


STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

July 21-22, 2014

TO: Chairman and Members, Hawaiian Homes Commission

FR: Niniau K. Simmons, NAHASDA Manager 

SUBJECT: Draft 2014 Annual Performance Report of the Native  
Hawaiian Housing Block Grant (NHHBG)

FOR INFORMATION:

Attached, please find for your review the draft 2014 Annual Performance Report. Each year, the department must provide an annual report on eligible activities undertaken as denoted in the Native American Housing and Self Determination Act (NAHASDA). The attached report, as a draft, will be disseminated for thirty days of public comment commencing on July 15<sup>th</sup> and a final version submitted for commission approval on August 18.

Highlights of the past year include:

- Obligating \$17 million in infrastructure development
- Development & implementation of the HALE Program
- Implementation of the Home Assistance Program
- Increasing NAHASDA funded positions
- Provided financial capability training to over 30 community stakeholders

# Annual Performance Report Cover Sheet

Department of Hawaiian Home Lands (DHHL)

Reporting period for which this APR is prepared: from: 7/1/13 (mm/dd/yy) to: 6/30/14 (mm/dd/yy)

Niniau K. Simmons		NAHASDA Manager	(808) 620-9513
Name of Contact Person		Title	Telephone no. with Area Code
Jobie M. K. Masagatani	Chairman, Hawaiian Homes Commission		08/30/14
Name of official authorized to submit APR	Title	Signature	Date

## **Certification:**

The information contained in this report is accurate and reflects the activities actually accomplished during the reporting period. Activities planned and accomplished are eligible under applicable statutes and regulations and were included in the applicable one-year activities in the corresponding Native Hawaiian Housing Plan.

For HUD use only

Date APR is received by HUD	Time	Logged in by
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## Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one:

☒ Yes

☐ No

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

### Highlights of FY 2013 – 2014 (Program Year 7)

Final expenditure of PY 7 funds were completed by January 2014. Balances for opened contracts and projects were carried over to 09HBGHI0001.

**Goal 1.** Increase the affordable housing inventory on Hawaiian home lands to meet the increasing or unmet demand for housing by low-income native Hawaiian families.

**Objective 1A.** Increase the supply of affordable housing units through the construction of infrastructure improvements for single-family housing.

On the island of O'ahu, in Waimānalo, Kumuhau Subdivision consists of 52 lots with 45 turnkey homes and 7 self help homes.

The 45 turnkey homes are completed and occupied as of June 30, 2012. Of the 45 homes built, thirteen (13) were NHHBG units were in FY 11-12. Interim construction of the 45 homes was financed with Trust funds and down payment assistance was applied during the current fiscal year for the thirteen families listed above and for 3 homes that were completed last year. Six (6) of the self-help families have been identified. Five of the homes are currently under construction. Anticipated completion for these homes is September 2014. A stop work order was issued for for the sixth home under construction by Honolulu Habitat. The construction for this home may be transferred to Leeward Habitat. A family has not been identified for the final lot. This lot has been turned over to Mustard-Seed Partners in Development for construction of a 2 bedroom home. They are currently reviewing applications for two families.

Note: None of the self help homes have been completed

Kaka'ina, which is the second phase of the Waimanalo project, consists of 45 homes. Infrastructure construction started in December 2012 and is scheduled for

completion in late calendar year 2014. The construction schedule was severely delayed when the existing surrounding community lobbied through the Neighborhood Board for a design change to delete a street connection. The subdivision plans and construction drawings had to be revised and resubmitted through the City's approval processes. Approximately 10 of the units will be reserved for NHHBG eligible families

In Kānehili, Kapolei, a total of 403 units are planned in two increments:

Increment 1 (286 homes):

- Phase 1 consists of 121 residential lots: 111 turn key homes by Gentry Kapolei Development (Gentry) all of which are occupied; 6 owner builder/vacant lots which are all occupied; and 4 lots which had originally been awarded as owner builder/vacant lots but have been returned to the Department and have been awarded to Habitat partner families for development under a self-help program. (2) (Heanu & Mahoe) under construction by Leeward HFH. Loans will be assisted with NAHASDA funds. The remaining 2 lots will be funded by RD.
- Phase 2 consists of 139 turn key homes by Gentry – of which all are occupied
- Phase 3 – consists of 10 Modified Self Help – of which all are occupied
- Phase 4 – consists of 20 Gentry Turn Key – of which all are occupied

Increment 2 (117 homes):

Construction of the adjacent Detention Basin has been completed. Houses are being constructed as lessees become financially pre-qualified to purchase a house. As of June 2014, 53 turn key homes by Gentry have been constructed and are occupied; an additional five turnkey homes will begin construction by Gentry, and scheduled to be occupied by December 2014. Thirty-nine of the remaining lots abut the Kualaka'i Parkway and require a sound/safety wall along the boundary before houses can be built. Design of the wall has started; construction is anticipated to start in late-2014.

*Note: For house completion, four (4) (Moniz, Hernando, Watson, Kamakele) NHHBG homes will be counted this FY. Home construction total is 4. The four homes were under construction last FY and subsidies were counted last FY.*

For East Kapolei II, on the island of Oahu, the off site construction (sewer and drainage) is completed, and has been accepted by the county. Development of "backbone infrastructure" continues with the East-West Road, completed and Road E Extension underway.

In East Kapolei II, Increment II-B, construction of 160 house lots will begin in mid-2014. Construction time is 300 calendar days. \$8.4 million in NHHBG funds have been encumbered. House construction is anticipated to start in mid-2015, with first occupancy by late-2015. 205 Undivided Interest Leases were awarded in October 2008 for this increment and the adjacent Increment II-C.

On the island of Hawai'i, the La'i 'Ōpua subdivision will provide approximately 356 homes of which approximately 72 are earmarked for NAHASDA eligible families. The homes will be divided between Village 4 (240) and Village 5 (116).

For Village 5, the first phase of house construction includes 45 homes. As of June 30, 2014, first phase of house construction nearing completion. 42 homes have been constructed. 37 homes are occupied; 5 homes are vacant; 2 lots with homes currently under construction by Habitat for Humanity, 1 empty lot without a home. Habitat for Humanity built five homes in 10 days through the "Blitz Build" program of FY 13. Construction began on September 12, 2012, and was completed on September 22, 2012.

Village 4 currently consists of two phases. Phase 1 Subdivision consists of approximately 117 residential lots. Design completed. Bids opened June 3, 2013. Construction awarded to Isemoto Contracting Co., Ltd. NTP issued May 12, 2014. Estimated construction time: One year. Phase 2 Subdivision consists of approximately 103 residential lots. Design in progress.

Also, on the island of Hawai'i, the Lālāmilo subdivision, Phase 1 consists of 37 homes of which approximately 12 will be for NAHASDA eligible families. This project faced some challenges when, in late 2007/early 2008, the developer filed for bankruptcy causing unexpected delays and additional costs. The NAHASDA portion of the infrastructure contract was expended in PY2 and last reported in the 2008 APR. Although 8 NHHBG families moved in and were reported for last fiscal year, the remaining two NHHBG families have yet to be identified. Currently, of the 37 lots five (5) lots are un-awarded vacant lots and two (2) lots have completed homes for which the original buyers have fallen out and these units remain to be filled. The challenge in selling these two units has been the lack of qualified buyers and, for NHHBG purposes, the sales price of these two homes that range from \$280,000 - \$300,000. DHHL is considering awarding five (5) of the vacant lots to Habitat partner families or some other self help program that would be able to service/identify the remaining (2) NHHBG eligible households. DHHL is continuing discussion with the Habitat affiliate for assistance. Progress of the project remains unchanged from the 2011 APR reporting period.

Lālāmilo Housing Phase 2A, Increment 1 consists of approximately 81 residential lots. Infrastructure construction in progress. Estimated construction completion in early 2015. House construction to follow, but is dependent upon DHHL budget and number of interested and qualified lessees.

For the Pi'ilani Mai Ke Kai project on the island of Kaua'i in Anahola. Phase I: Total number of Lots in Phase I consists of 80 approximately residential lots; 36 turn key homes are completed; 6 owner builder homes (4 homes completed, 1 under construction); 12 Self Help Homes (12 completed but only 11 occupied, one home was constructed without a family identified for ownership. However, a family has been identified and the closing will take place in early July 2014. One owner builder lot is under construction. Habitat Homes: There are currently 24 lots in inventory. This is due to the lack of qualified families in the area. Habitat is actively searching for qualified families to participate in the program.

Total Lots: 80

Phase II: DHHL awarded the contract (IFB-12-HHL-013) to Earthworks Pacific, Inc. for the construction of on and offsite infrastructure and lot grading of 51 Lots in Phase II. The start of lot construction was delayed and started in June of 2013. Construction of infrastructure for Piilani Mai Ke Kai Subdivision, Phase II is almost complete as of June 2014. Pavement issues have delayed the final completion to August, 2014. The home ownership mix and scheduled/completion dates of the homes in Phase II are pending.

**Task 2.** Provide funding for technical assistance for at least one affordable housing project that encourages the self-help (sweat equity) construction method to assist a minimum of 10 low-income families to achieve homeownership.

During Fiscal Year 2013 – 2014:

**The following was carried from Grant Number 07HBGHI0001:**

Habitat for Humanity International, State Support Office – To provide technical assistance for 20 homes. To date construction was completed for five (5) homes. (Fujimoto, Haili, Kekauoha, Lucas, Mamac) through the Laiopua Blitz build last FY. Six (6) are pending or in process of construction. Pending status – Kumuhau (5) homes, Piilani Mai Ke Kai (1) home. This contract closed on August 21, 2013.

