substantial Amendment to HHFDC at the aforementioned address on or before November 30, 2008 at 8:00 A.M. Written comments may also be submitted via fax to (808) 586-4902. 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 transitory visual or hearing impairment) may request assistance by calling 808-586-4034 and from the neighbor islands call toll-free on the numbers listed below for access and communication assistance or to written requests at least (7) days before the end of the comment period.

Kauai
774-3311, ext. 70844
Hilo
808-586-4034, ext. 70844
Maui
908-469-4949, ext. 70834

HHFDC does not discriminate against any person because of race, color, religion, sex, including pregnancy, gender identity or expression, sexual orientation, disability, familial status, ancestry, age, marital status, or HIV infection.

Kamehameha
Executive Director
Hawaii Housing Finance and Development Corporation
Department of Housing, Economic Development and Tourism
State of Hawaii
808-586-4900 / 808-586-4949

Exhibit A
AFFIDAVIT OF PUBLICATION

State of Hawaii  
County of Hawaii  
)  )  ) SS:

Lorelei Logan, being first duly sworn, deposes and says:

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

2. That "NOTICE OF PUBLIC COMMENT Title III of the Housing and Economic Recovery Act" of which a clipping from the newspaper is attached hereto, was published in said newspaper on the following date(s) October 29, 2008 (etc.)

Subscribed and sworn to before me
This 29th day of October, 2008

Notary Public, Third Circuit, State of Hawaii
Lana

My Commission expires: August 4, 2009
# Page(s): 1

Exhibit "A"
NOTICE OF PUBLIC COMMENT

Title III of the Housing and Economic Recovery Act, 2009 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 United States 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.

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 Countys 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 is 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 $53.3 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 Hawaii: $4,887,600 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 Hawaii will administer the project.

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 33 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
    - 330 S. King Street, Room 206, Honolulu, Oahu
  - Department of Community Services
    - 715 S. King Street, Suite 311, Honolulu, Oahu

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

- County of Maui
  - Community Development Block Grant Office
    - David K. Trask Jr. Building, 2145 Kaahumanu Street, Suite 201, Wailuku, Maui
  - 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, 2009 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: 844-2400, 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
(No. 9984 - West Hawaii Today, October 29, 2009)

Exhibit "A"
AFFIDAVIT OF PUBLICATION

State of Hawaii

County of Hawaii

LEILANI K. R. HIGAKI, being first duly sworn, deposes and says:

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

2. That the NOTICE OF PUBLIC COMMENT Title III of the Housing and Economic Recovery Act, 2008...etc., of which a clipping from the newspaper as published is attached hereto, was published in said newspaper on the following date(s) October 29, 2008

292958

Subscribed and sworn to before me this 10th day of November, 2008.

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

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Exhibit "A"
NOTICE OF PUBLIC COMMENT

Title III of the Housing and Economic Recovery Act, 2008 authorized $9.2 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 $19,000,000 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 to HUD an "NSP Substantial Amendment" to the State of Hawaii Consolidated Plan. HHFDC's Consolidated Plan for Program Year 2008-2009. The NSP Substantial Amendment describes 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: $3,300,000 in two redevelopment activities. The first activity uses $3,300,000 in NSP funds for the construction of the Seawinds Apartments, an affordable rental housing project located in Waimanalo. The second activity uses $2,000,000 in NSP funds to provide assistance for the acquisition of the Ewa Villages Apartments, which has a total budget of $33.5 million. The project, located on vacant land in Ewa, will be constructed in two phases and will produce 130 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 Hawaii: $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 provide 24 transitional units and 72 affordable units, a warehouse, a self-contained wastewater treatment plant, and a community center. The County of Hawaii will administer the project.

County of Kauai: $4,275,000 for two activities. The first activity uses $1,320,000 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 project will be administered by the project's nonprofit developer.

County of Maui: $3,000,000 in NSP funds for the purchase, rehabilitation and sale of foreclosed properties, in the County of Maui. Na Hule 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://www.hawaiicounty.gov/dbedh/hhfdc. Copies are also available at the following offices from 7:30 a.m. to 4:30 p.m.:

- City and County of Honolulu: Department of Budget and Fiscal Services and Department of Community Services, 530 S. King Street, Room 208, Honolulu, Oahu
- County of Hawaii, Office of Housing and Community Development, 50 Wailuku Drive, Hilo, Hawaii
- County of Maui: Community Development Block Grant Office and Department of Housing and Human Concerns, 2145 Kakaako Street, Suite 201, Wailuku, Maui
- County of Kauai: Kauai County Housing Agency, 4444 Rice Road, 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) 387-9067 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 material, sign language interpreter, or translator) shall make all reasonable arrangements to have these services available at the above-mentioned public hearing. Inquiries should be directed to Karen Seddon, Executive Director, Hawaii Housing Finance and Development Corporation, at 677 Queen Street, Suite 300, Honolulu, Hawaii 96813, 808-586-2400, ext. 70634. HHFDC does not discriminate against any person because of race, color, religion, sex, including gender identity or expression, sexual orientation, disability, familial status, ancestry, age, marital status, or HIV infection.