**Objective 1b.** Provide direct assistance to potential qualified homeowners through down payment assistance and/or principal reduction subsidies, low interest rate loans, matching funds for Individual Development Accounts (IDA's), or other means/methods that become available.

**Task.** Offer appropriate subsidies, such as down payment assistance/principal reduction, or matching funds for Individual Development Accounts (IDA), which may be recaptured during the useful life period, and low interest loans to at least 20 eligible native Hawaiian families.

NHHBG funds are used to leverage and prioritize RD funds for NAHASDA eligible households. Families receive a grant in the amount of 20% of the base price of the home.

One (1) (Sakuda) eligible household was assisted with a down payment assistance subsidy in Kanehili Phase 7, on the island of Oahu.

*Note: The home is a duplicate count with home completion data.*

One (1) eligible household (Halemano) was assisted last FY with a down payment subsidy in Laiopua. Home completion will be counted this FY.

*Notes: Construction is complete and the (Halemano) home will be counted in the 2014 APR for home completion.*

**Objective 1C.** Increase the supply of affordable housing units by providing funding for house construction for single-family housing which may include solar water heating, photovoltaic panels, and/or other energy efficient features.

DHHL Loan Program – In collaboration with the State Habitat for Humanities organization. The project has a total of Twenty-eight (28) homes with work in progress. As of January 31, 2014, funds were expended through 08HBGHI0001 for the following lessees: (Kumuhau: Kameholani, Kane, Heanu, Gomes, Ah Yee, Kam, Levi) (Anahola: McDermott) (Kānehili: Mahoe) (PMKK: Lovelan). The homes are under construction.

Deferred Sales Price Program – Four (4) families were assisted through the deferred sales price program with funds from 08HBGHI0001. (Swanson, Freitas, Fernandez, Dias)

*Note: The four (4) homes are a duplicate count with home completion data.*

**Objective 1D.** Increase the supply of affordable housing units through acquisition of land and/or housing units to be included in DHHL's inventory of affordable housing for eligible Native Hawaiian families

**Goal 2.** Reduce the number of homes in need of repair or replacement, or to relieve overcrowding in homes that are occupied by low-income native Hawaiian families.

**Objective 2A.** Assist in the preservation and revitalization of existing homes and communities on Hawaiian home lands.

**Task 1.** Continue working with the City and County of Honolulu and the County of Hawai'i to provide lessees assistance with the rehabilitation of existing homes on Hawaiian home lands.

FY 2013 -2014

Statewide Home Repair Program – The agreements for the home repair programs with both the City and County of Honolulu and Hawaii County have been terminated. This was reported in the APR for the 11 and 12 FY. DHHL has increased NAHASDA staffing to manage the home repair program within DHHL. This change has made it possible for DHHL to offer much needed home repairs to eligible families on the neighboring islands. Currently, DHHL staff is working with families on Molokai in addition to the islands of Oahu and Hawai'i. DHHL began implementation of the policies and procedures for the home repair program in August 2013 after approval for the Home Assistance Program policies and procedures manual was received from the Hawaiian Homes Commission in July 2013. Recent changes from HUD concerning the environmental requirements for home repair and rehabilitation have also been addressed during this FY. Current activities for this program are reported in detail in Program year 09HBGHI0001.

**Task 3.** Initiate new partnerships and/or encourage the development of home repair and/or replacement programs for areas not currently being served by existing City and County partnerships.

During Fiscal Year 2013 – 2014

Nānākuli Housing Corporation (NHC) was contracted to provide self help home repair education to 25 families and to provide down payment assistance to 2 families on the island of O'ahu. All 25 families completed their repairs in the last fiscal year. NHC provided additional support/assistance for 6 families. Two families were identified for home replacement/new construction and are eligible for NHHBG down payment assistance. The Barrett family was identified to receive down payment assistance. There were significant delays with the USDA funding for their home replacement. DHHL is pleased to report the Barrett home was completed in FY 13-14. NHC reallocated the entire down payment assistance budgeted in the contract for the Barrett home replacement. One (1) (Barrett) home was completed under this grant. The contract is closed.

*Note: (Barrett) DPA and home construction. This is a duplicate count.*

**Goal 4.** Develop educational and training programs to address the housing and community needs for existing or potential beneficiaries on Hawaiian home lands.

**Objective.** Encourage the continuing development of and access to educational programs that assist native Hawaiian families with financial literacy and pre- and post-homebuyer education for applicant families, "Undivided Interest" families, or existing lessees, especially those who are delinquent on their mortgages.

**Task.** Continue to contract with private non-profit or for-profit organizations to provide homebuyer counseling services or financial literacy education to native Hawaiian families, which includes DHHL's Home Ownership Assistance Program (HOAP).

During Fiscal Year 2013 – 2014:

The HOAP program was terminated in 2011. The DHHL has implemented a replacement program called HALE that will coordinate financial literacy services for pre-home ownership along with lessees who are suffering from loan delinquencies. DHHL began the program as a pilot in September 2013 and hopes to have additional staffing in place by the end of 2014. The position for the HALE Program Manager has been posted and DHHL expects to have the position filled by October 2014.

DHHL has contracted with Helen Wai, LLC for lease cancellation and foreclosure prevention services. These services will include counseling and a financial assessment of lessees referred to the vendor. The notice to proceed was issued in June of 2013. Activities for this Contract are reported in PY 09. As of January 30, 2014, balance of \$130,938.43 was carried over to 09HBGHI0001.

DHHL has contracted with Hawaiian Community Assets for lease cancellation/home buyer education services. Contract in the amount of \$312,457 was executed in May 2014 and will service a total of 75 lessees statewide.



2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: ☒ Yes ☐ No

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives. N/A
4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

DHHL has received HUD approval to convert to a fiscal year program and report on activities and goals accomplished within the fiscal year. DHHL has completed its first Housing Plan using the new format during FY 13-14. The APR format will also be revised to coincide with the fiscal conversion. This will be DHHL's final year reporting the APR in this current program year format.

Adequate staffing is required to ensure that the administrative and monitoring needs associated with the program are met. DHHL has added additional staff to assist in overseeing the program. Two housing specialist positions have been filled. The position for the HALE Manager has been posted and DHHL anticipates the position being filled by the fall of 2014. DHHL continues to evaluate the staffing needs for the program. DHHL is considering the creation of more positions in the near future to ensure program goals and objectives can be adequately implemented and monitored.

## Sources of Funds (Table I)

Explains the sources of funds that are available to DHHL for the housing activities. The information should be provided in table format and include: Funding Sources, Planned Amount, and Funds Actually Awarded (See Attachment 1 for a sample).

Funding Sources – A list of the grants, loans and donations that DHHL received to use for housing activities. Sources could include the NHHBG, other HUD grant programs, program income generated from NHHBG funds and activities, other federal grant programs, state grant programs, and private or commercial funding.

Planned Amount – A list of the planned amounts anticipated by DHHL to be received in the NHHP.

NHHBG \$8,700,000

Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

NHHBG \$8,700,000<sup>1</sup>

### Narrative:

<sup>1</sup> Note: Program income of \$28,971 was applied to prior grant year upon return of funds to LOCCS.

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

### **Uses of NHHG Funds (Table II)**

Compares the funds planned to be expended in the NHHP by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHHP to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

#### **Narrative:**

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

Funds from grant award 12HBGHI0001 and 13HBGHI0001 in the combined amount of \$24,735,714 have been invested in Bank of Hawaii as approved by HUD in September 2013. The entire amount was drawn down from the federal system and deposited in October 2013.

DRAFT

**Table I – Sources of Funds**

<b><u>Sources of Funds for NHHBG Activities</u></b>	<b><u>Planned Amount (from the NHP)</u></b>	<b><u>Total Amount Actually Awarded</u></b>
<b>1. HUD Resources</b>		
a. Native Hawaiian Housing Block Grant	8,700,000	8,700,000
Planned Program Income	174,000	
b. P & I Repayments		684,128
b. Interest Income		19,219
b. Gains from Investments in Govt. Securities		9,751
b. Less transfer of Program Income from 08HBGHI0001 to 07HBGHI0001		(28,971)
		950,951
<b>2. Other Federal Resources</b>		173,736
<b>3. State Resources</b>		0
<b>4. Private Resources</b>		0
<b>5. Total Resources</b>	<b>8,874,000</b>	<b>9,824,687</b>

**Table 1a – Uses of NHHBG Funds**

Activity (a)	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Year-to-Date 7/1/2013 – 4/30/2014				Cumulative-to-Date		% of NHHBG Funds Obligated (h)
			Grant (NHHBG) Funds Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Funds Expended (f)	Other Funds Expended (g)			
1. Development	7,540,000	174,000	2,476,554	236,091	7,096,671	739,333	101.6%		
a) Rental	0	0	0	0	0	0	0.0%		
b) Homeownership – Construction	5,000,000	174,000	1,197,315	24,354	1,923,413	45,426	38.1%		
Homeownership – Loans	1,000,000	0	1,189,258	161,737	2,216,280	403,435	101.6%		
Homeownership – Grants	1,540,000	0	89,981	50,000	2,956,978	290,472	210.9%		
2. Housing Services	575,000	0	91,062	0	1,038,470	104,915	198.8%		
3. Housing Management Services	0	0	0	0	0	0	0.0%		
4. Crime Prevention & Safety	50,000	0	6,339	0	0	0	12.7%		
5. Model Activities	100,000	0	0	0	0	0	0%		
6. Planning and Administration	435,000	0	233,814	68,419	558,521	280,439	192.9%		
7. Total	8,700,000	174,000	3,017,696	304,510	8,700,000	1,124,687	110.7%		

**Note 1: Other Funds Expended. Year-to-Date**

P & I repayment on mortgage loans	266,823
Other Credits (i.e., refund of unused subsidies, rebates from Hawaii Electric)	37,687
Total Other Funds Expended, 7/1/13 – 6/30/14	<u>304,510</u>

**Note 2: Other Funds Expended Cumulative-to-Date**

P & I repayments on mortgage loans	950,951
Other Credits (i.e., refund of unused subsidies, rebates from Hawaii Electric)	173,736
Total Other Funds Expended, Cumulative Year-to-Date	<u>1,124,687</u>

**Table IIb – Uses of NHHBG Funds**

Activity		Planned (from NHHP)		Units Completed			Families Assisted						
		Number of Units Planned		Year to Date		Cumulative to Date		Year to Date			Cumulative to Date		
				Number of Units Completed	Number of Units Started, Not Completed	Number of Units Completed	Number of Units Started, Not Completed	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families	Non native Hawaiian Families	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families	Non native Hawaiian Families
(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	
1. Development													
	a. Rental	Construction of New Units	0	0	0	0	0	0	0	0	0	0	0
		Acquisition	0	0	0	0	0	0	0	0	0	0	0
Rehabilitation		0	0	0	0	0	0	0	0	0	0	0	
b. Homeownership	Construction of New Units	50	9	10	34	10	19	0	0	51	0	0	
	Acquisition	25	4	10	20	10	14	0	0	35	0	0	
	Rehabilitation	10	0	0	14	0	0	0	0	14	0	0	
2. Housing Services	25	25	0	0	242	0	0	0	0	242	0	0	
3. Housing Management Services	0	0	0	0	0	0	0	0	0	0	0	0	
4. Crime Prevention and Safety	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
5. Model Activities (specify below)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
6. Planning and Administration	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
7. Total	110	110	13	20	310	20	33	0	0	342	0	0	

Acquisition includes down payment assistance, matched savings programs, subsidies, and subsidized Participation/Construction Loans

Planned Units based on NHHF.

Construction: Kanehuli 5 (4 subsidies counted last year) + Laiohale 3 (1 subsidy counted last year) + 1 Nanakuli = 9

Acquisition: Kanehuli 2 (1 is a duplicate count) + Kumuhau 7 (7 pending const.) + Anahola 1 (pending const.) + Nanakuli (NHC) 1

(1 is a duplicate count) + Laiohale 2 (2 are a duplicate count) = 14

Rehabilitation: Rehabilitation activities counted in 09HBHGI0001

Housing Services: No Housing activities to report for 08HBHGI0001

## Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one:

☒ Yes

☒ No

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

### Highlights of FY 2013-14 (Program Year 8)

DHHL executed the grant agreement for NHHBG #09HBGHI0001 on September 4, 2009 and received notification that funds were available in LOCCS as of September 11, 2009.

In an effort to assist a higher percentage of low-income native Hawaiian families in need, DHHL requested the addition of three activities to the following NHHPs: 08BGHI0002, 09HBGHI0001, 10HBGHI0001, and 11HBGHI0001. In March of 2012, DHHL received HUD approval for requested revisions. The activities are described as follows:

*"Increase the supply of affordable housing units through acquisition of land and/or housing units to be included in DHHL's inventory of affordable housing for eligible native Hawaiian families."*

*"Capitalize a revolving loan fund that will provide financing to assist native Hawaiian NAHASDA eligible families with affordable mortgage financing options to achieve and sustain homeownership on Hawaiian home lands."*

*"Provide direct assistance to potential qualified homeowners through down payment assistance and/or principal reduction subsidies, low-interest rate loans, matching funds for Individual Development Accounts (IDA), or other means/methods that become available."*

DHHL is nearing completion of the development stage for the added activities, therefore budget amendments to the open program years are pending. HUD will be notified before budget revisions take place. DHHL's intentions are to expend funds from the oldest open grant first in an effort to close out the older grants as soon as possible.

**Objective 1C:** Reduce the price of housing by providing direct assistance to eligible native Hawaiian homebuyers through down payment assistance and/or principal reduction subsidies, low/no interest rate loans, matching funds for Individual Development Accounts (IDAs), or other means/methods that become available.

**Tasks and activities:**

- a. Provide funding for subsidies, such as downpayment assistance/principal reduction or matching funds for Individual Development Accounts (IDA), which may be recaptured during the useful life period, for at least 10 eligible native Hawaiian households.
- b. Provide low-interest or no-interest loans to as least 20 eligible native Hawaiian households.

DHHL Loan Program - In collaboration with the State Habitat for Humanities organization. The project has a total of Twenty-eight (28) homes with work in progress. Leeward HFH-(Mahoe, Heanu) Honolulu HFH-(Levi, Lai, Ah Yee, Gomes, Kane, Kam) Kauai HFH-(McDermott, Kaneholani, Kanehe) W. HI HFH-(Kay-Malina, Kahoonei, Makanui, Fukumitsu, Wong, Wakinekona, Ross, Mahi) Molokai HFH-(Dudoit, Pa, Aquino, Gramberg, Pelekane-Tamashiro, Willing, Cenal, Kamai, Kalani)

Deferred Sales Price Program – One (1) family was assisted through the deferred sales price program. (Fernandez)

*Note: The home is a duplicate count with home completion data.*

NHHBG funds are used to leverage and prioritize RD funds for NAHASDA eligible households. Families receive a grant in the amount of 20% of the base price of the home.

One (1) (Hoopai) eligible household was assisted with a down payment assistance subsidy in Kanehili Phase 7, on the island of Oahu.

*Note: The home is a duplicate count with home completion data.*

Hawaii First Federal Credit Union was contracted to assist a minimum of 14 or more families into homeownership through financial counseling and individual development accounts to promote saving, personal responsibility and self-sufficiency. Beneficiary savings are matched 4 to 1. Currently, there are Six (6) families (Kay-Malina, Lincoln-Maielua, Kahoonei, Hill, Hirayama, Kuamo'o) assisted with IDA funds. The contract is closed.

Papakolea Community Development Corp. - to assist/inform lessees of their responsibilities & available resources. Notice to Proceed was issued in March of 2013. A time extension until March of 2015, was approved in December of 2013. The Executive Director stepped down in January of 2014. Lilia Kapunia is the current Executive Director of the organization. No activity to report.

**Objective 1D.** Increase the supply of affordable housing units through acquisition of land and/or housing units to be included in DHHL's inventory of affordable housing for eligible Native Hawaiian families



**Goal 2.** Reduce the number of homes in need of repair or replacement, or to relieve overcrowding in homes that are occupied by low-income native Hawaiian families.

**Objective 2A.** Assist in the preservation and revitalization of existing homes and communities on Hawaiian home lands.

**Task 3.** Initiate new partnerships and/or encourage the development of home repair and/or replacement programs for areas not currently being served by existing City and County partnerships.

During Fiscal Year 2013– 2014

Statewide Home Repair Program – The agreements for the home repair programs with both the City and County of Honolulu and Hawaii County have been terminated. This was reported in the APR for the 11 and 12 FY. DHHL has increased NAHASDA staffing to manage the home repair program within DHHL. This change has made it possible for DHHL to offer much needed home repairs to eligible families on the neighboring islands. Currently, DHHL staff is working with families on Molokai in addition to the islands of Oahu and Hawai'i. DHHL is in process of reviewing, revising and implementing the policies and procedures for the home repair program. Approval for the revised policies and procedures manual was received from the Hawaiian Homes Commission in July of 2013. Recent changes from HUD concerning the environmental requirements for home repair and rehabilitation have also been addressed during this FY. Currently there are Seventeen (17) families pending construction and Twenty-eight (28) program applications under review.

Honolulu - One (1) family was assisted with a home repair loan. (Home is under construction (Pae).

Hawaii County - Two (2) families were assisted with home repair loans (Queen, Kaleohano) (homes are under construction) Two (2) homes were completed for two families (Simmons & Paulino) The two rehab projects were originally with the Hawaii County program.

Nānākuli Housing Corporation (NHC) - was contracted to provide self help home repair education to 25 families and to provide down payment assistance to 2 families on the island of O'ahu. All 25 families were identified, training completed, and repairs to the homes were completed during FY 2011. NHC reallocated the entire down payment assistance budgeted in the contract for the Barrett home replacement. One (1) (Barrett) home was completed under this grant. The contract is closed.

*Note: Construction and DPA for the Barrett home was counted in PY 07.*

Nānākuli Housing Corporation (NHC) - was contracted to provide self help home repair education to 25 families and to provide home rehabilitation for 2 families on the island of O'ahu. The Notice to Proceed for NHC's new grant was issued in December 2012. NHC identified 26 families eligible for training. The training was completed for 26 participants. Home repair training has begun and the program participants are in process of completing home repairs for the families in the program. NHC has identified two (2) families for home repair assistance. (Kahawai & Malaki) NHC is currently awaiting lead based paint testing and RER approval. NTPs will be issued for the projects once approvals are received.

**Goal 3.** Increase alternative energy resources and/or programs that will benefit eligible native Hawaiian households.

**Objective 3a.** Provide funding to eligible entities to implement alternative energy resource programs for eligible native Hawaiian households as a means to reduce housing costs and in alignment with the DHHL energy policy.

**Tasks and activities**

- a. Identify communities interested in exploring alternative energy resources
- b. In partnership with communities, identify alternative energy resources (i.e. solar, CFL lighting) that will ultimately reduce housing costs (utilities) for eligible native Hawaiian households.