Karen Seddon
Executive Director
Hawaii Housing Finance and Development Corporation
Department of Business, Economic Development and Tourism
State of Hawaii
(808) 586-2400, ext. 70634

STATE OF HAWAII
COUNTY OF KAUA'I
AFFIDAVIT OF PUBLICATION

THE GARDEN ISLAND

MEDY ESEMBA
DBEED/HHFD/C PLANNING OFFICE
677 QUEEN STREET SUITE 390
HONOLULU HI 96813

REFERENCE: 118696
706232

NEIGHBORHOOD STABILIZATION PROGRAM

Diane Kamauoha, being duly sworn, deposes and says, that she is an employee of "The Garden Island," a newspaper published in Lihue, County of Kauai, State of Hawaii; that the NOTICE in the above entitled matter of which the affidavit is a true and correct copy, was published ______ day(s) in "The Garden Island" newspaper and that this affidavit is not a party to or in any way interested in the above entitled matter.

This 1 page affidavit of publication, unated at the time of publication, is subscribed and sworn to me this Day of Kauai, 2008.

CAROLINA R. ARNIT
Notary Public, Fifth Judicial Circuit
State of Hawaii
My Commission Expires: July 25, 2012

PUBLISHED ON: 10/29/2008

FILED ON: 10/29/2008

NOTICE OF PUBLIC COMMENT

Title II of the Housing and Economic Recovery Act, 2008 authorized $3.89 billion to provide targeted emergency assistance to states and local governments to acquire and redevelop foreclosed properties that might otherwise become streams of abandonment and blight. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC), is eligible to receive $10,606,000 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 purchases 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 15 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 Substantive Amendment" to the State of Hawaii's Consolidated Plan, Action Plan for Program Year 2008-2009. The NSP Substantive 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, Maui, and Molokai, are summarized below.

City and County of Honolulu: $6,500,000 in two redevelopment activities. The first activity uses $3,500,000 in NSP funds for the construction of the SeaVillas Apartments, an affordable rental housing project being proposed on vacant State-owned land in the Waikele Neighborhood. The total budget is $13,490,000. The project will provide 52 affordable rental units that will house families whose incomes do not exceed 60% and 80% AMI. The project will be developed by Housing Solutions, Inc., a Hawaii nonprofit organization. The second activity uses $3,000,000 to construct the Ewa Village Apartments, which has a total budget of $20.5 million. HHFDC will work with a state agency to identify an eligible developer to construct in two phases and will provide 148 affordable rental units for families whose incomes do not exceed 80% and 90% AMI. The project will be developed by Higher Ground, Inc., a Hawaii nonprofit organization.

County of Kauai: $4,887,630 in NSP funds for the Kalolo Rental Housing Project in Kalalau. The project will be a redevelopment of vacant State-owned land and construction of eight permanent rental housing units. Four units will be rented to households whose incomes do not exceed 80% AMI and two units will be rented to households whose incomes do not exceed 60% AMI. The project will be part of a larger development called the Kalolo Housing Project, which will include 96 multi-family units (40 tax-exempt units and 56 affordable units), a warehouse, a self-contained wastewater treatment plant, and a community center. The County of Kauai will administer the project.

County of Maui: $2,275,000 for two activities. The first activity uses $1,596,000 in NSP funds for the redevelopment of three vacant lots in Waihe'e and Wailea. Permanent housing structures will be constructed for homesteading opportunities for households whose incomes do not exceed 120% AMI. The second activity uses $2,000,000 in NSP funds to purchase, rehabilitate (or demolish and rebuild), and sell at least 26 percent of foreclosed residential properties. Foreclosed properties to be purchased would be located in Kula and Puunene. HHFDC will own the property for 18 months and then sell it to interested parties. HHFDC would resell at cost. The second activity will be completed using $2,000,000 of HHFDC's own funds. HHFDC will provide long-term assistance to the eligible buyers.

State of Hawaii, HHFDC: $2,776,000 for two activities. The first activity uses $1,326,000 in NSP funds to develop the SeaVillas Apartments, an affordable rental housing project being proposed on vacant State-owned land in the Waikele Neighborhood. The total budget is $13,490,000. The project will provide 52 affordable rental units that will house families whose incomes do not exceed 60% and 80% AMI. The project will be developed by Housing Solutions, Inc., a Hawaii nonprofit organization. The second activity uses $1,450,000 to construct the Ewa Village Apartments, which has a total budget of $20.5 million. HHFDC will work with a state agency to identify an eligible developer to construct in two phases and will provide 148 affordable rental units for families whose incomes do not exceed 80% and 90% AMI. The project will be developed by Higher Ground, Inc., a Hawaii nonprofit organization.

HHFDC does not discriminate against any person because of race, color, religion, sex, national origin, familial status, disability, sexual orientation, gender identity expression, or the presence or absence of any physical or mental handicap, or any operations of the State of Hawaii, HHFDC.