During FY 2013 - 2014:

Council for Native Hawaiian Advancement was contracted to provide energy upgrades for eighteen (18) NAHASDA eligible families living in Hawaiian homestead communities in the County of Hawaii. Eighteen (18) eligible applicants were identified for the program. ERRs were completed and approved. Notice to proceed for thirteen (13) of the installations was issued in April 2013. Installations were started during FY 2013. CNHA received final inspection from Hawaii County this FY. Energy upgrades were completed for eleven (11) families (Cachola, Iaone, Kaheiki, Kaluhikaua, Kotake, Lee, Mohika, Perry, Silva, Simmons, Ua). Contract closure is anticipated during 2014-15 FY.

CNHA - to provide grants for installation of solar water heaters for 60 eligible families. Notice to Proceed the administrative portion of the grant was issued in March 2013. CNHA has received (40) applications for the HEPs program. Four (4) were ineligible, Eleven (11) are pending eligibility approval and CNHA is in the process of completing the Environmental requirements for Twenty five (25) program eligible lessees.

**Goal 5.** Develop educational and/or training programs to address financial, home repair, or home maintenance needs for eligible native Hawaiian Households.

**Objective:** Provide access to educational or training programs that assist native Hawaiian families with financial literacy, pre- and post-homebuyer education and counseling for new or existing lessees, especially those who are delinquent on their mortgages.

**Tasks and activities**

- a. Continue to work with eligible entities, including DHHL's Home Ownership Assistance Program (HOAP), to provide financial literacy education and counseling, home buyer education, and foreclosure prevention to eligible native Hawaiian households.
- b. Continue to work with eligible entities to provide home maintenance and/or self-help home repair training programs to eligible native Hawaiian households.

During FY 2013 - 2014:

DHHL has contracted with Helen Wai, LLC for lease cancellation and foreclosure prevention services. These services will include counseling and a financial assessment of lessees referred to the vendor. The notice to proceed was issued in June of 2013. Initial counseling for lease cancellation & foreclosure prevention was

conducted for thirty-five (35) lessees. There has been one follow-up visit conducted. One (1) lessee was non-compliant.

2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: ☒ Yes ☐ No

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives. N/A
4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

DHHL has received HUD approval to convert to a fiscal year program and report on activities and goals accomplished within the fiscal year. DHHL has completed its first Housing Plan using the new format during FY 13-14. The APR format will also be revised to coincide with the fiscal conversion. This will be DHHL's final year reporting the APR in program year format.

Adequate staffing is required to ensure that the administrative and monitoring needs associated with the program are met. DHHL has added additional staff to assist in overseeing the program. Two housing specialist positions have been filled. The position for the HALE Manager has been posted and DHHL anticipates the position being filled by the fall of 2014. DHHL continues to evaluate the staffing needs for the program. DHHL is considering the creation of more positions in the near future to ensure program goals and objectives can be adequately implemented and monitored.

## Sources of Funds (Table I)

Explains the sources of funds that are available to DHHL for the housing activities. The information should be provided in table format and include: Funding Sources, Planned Amount, and Funds Actually Awarded (See Attachment 1 for a sample).

Funding Sources – A list of the grants, loans and donations that DHHL received to use for housing activities. Sources could include the NHHBG, other HUD grant programs, program income generated from NHHBG funds and activities, other federal grant programs, state grant programs, and private or commercial funding.

Planned Amount – A list of the planned amounts anticipated by DHHL to be received in the NHHP.

NHHBG \$9,700,789

Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

NHHBG \$9,700,789

### Narrative:

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

### **Uses of NHHG Funds (Table II)**

Compares the funds planned to be expended in the NHP by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHP to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

#### **Narrative:**

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

**\$ 0.00**

DRAFT

**Table I - Sources of Funds**

<b><u>Sources of Funds for NHHBG Activities</u></b>	<b><u>Planned Amount (from the NHP)</u></b>	<b><u>Total Amount Actually Awarded</u></b>
<b>1. HUD Resources</b>		
a. Native Hawaiian Housing Block Grant	9,700,789	9,700,789
Planned Program Income	240,000	
b. Interest Income		0
b. P & I Repayments		207,550
<b>2. Other Federal Resources</b>		74,738
<b>3. State Resources</b>		0
<b>4. Private Resources</b>	0	0
<b>5. Total Resources</b>	<u>9,940,789</u>	<u>9,983,077</u>

Grant Number 09HBGHI0001  
DHHL FYE 6/30/2014

**Table 1a - Uses of NHHBG Funds**

Activity (a)	Year-to-Date 7/1/2012 - 4/30/2013				Cumulative-to-Date		
	Budgeted NHHBG	Budgeted Other Amounts	Grant (NHHBG) Funds Expended	Other Funds Expended	Grant (NHHBG) Funds Expended	Other Funds Expended	% of NHHBG Funds Obligated
	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<b>1. Development</b>	<b>8,260,000</b>	<b>240,000</b>	<b>1,573,412</b>	<b>190,675</b>	<b>1,688,112</b>	<b>213,630</b>	<b>177.3%</b>
a) Rental	0	0	0	0	0	0	0.0%
b) Homeownership - Construction	5,760,000	240,000	751,491	9,396	751,491	9,396	207.8%
Homeownership - Loans	1,500,000	0	410,230	117,059	410,230	117,059	44.2%
Homeownership - Grants	1,000,000	0	411,692	64,220	526,392	87,175	193.5%
<b>2. Housing Services</b>	<b>450,000</b>	<b>0</b>	<b>271,094</b>	<b>30,000</b>	<b>585,286</b>	<b>126,733</b>	<b>264.1%</b>
<b>3. Housing Management Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>4. Crime Prevention &amp; Safety</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>5. Model Activities</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29.6%</b>
<b>6. Planning and Administration</b>	<b>940,789</b>	<b>0</b>	<b>170,835</b>	<b>0</b>	<b>170,835</b>	<b>0</b>	<b>78.6%</b>
<b>7. Total</b>	<b>9,700,789</b>	<b>240,000</b>	<b>2,015,341</b>	<b>220,675</b>	<b>2,444,233</b>	<b>340,363</b>	<b>171%</b>

**Note 1: Other Funds Expended. Year-to-Date**

P & I repayment on mortgage loans

Other Credits (i.e., refund of unused subsidies, rebates from Hawaii Electric)

Total Other Funds Expended, 7/1/13 - 6/30/14

207,550

132,812

340,363

21

21

Table IIb - Uses of NHHBG Funds

Activity	Planned (from NHHP)		Units Completed				Families Assisted			
			Year to Date		Cumulative to Date		Year to Date		Cumulative to Date	
	Number of Units Planned	Number of Families Planned	Number of Units Completed	Number of Units Started, Not Completed	Number of Units Completed	Number of Units Started, Not Completed	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families
(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)
1. Development										
a. Rental										
Construction of New Units	0	0	0	0	0	0	0	0	0	0
Acquisition	0	0	0	0	0	0	0	0	0	0
Rehabilitation	0	0	0	0	0	0	0	0	0	0
b. Homeownership										
Construction of New Units	40	40	2	0	2	0	2	0	0	0
Acquisition	40	40	25	23	10	23	25	0	33	0
Rehabilitation	10	10	13	2	18	2	15	0	20	0
2. Housing Services										
3. Housing Management Services	0	25	61	0	173	0	61	0	173	0
4. Crime Prevention and Safety	0	0	0	0	0	0	0	0	0	0
5. Model Activities (specify below)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Planning and Administration	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total	90	115	101	25	203	25	103	0	226	0

Acquisition includes down payment assistance, matched savings programs, subsidies, and subsidized Participation/Construction Loans

Planned Units based on NHHP

Construction: Kanehili 1 + Laipua 1 = 2

Acquisition: Kanehili 1 + Laipua 1 + Hawaii First Federal Credit Union 6 (Two received NAHASDA loan/ duplicate count for assistance) + DHHL Loans w/HFH 19 (in progress)

Rehabilitation: Home repair program 4 (2 complete + 2 under const) + CNHA HEPs 11 = (13 complete + 2 under const)

Housing Services: NHC 26 + Helen Wai LLC 35 = 61



## Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one:

☐ Yes

☒ No

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

### Highlights of FY 13-14 (Program Year 9)

DHHL executed the grant agreement for NHHBG #10HBGHI0001 on September 30, 2010 and received notification that funds were available in LOCCS as of August 26, 2010. Although planning for various projects is currently underway, funds have not been obligated for the program year as of the writing of the APR.

2011 Grant Cycle - Contracts were drafted and executed for Council for Native Hawaiian Advancement, Nanakuli Housing Corporation and Papakolea Community Development Corporation.

In an effort to assist a higher percentage of low-income native Hawaiian families in need, DHHL requested the addition of three activities to the following NHHPs: 08BGHI0002, 09HBGHI0001, 10HBGHI0001, and 11HBGHI0001. In March of 2012, DHHL received HUD approval for requested revisions. The activities are described as follows:

*"Increase the supply of affordable housing units through acquisition of land and/or housing units to be included in DHHL's inventory of affordable housing for eligible native Hawaiian families."*

*"Capitalize a revolving loan fund that will provide financing to assist native Hawaiian NAHASDA eligible families with affordable mortgage financing options to achieve and sustain homeownership on Hawaiian home lands."*

*"Provide direct assistance to potential qualified homeowners through down payment assistance and/or principal reduction subsidies, low-interest rate loans, matching funds for Individual Development Accounts (IDA), or other means/methods that become available."*

DHHL is nearing completion of the development stage for the added activities, therefore budget amendments to the open program years are pending. HUD will be notified before budget revisions take place. DHHL's intentions are to expend funds from the oldest open grant first in an effort to close out the older grants as soon as possible.

2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: ☒ Yes ☐ No

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives. N/A
4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

DHHL has received HUD approval to convert to a fiscal year program and report on activities and goals accomplished within the fiscal year. DHHL has completed its first Housing Plan using the new format during FY 13-14. The APR format will also be revised to coincide with the fiscal conversion. This will be DHHL's final year reporting the APR in program year format.

Adequate staffing is required to ensure that the administrative and monitoring needs associated with the program are met. DHHL has added additional staff to assist in overseeing the program. Two housing specialist positions have been filled. The position for the HALE Manager has been posted and DHHL anticipates the position being filled by the fall of 2014. DHHL continues to evaluate the staffing needs for the program. DHHL is considering the creation of more positions in the near future to ensure program goals and objectives can be adequately implemented and monitored.

### Sources of Funds (Table I)

Explains the sources of funds that are available to DHHL for the housing activities. The information should be provided in table format and include: Funding Sources, Planned Amount, and Funds Actually Awarded (See Attachment 1 for a sample).

Funding Sources – A list of the grants, loans and donations that DHHL received to use for housing activities. Sources could include the NHHBG, other HUD grant programs, program income generated from NHHBG funds and activities, other federal grant programs, state grant programs, and private or commercial funding.

Planned Amount – A list of the planned amounts anticipated by DHHL to be received in the NHHP.

NHHBG \$12,700,000

Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

NHHBG \$12,700,000

**Narrative:**

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

**Uses of NHHG Funds (Table II)**

Compares the funds planned to be expended in the NHHG by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHHG to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

**Narrative:**

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

**\$0.0**

DRAFT

**Table I - Sources of Funds**

<b><u>Sources of Funds for NHHBG Activities</u></b>	<b><u>Planned Amount (from the NHHP)</u></b>	<b><u>Total Amount Actually Awarded</u></b>
<b>1. HUD Resources</b>		
a. Native Hawaiian Housing Block Grant	12,700,000	12,700,000
Planned Program Income	180,000	
b. Interest Income		0
b. P & I Repayments		0
<b>2. Other Federal Resources (Refund of prior year's grant funds expended)</b>		0
<b>3. State Resources</b>		0
<b>4. Private Resources</b>	0	0
<b>5. Total Resources</b>	<u>12,880,000</u>	<u>12,700,000</u>

**Table 1a - Uses of NHHBG Funds**

Activity (a)	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Year-to-Date 7/1/2013 - 4/30/2014				Cumulative-to-Date		
			Grant (NHHBG) Funds Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Funds Expended (f)	Other Funds Expended (g)	% of NHHBG Funds Obligated (h)		
<b>1. Development</b>									
a) Rental	10,600,000	180,000	0	0	0	0	0.0%		
b) Homeownership - Construction	0	0	0	0	0	0	0.0%		
Homeownership - Loans	6,820,000	180,000	0	0	0	0	0.0%		
Homeownership - Grants	1,780,000	0	0	0	0	0	0.0%		
	2,000,000	0	0	0	0	0	0.0%		
<b>2. Housing Services</b>	780,000	0	0	0	0	0	51.0%		
<b>3. Housing Management Services</b>	0	0	0	0	0	0	0.0%		
<b>4. Crime Prevention &amp; Safety</b>	25,000	0	0	0	0	0	0.0%		
<b>5. Model Activities</b>	25,000	0	0	0	0	0	0.0%		
<b>6. Planning and Administration</b>	1,270,000	0	0	0	0	0	0.0%		
<b>7. Total</b>	12,700,000	180,000	0	0	0	0	3.1%		

Table IIb - Uses of NHHBG Funds

Activity		Planned (from NHHP)		Units Completed			Families Assisted						
				Year to Date		Cumulative to Date		Year to Date					
		Number of Units Planned	Number of Families Planned	Number of Units Completed	Number of Units Started, Not Completed	Number of Units Completed	Number of Units Started, Not Completed	Low Income native Hawaiian Families (p)	Non Low Income native Hawaiian Families (q)	Non Low Income native Hawaiian Families (r)	Low Income native Hawaiian Families (s)	Non Low Income native Hawaiian Families (t)	Non Low Income native Hawaiian Families (u)
(i)		(j)	(k)	(l)	(m)	(n)	(o)						
1. Development													
a. Rental	Construction of New Units	0	0	0	0	0	0						
	Acquisition	0	0	0	0	0	0	0	0	0	0	0	
	Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	
b. Homeownership	Construction of New Units	0	0	0	0	0	0						
	Acquisition	0	0	0	0	0	0	0	0	0	0	0	
	Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	
2. Housing Services		0	0	0	0	0	0						
3. Housing Management Services		0	0	0	0	0	0						
4. Crime Prevention and Safety		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
5. Model Activities (specify below)		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
6. Planning and Administration		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
7. Total		0	0	0	0	0	0	0	0	0	0	0	

## Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one:

☐ Yes

☒ No

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

### Highlights of FY 2013-14 (Program Year 10)

DHHL executed the grant agreement for NHHBG #11HBGHI0001 on September 2, 2011, and received notification that funds were available in LOCCS as of August 30, 2011. Although planning for various projects is currently underway, funds have not been obligated for the program year as of the writing of the APR.

The 2012 Grant Cycle ended June 15, 2012. Fourteen (14) Grant Applications were submitted and twelve (12) passed on for approval by the Hawaiian Homes Commission in February of this year.

In an effort to assist a higher percentage of low-income native Hawaiian families in need, DHHL requested the addition of three activities to the following NHHPs: 08BGHI0002, 09HBGHI0001, 10HBGHI0001, and 11HBGHI0001. In March of 2012, DHHL received HUD approval for requested revisions. The activities are described as follows:

*"Increase the supply of affordable housing units through acquisition of land and/or housing units to be included in DHHL's inventory of affordable housing for eligible native Hawaiian families."*

*"Capitalize a revolving loan fund that will provide financing to assist native Hawaiian NAHASDA eligible families with affordable mortgage financing options to achieve and sustain homeownership on Hawaiian home lands."*

*"Provide direct assistance to potential qualified homeowners through down payment assistance and/or principal reduction subsidies, low-interest rate loans, matching funds for Individual Development Accounts (IDA), or other means/methods that become available."*

DHHL is nearing completion of the development stage for the added activities, therefore budget amendments to the open program years are pending. HUD will be notified before budget revisions take place. DHHL's intentions are to expend funds from the oldest open grant first in an effort to close out the older grants as soon as possible.

2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: ☒ Yes ☐ No

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives. N/A
4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

DHHL is interested in converting to a fiscal year program and report on activities and goals accomplished in the fiscal year. We would also like to revise our housing plan and APR format to coincide with fiscal conversion rather than reporting on individual grants.

DHHL's intent is to expand the use of NHHBG funds to provide eligible families with options to prevent foreclosure and handle emergency housing situations. We will focus on program and product development to address these specific issues.

Adequate staffing is required to ensure that the administrative and monitoring needs associated with the program are met. Three (3) additional NAHASDA specific staff positions were established and approved during this fiscal year. The current DHHL Administration is in process of accessing the staffing needs for the program and actively pursuing filling the positions at this time to ensure that future program goals and objectives can be adequately implemented and monitored. Three (3) additional staff positions will be recruited and hired in FY 2014.

Davis-Bacon wage requirements continue to pose problems for low-income households in need of significant home rehabilitation. Many are unable to complete much needed repairs to their homes or must "prioritize" the repairs due to the limited amount of equity in their homes. Home rehabilitation is usually completed by small independent contractors. Many contractors are unable to comply with the Davis Bacon wage requirements due to limited staffing. In some cases, the addition of staff and training time needed to ensure compliance can't be justified by the contractor for one or two home repair projects.

DHHL has been conducting informational meetings to provide potential contractors with the necessary State and HUD requirements for the program and possibly generate interest in the Home Repair/Rehabilitation Program.



## Sources of Funds (Table I)

Explains the sources of funds that are available to DHHL for the housing activities. The information should be provided in table format and include: Funding Sources, Planned Amount, and Funds Actually Awarded (See Attachment 1 for a sample).

Funding Sources – A list of the grants, loans and donations that DHHL received to use for housing activities. Sources could include the NHHBG, other HUD grant programs, program income generated from NHHBG funds and activities, other federal grant programs, state grant programs, and private or commercial funding.

Planned Amount – A list of the planned amounts anticipated by DHHL to be received in the NHHP.

NHHBG \$12,675,000

Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

NHHBG \$12,674,600

### Narrative:

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

## Uses of NHHG Funds (Table II)

Compares the funds planned to be expended in the NHHP by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHHP to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

### Narrative:

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

\$ 0.00

**Table I - Sources of Funds**

<b><u>Sources of Funds for NHHBG Activities</u></b>	<b><u>Planned Amount (from the NHHP)</u></b>	<b><u>Total Amount Actually Awarded</u></b>
<b>1. HUD Resources</b>		
a. Native Hawaiian Housing Block Grant	12,675,600	12,674,600
Planned Program Income	208,000	
b. Interest Income		0
b. P & I Repayments		0
<b>2. Other Federal Resources (Refund of prior year's grant funds expended)</b>		0
<b>3. State Resources</b>		0
<b>4. Private Resources</b>	0	0
<b>5. Total Resources</b>	<b>12,883,000</b>	<b>12,674,600</b>

**Table 1a - Uses of NHHBG Funds**

Activity (a)	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Year-to-Date 7/1/2013 - 6/30/2014				Cumulative-to-Date		
			Grant (NHHBG) Funds Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Funds Expended (f)	Other Funds Expended (g)	% of NHHBG Funds Obligated (h)		
<b>1. Development</b>	<b>10,336,700</b>	<b>208,000</b>	0	0	0	0	0.0%		
a) Rental	0	0	0	0	0	0	0.0%		
b) Homeownership - Construction	6,336,700	208,000	0	0	0	0	0.0%		
Homeownership - Loans	2,000,000	0	0	0	0	0	0.0%		
Homeownership - Grants	2,000,000	0	0	0	0	0	0.0%		
<b>2. Housing Services</b>	<b>1,000,000</b>	0	0	0	0	0	0.0%		
<b>3. Housing Management Services</b>	<b>0</b>	0	0	0	0	0	0.0%		
<b>4. Crime Prevention &amp; Safety</b>	<b>25,000</b>	0	0	0	0	0	0.0%		
<b>5. Model Activities</b>	<b>25,000</b>	0	0	0	0	0	0.0%		
<b>6. Planning and Administration</b>	<b>1,288,300</b>	0	0	0	0	0	0.0%		
<b>7. Total</b>	<b>12,675,000</b>	<b>208,000</b>	0	0	0	0	0.0%		

Table IIb - Uses of NHHBG Funds

Activity	Planned (from NHP)		Units Completed				Families Assisted					
			Year to Date		Cumulative to Date		Year to Date		Cumulative to Date			
	Number of Units Planned	Number of Families Planned	Number of Units Completed	Number of Units Started, Not Completed	Number of Units Completed	Number of Units Started, Not Completed	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families	Low Income native Hawaiian Families	Non Low Income native Hawaiian Families
(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)
1. Development												
a. Rental												
Construction of New Units	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition	0	0	0	0	0	0	0	0	0	0	0	0
Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
b. Homeownership												
Construction of New Units	50	50	0	0	0	0	0	0	0	0	0	0
Acquisition	30	30	0	0	0	0	0	0	0	0	0	0
Rehabilitation	10	10	0	0	0	0	0	0	0	0	0	0
2. Housing Services	0	0	0	0	0	0	0	0	0	0	0	0
3. Housing Management Services	0	0	0	0	0	0	0	0	0	0	0	0
4. Crime Prevention and Safety	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Model Activities (specify below)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Planning and Administration	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total	90	90	0	0	0	0	0	0	0	0	0	0

## Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one:

☐ Yes

☒ No

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

1. Report on each of the one-year goals and objectives identified in the NHHP for this reporting period on a table format developed by the DHHL. The table should include the following information: Goal, Objective and Task Identification Number; Description of Goal, Objective or Task; Budgeted Amount by Goal, Objective or Task; Expended Amount by Goal, Objective or Task; Project or Program Description; and Accomplishments during the Program Year. Provide an explanation for any cost overruns or delays in completing Goals, Objectives or Tasks.

### Highlights of FY 2013-14 (Program Year 10)

DHHL executed the grant agreement for NHHBG #11HBGHI0001 on September 2, 2011, and received notification that funds were available in LOCCS as of August 30, 2011. Although planning for various projects is currently underway, funds have not been obligated for the program year as of the writing of the APR.

The 2012 Grant Cycle ended June 15, 2012. Fourteen (14) Grant Applications were submitted with twelve (12) passing committee to the Hawaiian Homes Commission for approval in February of this year.

In an effort to assist a higher percentage of low-income native Hawaiian families in need, DHHL requested the addition of three activities to the following NHHPs: 08HBGHI0002, 09HBGHI0001, 10HBGHI0001, and 11HBGHI0001. In March of 2012, DHHL received HUD approval for requested revisions. The activities are described as follows:

*"Increase the supply of affordable housing units through acquisition of land and/or housing units to be included in DHHL's inventory of affordable housing for eligible native Hawaiian families."*

*"Capitalize a revolving loan fund that will provide financing to assist native Hawaiian NAHASDA eligible families with affordable mortgage financing options to achieve and sustain homeownership on Hawaiian home lands."*

*"Provide direct assistance to potential qualified homeowners through down payment assistance and/or principal reduction subsidies, low-interest rate loans, matching funds for Individual Development Accounts (IDA), or other means/methods that become available."*

DHHL is nearing completion of the development stage for the added activities, therefore budget amendments to the open program years are pending. HUD will be notified before budget revisions take place. DHHL's intentions are to expend funds from the oldest open grant first in an effort to close out the older grants as soon as possible.

2. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: ☒ Yes ☐ No

3. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives. N/A
4. How would you change your programs in general as a result of your experience with the implementation of NAHASDA?

DHHL has received HUD approval to convert to a fiscal year program and report on activities and goals accomplished within the fiscal year. DHHL has completed its first Housing Plan using the new format during FY 13-14. The APR format will also be revised to coincide with the fiscal conversion. This will be DHHL's final year reporting the APR in program year format.

Adequate staffing is required to ensure that the administrative and monitoring needs associated with the program are met. DHHL has added additional staff to assist in overseeing the program. Two housing specialist positions have been filled. The position for the HALE Manager has been posted and DHHL anticipates the position being filled by the fall of 2014. DHHL continues to evaluate the staffing needs for the program. DHHL is considering the creation of more positions in the near future to ensure program goals and objectives can be adequately implemented and monitored.

DHHL's intent is to expand the use of NHHBG funds to provide eligible families with options to prevent foreclosure and handle emergency housing situations. We will focus on program and product development to address these specific issues.

Davis-Bacon wage requirements continue to pose problems for low-income households in need of significant home rehabilitation. Many are unable to complete much needed repairs to their homes or must "prioritize" the repairs due to the limited amount of equity in their homes. Home rehabilitation is usually completed by small independent contractors. Many contractors are unable to comply with the Davis Bacon wage requirements due to limited staffing. In some cases, the addition of staff and training time needed to ensure compliance can't be justified by the contractor for one or two home repair projects. The DHHL is looking at increasing the maximum loan amount from \$50,000 to \$100,000 to address this issue.

DHHL has been conducting informational meetings to provide potential contractors with the necessary State and HUD requirements for the program and possibly generate interest in the Home Repair/Rehabilitation Program.

## Sources of Funds (Table I)

Explains the sources of funds that are available to DHHL for the housing activities. The information should be provided in table format and include: Funding Sources, Planned Amount, and Funds Actually Awarded (See Attachment 1 for a sample).

Funding Sources – A list of the grants, loans and donations that DHHL received to use for housing activities. Sources could include the NHHBG, other HUD grant programs, program income generated from NHHBG funds and activities, other federal grant programs, state grant programs, and private or commercial funding.

Planned Amount – A list of the planned amounts anticipated by DHHL to be received in the NHHP.

NHHBG \$12,700,000

Funds Actually Awarded – A list of the amounts actually received by DHHL from the various funding sources.

NHHBG \$12,700,000

### Narrative:

If funds actually received are different than planned amounts, explain why the planned amount was not realized and how planned activities are impacted.

## Uses of NHHG Funds (Table II)

Compares the funds planned to be expended in the NHHP by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHHP to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

### Narrative:

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

Monies remain in an investment account with Bank of Hawaii as approved by HUD in September 2013.

**Table I - Sources of Funds**

<b><u>Sources of Funds for NHHBG Activities</u></b>	<b><u>Planned Amount (from the NHHP)</u></b>	<b><u>Total Amount Actually Awarded</u></b>
<b>1. HUD Resources</b>		
a. Native Hawaiian Housing Block Grant	12,700,000	12,700,000
Planned Program Income	426,000	
b. Interest Income		0
b. P & I Repayments		0
<b>2. Other Federal Resources (Refund of prior year's grant funds expended)</b>		0
<b>3. State Resources</b>		0
<b>4. Private Resources</b>	0	0
<b>5. Total Resources</b>	<b>13,126,000</b>	<b>12,700,000</b>



**Table 1a - Uses of NHHBG Funds**

Activity (a)	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Year-to-Date 7/1/2013 - 4/30/2014				Cumulative-to-Date		
			Grant (NHHBG) Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Expended (f)	Other Funds Expended (g)	% of NHHBG Funds Obligated (h)		
<b>1. Development</b>	<b>8,914,000</b>	<b>426,000</b>	0	0	0	0	0.0%		
a) Rental	0	0	0	0	0	0	0.0%		
b) Homeownership - Construction	4,914,000	426,000	0	0	0	0	0.0%		
Homeownership - Loans	2,000,000	0	0	0	0	0	0.0%		
Homeownership - Grants	2,000,000	0	0	0	0	0	0.0%		
<b>2. Housing Services</b>	<b>1,500,000</b>	0	0	0	0	0	0.0%		
<b>3. Housing Management Services</b>	<b>0</b>	0	0	0	0	0	0.0%		
<b>4. Crime Prevention &amp; Safety</b>	<b>100,000</b>	0	0	0	0	0	0.0%		
<b>5. Model Activities</b>	<b>760,000</b>	0	0	0	0	0	0.0%		
<b>6. Planning and Administration</b>	<b>1,426,000</b>	0	0	0	0	0	0.0%		
<b>7. Total</b>	<b>12,700,000</b>	<b>426,000</b>	0	0	0	0	0.0%		

Table IIb - Uses of NHHBG Funds

Activity		Planned (from NHHP)		Units Completed			Families Assisted					
				Year to Date		Cumulative to Date	Year to Date			Cumulative to Date		
		Number of Units Planned	Number of Families Planned	Number of Units Completed	Number of Units Started, Not Completed	Number of Units Completed	Low Income Hawaiian Families	Non Low Income Hawaiian Families	Non Low Income Hawaiian Families	Low Income Hawaiian Families	Non Low Income Hawaiian Families	Non Low Income Hawaiian Families
(i)		(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
1. Development												
a. Rental	Construction of New Units	0	0	0	0	0	0	0	0	0	0	0
	Acquisition	0	0	0	0	0	0	0	0	0	0	0
	Rehabilitation	0	0	0	0	0	0	0	0	0	0	0
b. Homeownership	Construction of New Units	50	50	0	0	0	0	0	0	0	0	0
	Acquisition	30	30	0	0	0	0	0	0	0	0	0
	Rehabilitation	10	10	0	0	0	0	0	0	0	0	0
2. Housing Services		0	0	0	0	0	0	0	0	0	0	0
3. Housing Management Services		0	0	0	0	0	0	0	0	0	0	0
4. Crime Prevention and Safety		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Model Activities (specify below)		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Planning and Administration		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total		90	90	0	0	0	0	0	0	0	0	0

## Part I – Reporting on the One-Year Native Hawaiian Housing Plan (NHHP)

[NOTE: A separate Part I (that includes Tables I and II) must be completed for each open grant.]

Is this the final APR for this grant?

Check one:

☐ Yes

☒ No

Each year, the DHHL develops goals and objectives in the NHHP that describe the use of NHHBG funds. At the end of the program year, a report on the progress made towards achievement of the goals and objectives is provided to the public and to HUD.

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5. Are you on schedule to complete the 5-year goals identified in your NHHP?

Check one: ☒ Yes ☐ No

6. If the answer to #2 is no, explain causes for delays and how you plan to modify your program to meet your 5-year goals and objectives. N/A
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NHHBG \$12,700,000

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NHHBG \$12,700,000

### Narrative:

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## Uses of NHHG Funds (Table II)

Compares the funds planned to be expended in the NHP by planned allowable activities to the actual funds expended for allowable activities. The information should be presented in a table format and compares the planned number of units and the planned number of families to be assisted in the NHP to the actual number of units started or completed and the actual number of families assisted during the reporting period and cumulatively. (See Attachment 2 for a sample)

### Narrative:

Amount of NHHBG funds (principal only) invested as of this reporting period end date.

Monies remain in an investment account with Bank of Hawaii as approved by HUD in September 2013.

**Table I - Sources of Funds**

<b><u>Sources of Funds for NHHBG Activities</u></b>	<b><u>Planned Amount (from the NHHP)</u></b>	<b><u>Total Amount Actually Awarded</u></b>
<b>1. HUD Resources</b>		
a. Native Hawaiian Housing Block Grant	12,035,714	12,035,714
Planned Program Income	432,000	
b. Interest Income		0
b. P & I Repayments		0
<b>2. Other Federal Resources (Refund of prior year's grant funds expended)</b>		0
<b>3. State Resources</b>		0
<b>4. Private Resources</b>	0	0
<b>5. Total Resources</b>	<u>12,467,714</u>	<u>12,035,714</u>



Table IIb - Uses of NHHBG Funds

Activity	Planned (from NHP)		Units Completed				Families Assisted				
	Number of Units Planned		Year to Date		Cumulative to Date		Year to Date		Cumulative to Date		
	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
1. Development											
a. Rental	2	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
b. Homeownership	10	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
	59	0	0	0	0	0	0	0	0	0	0
2. Housing Services	0	254	0	0	0	0	0	0	0	0	0
3. Housing Management Services	0	0	0	0	0	0	0	0	0	0	0
4. Crime Prevention and Safety	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Model Activities (specify below)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Planning and Administration	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total	71	254	0	0	0	0	0	0	0	0	0



## **Part II – Reporting on Program Year Accomplishments**

[This Part is not grant specific. A single Part II consisting of Sections A through C (including the Inspection of Assisted Housing table), is to be prepared and submitted at the end of each fiscal year and will cover all open grants.]

### **SECTION A – ASSESSMENT**

1. Self-Assessment: Sec. 819(b) of the NAHASDA requires the DHHL to annually review its activities and to include the results of this review in its APR. Under this section, provide a narrative briefly describing the activities monitored, the findings of the DHHL related to these activities, actions planned to address significant deficiencies, and any specific actions conducted to monitor sub-recipients.

#### Addition of NAHASDA Staff

The present administration has taken a proactive approach to work closely with the NAHASDA Manager to insure effective communication between all DHHL divisions and programs. NAHASDA staff are actively working on codifying policies and procedures within the NHHBG program and revisions of some of the existing ones. They have taken advantage of training opportunities and materials offered through HUD and other sources. Four of the current NAHASDA personnel are currently pursuing grants management training through Management Concepts. Two of the four staff members have completed their certifications in the Pass-Through and Recipient Tracks, and are planning to obtain certifications offered by Management Concepts in FY 2014. Financial counseling training was made available through NeighborWorks. The training will help NAHASDA and DHHL personnel to better assist native Hawaiian families in their pursuit of home ownership. Several of the NAHASDA and DHHL staff members have received certifications for financial counseling during FY 2013 – 2014.

#### Contract Monitoring

DHHL monitors all contracts funded with NHHBG funds through the various departments that administer the specific activity of the contract. For example, contracts for development (site development or house development) are monitored by the appropriate Project Manager located in our Land Development Division. Contracts that are funded through the NAHASDA Community Grant Cycle (subrecipient agreements) or that are required for program implementation (i.e. Lead-Based Paint) are monitored by the NAHASDA Program Specialist and/or Compliance Specialist. DHHL Self-Monitoring was established in July 2012 to ensure DHHL's compliance with HUD regulations. The NAHASDA Program Specialist coordinates various reports for HUD purposes.

#### Sub Recipient Monitoring

In addition to the quarterly reports that are submitted to DHHL and phone calls, site visits were conducted in June and July of this year for the subrecipient grants. The NAHASDA Manager and Performance Auditor went on visits to conduct monitoring on NHHBG activities. Results of subrecipient monitoring will be provided in the final draft.

## Training

Currently, DHHL has eight (8) staff positions that are funded through NAHASDA. DHHL is providing additional training opportunities for NHHBG staff through the Management Concepts' Grants Management Certificate Program that will assist DHHL staff in the management of the NAHASDA Program. One NAHASDA staff has completed Management Concepts' Grants Management Certificate Program for the Pass-Through Track and Recipient Track. Three of the current NAHASDA staff, as well as other DHHL staff, have completed the HUD sponsored Environmental Review Training, Davis Bacon Training, and Self Monitoring Training. DHHL is making every effort to ensure that all staff who utilize NHHBG funds receives adequate training, as applicable. During this fiscal year Hawaii's HUD office has conducted several trainings for DHHL staff and subrecipients.

As a part of the DHHL's self monitoring plan, DHHL had several staff attend the HUD sponsored Self Monitoring Training in 2011. As a result of the training, DHHL has implemented the following:

1. Insurance for all NAHASDA assisted units – DHHL has implemented a tracking mechanism by adding the appropriate data fields to the existing DHHL data system. This assists DHHL with the overall tracking of insurance and useful life requirements of NAHASDA. Every effort is made to ensure all homes that have received NAHASDA assistance maintains adequate insurance for the replacement of the home. However, in the unforeseen event that an assisted family may be unable to comply with the Insurance requirement due to extenuating circumstances (unemployment, illness, etc.), DHHL has secured a vendor to place homeowners insurance for those families.
2. Labor Standards Compliance – the DHHL currently has a Labor Compliance Specialist (not NAHASDA funded) that reviews all NAHASDA projects for compliance with the Davis Bacon wage requirements, as applicable. A compliance specialist position was approved specifically for the monitoring of NAHASDA funded projects and is housed at the NHHBG office in Hilo.
3. Environmental Review Records (ERR) for NAHASDA projects – are currently reviewed by the NAHASDA Compliance Specialist. Implementation of the Two-Tiered Review has dramatically cut the length of time to process ERRs. DHHL has procured the services of an Environmental firm to conduct ERRs; environmental assessments; and related environmental needs for projects that have been assisted with NAHASDA funds or have a possibility of utilizing NAHASDA funds.
4. Procurement - All procurement of services and goods are guided by the Hawai'i Public Procurement Code, Hawai'i Revised Statutes (HRS), Chapters 103D and 103F, in addition to 24 CFR Part 85.36. The DHHL Fiscal Office and/or the State Procurement Office review all contracts to ensure compliance. In addition to state resources as they pertain to procurement (i.e. online access), DHHL staff has created a Procurement Manual that is updated, as needed.

5. Subrecipient Monitoring

- a. Subrecipient Grants - Site visits were conducted for Subrecipient compliance on three (3) open subrecipient grants during this fiscal year. Site visits were scheduled in June and July 2014. Those contracts executed in May or June of this year were not monitored as work had yet to begin.
- b. Construction Monitoring - Project Managers conduct site visits to monitor the project progress and to ensure work has been completed as stated in invoices submitted for payment. Site visits are conducted a minimum of 2-4 times per month for each project. A template has been created to document the site visits conducted by DHHL Project Managers for each project. This will be kept in the contract file for each NAHASDA assisted project. The Land Development Division weekly staff meetings are held to update the Division Administrator on the project progress and any issues that may be of concern.

**Inspections -**

- **Infrastructure** (streets, water, sewer, etc.) are inspected by County inspectors. Upon final inspection and submittal of As-built drawings, they are then turned over to and maintained by the applicable County entity.
  - **Homes**-Building inspections are conducted throughout construction on the homes. (electrical, plumbing, final inspections, etc.) The type of certification issued varies by county. A Certificate of Occupancy, Final Inspection or the equivalent is required before permanent power can be furnished for the home.
- c. Payroll Compliance – NAHASDA staff have been tracking payroll compliance via certified payroll review.
6. Useful Life Tracking – DHHL has implemented a tracking mechanism by adding the appropriate data fields to the existing DHHL data system. The program assists DHHL with the overall tracking of insurance and useful life requirements of NAHASDA. DHHL has also implemented appropriate transfer procedures that will allow DHHL to ensure that units assisted with NHHBG funds are kept “affordable” for the useful life of the unit or that a pro-rated portion of the NHHBG funds originally used to assist the low income household are repaid in the event that the unit is transferred to a non-income eligible household. This is a coordinated effort from staff in various DHHL departments to adequately monitor the NHHBG assisted units.
7. NHHBG Eligibility – The Hawaiian Homes Commission approved the NAHASDA Eligibility policy in December 2012. The policy was disseminated to subrecipients for implementation and/or reference.

**DHHL Self Monitoring** - All existing DHHL staff (even staff whose positions are not funded by NHHBG) are committed to fulfilling DHHL’s statutory obligations to ensure the continued funding of the NHHBG. As of this writing, DHHL is in the midst of self-monitoring and will provide additional details in its final version of the APR.

2. Assisted Housing Unit Inspection: Sec. 819(b)(2) specifies that self-assessment must include an on-site inspection of housing units assisted with NHHBG funds. A summary of the results of the assisted housing units inspected in this reporting period should be included in the APR in table format.

Rental Units - During this reporting period, there were no NAHASDA assisted rental units constructed on Hawaiian Home Lands; therefore, no rental inspections were conducted. DHHL is exploring options for a rental program using NAHASDA funds and may pursue this activity in the near future.

Single Family Homes – As a standard practice, and as required for all construction that is permitted (i.e. via county permitting process) in the State of Hawai'i, DHHL requires its developers and individual lessees to comply with county building codes, standards, and processes. In general, county building codes require that the county conduct periodic inspections at key intervals during construction. The various county codes may vary between county and typically cover plumbing, electrical, building, housing, land use, energy, and fire.

For example, the City and County of Honolulu conducts monitoring inspections for the building, land use, housing, and energy codes with a call in for final building code inspection. In addition, contractors or developers are required to call in for electrical, plumbing, and final building inspection. Electrical and plumbing call in (call in and schedule the inspection) is required at the various building stages of underground, rough in, fixture installation, and final inspections.

Subrecipients have transitioned into the requirement and projects that are directly controlled by DHHL have continued to provide the needed documentation.

### Inspection of Assisted Housing (Table III)

Provide the information in table format summarizing the results of assisted housing unit inspection. The table should include the following information: Type of Housing; Total Number of Assisted Housing; Number of Units Inspected; Number of Units in Standard Condition; Number of Units Needing Moderate Rehabilitation (costing less than \$20,000); Number of Units Needing Substantial Rehabilitation (costing more than \$20,000); and Number of Units Needing Replacement (See Attachment 3 for a sample).

Table III – Inspection of Assisted Housing

Type of Housing	Total Number of Assisted Units	Units Inspected				
		Total Number of Units Inspected	Number of Units in Standard Condition	Number of Units Needing Moderate Rehabilitation (costing less than \$20,000)	Number of Units Needing Substantial Rehabilitation (more than \$20,000)	Number Units Needing Replacement
Homeownership (New Build)	32	32	32	0	0	0
Rental (NA)	0	0	0	0	0	0
Total	32	32	32	0	0	0

As noted in previous APR's, ALL units built on Hawaiian Home Lands are required to comply with the respective county building process to include permitting and compliance with applicable county building codes. Since the 2011 reporting period, DHHL has begun to collect the county issued Certificate of Occupancy or similar document indicating that the unit has met applicable county inspection requirements. For DHHL infrastructure projects, DHHL collected Certificates of Occupancy during FYE June 30, 2013, Kānehili (8 of 8 units assisted), La'i 'Ōpua (1 of 1 units assisted), Kumuhau (16 of 16 units assisted), and Habitats (6 of 6 units assisted), Waiohuli (1 of 1 units assisted)

There were nine (9) completed home repairs for the Home Repair Programs four (4) Honolulu and five (5) Hawaii. Home Rehabilitations were not included in the table above. Documentation of final inspection was received for all.

## SECTION B – PUBLIC ACCOUNTABILITY

Section 820(d) of NAHASDA requires the DHHL to make the APR available for public comment and to provide a summary of any comments received from beneficiaries with the submission to HUD. The Department will be disseminating this draft for public comment. Beside the Native Hawaiian Organizations listed with the Department of Interior, the following list of organizations will also be receiving a copy of this draft. It will be posted on the DHHL website for thirty (30) days.

	<b><u>Organization</u></b>
	Hui Kāko'o 'Āina Ho'opulapula
	Sovereign Councils of Hawaiian Homelands Assembly
	Papakōlea Community Development Corporation
	Kalāwahine Streamside Association
	Kānehili - East Kapolei 1 Undivided Interest
	Kapolei Community Development Corporation
	Kaupe'a Homestead Association
	Kewalo Hawaiian Homestead Community Assn.
	Malu'ohai Residents Association
	Nānākuli Hawaiian Homestead Community Association
	Papakōlea Community Association
	Princess Kahanu Estates Hawaiian Homes Assoc.
	Wai'anae Kai Homestead Association
	Wai'anae Valley Homestead Association
	Waimānalo Hawaiian Homes Association
	Ahupua'a O Moloka'i
	Ho'olehua Homestead Agriculture Association
	Ho'olehua Homestead Association
	Kalama'ula Hawaiian Homestead Association
	Kalama'ula Mauka Homestead Association
	Kamiloloa-One Ali'i Homestead Association
	Kapa'akea Homesteaders Association
	Moloka'i Homestead Farmers Alliance
	Moloka'i Livestock Association
	Ka 'Ohana O Kahikinui
	Kēōkea Homestead Farm Lots Association
	Paukūkalo Hawaiian Homestead Community Association
	Villages of Leialī'i Association
	Waiehu Kou Community Homestead Assn
	Waiehu Kou Phase 3 Association, Inc.
	Waiehu Kou Phase IV
	Waiehu Kou Residence Lots, Phase 2 Assn.
	Waiohuli Hawaiian Homesteaders, Inc.
	Anahola Hawaiian Homes Association
	Anahola Hawaiian Land Farm Lots Association
	Kekaha Hawaiian Homestead Association

	Pi'ilani Mai Ke Kai
	Kailapa Community Association
	Kaniohale at the Villages of La'i 'Ōpua
	Kawaihae Puaka'ilima Community Association
	La'i 'Ōpua 2020
	Waimea Hawaiian Homestead Association Inc.
	Kaumana Hawaiian Home Lands Assoc
	Keaukaha Community Association
	Keaukaha-Pana'ewa Farmers Association
	Maku'u Farmers Association
	Pana'ewa Hawaiian Home Lands Community Association
	Pi'ihonua Homestead Community Association

The Housing Directors in the State of Hawai'i as follows:

- Hawai'i's local HUD office
- United States, Department of Agriculture, Rural Development (RD)
- Hawai'i Housing Finance and Development Corporation of Hawai'i (HHFDC)
- Counties of Hawai'i, Kaua'i, Maui and City and County of Honolulu
- Office of Hawaiian Affairs (OHA)

The Hawaiian Service Institutions and Agencies (HSIA) as follows:

- Queen Lili'uokalani Children's Center – A private, non-profit social service organization for Hawaiian orphan and destitute children;
- Lunalilo Home – A trust that strives to respect each resident's dignity, while providing them a high quality of elderly care services in a loving, family home environment;
- Queen Emma Foundation – A non-profit organization whose mission is to support and advance health care in Hawai'i, primarily through The Queen's Medical Center;
- ALU LIKE, Inc. – A private, non-profit, community-based multi-service organization serving Native Hawaiians in their efforts to achieve social and economic self-sufficiency;
- Kamehameha Schools – A trust that exists to carry out in perpetuity the wishes of Princess Bernice Pauahi Bishop to educate children and youth of Hawaiian ancestry;
- Office of Hawaiian Affairs (OHA) – A trust whose mission it is to protect Hawai'i's people and environmental resources and OHA's assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally;
- Bernice Pauahi Bishop Museum – The State Museum on Natural and Cultural History; its mission is to record, preserve and tell the stories of Hawai'i and the Pacific, inspiring its guests to embrace and experience Hawai'i's natural and cultural world; and
- Papa Ola Lōkahi—A non-profit organization formed to address the health care needs of the Native Hawaiian people.

Department of Hawaiian Home Lands Administrators as follows:

- Jobie M. K. Masagatani, Chairman Designate

- Darrell Young, Deputy to the HHC Chairman
- Derek Kimura, Executive Assistant
- William (Kamana'o) Mills, Special Assistant, Hawaiian Home Land (HHL) Claims
- Rodney Lau, Administrative Services Officer
- James Pao, Fiscal Management Officer
- Dean Oshiro, Homestead Services Administrator
- Linda Chinn, Land Management Division Administrator
- Sandra S. Pfund, Land Development Division Administrator
- Punialoha Chee, Information and Communications Office Administrator