



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

MAY - 8 2009

Mr. Micah A. Kane
Director
Department of Hawaiian Home Lands
P. O. Box 1879
Honolulu, HI 96805

Dear Mr. Kane:

**Subject: American Recovery and Reinvestment Act of 2009
Fiscal Year 2008 Native Hawaiian Housing Plan Amendment
Determination of Compliance**

The Office of Native American Programs is pleased to inform you that the Native Hawaiian Housing Plan (NHHP) amendment submitted for Native Hawaiian Housing Block Grant (NHHBG) funding provided under the American Recovery and Reinvestment Act (Recovery Act) has been found to be in compliance with program requirements. An amount of \$10,200,000.00 is being provided to the Department of Hawaiian Home Lands under the Recovery Act.

All NHHBG funds provided under the Recovery Act must be used for new construction; acquisition; rehabilitation, including energy efficiency and conservation; and infrastructure development. All funds must be obligated within 1 year of the date the funds are available in the Line of Credit Control System (LOCCS). In addition, at least 50 percent of the funds must be expended within 2 years of the date that funds are available in LOCCS, and funds must be fully expended within 3 years of the date that funds are available in LOCCS. Failure to comply with either the 2-year or 3-year expenditure requirement will result in the remaining funds being recaptured. Please refer to the Attachment to Form HUD-52734-C, Funding Approval/Agreement previously provided for the special conditions that apply to this grant.

These funds were available in LOCCS on May 7, 2009. Accordingly, the Recovery Act requires funds be obligated and expended by the dates listed below.

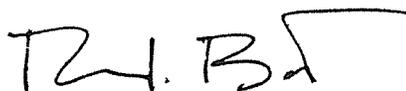
100 Percent Obligation Due Date	May 6, 2010
50 Percent Expended Due Date	May 6, 2011
100 Percent Expended Due Date	May 6, 2012

The Recovery Act requires unprecedented levels of transparency, oversight, and accountability. In addition to the NHHBG reporting requirements, recipients are required to comply with the reporting requirements outlined in Section 1512 of the Recovery Act. Your first report will be due by July 10, 2009 (10 days after the end of the next quarter). Please note that Recovery Act funds are required to be tracked and reported on separately from any other funds. As the reporting requirements are finalized, they will be forwarded to you.

Further, the Recovery Act specifically prohibits the waiver of environmental review requirements. It is imperative that prior to obligating any funds, you complete and document the appropriate level of environmental review and submit a request for release of funds when required. Please note the reference in the Grant Agreement for an environmental review is specified and required by 24 CFR 1006.350. Completion of the environmental review process is mandatory before committing or expending HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair, or construction activities. Non-HUD funds include any other federal, state, local, private, or other funds leveraged or combined with HUD funds to be used for the activities previously described. Funding assistance may not be obligated or used for any activities requiring a Release of Funds by HUD until such Release is issued in writing.

I look forward to working with you to preserve and create jobs and promote economic recovery through timely implementation of your NHHG amendment. If you require further assistance, please contact Claudine Allen, Native Hawaiian Program Specialist at (808) 522-8175, extension 223, or by e-mail at claudine.c.allen@hud.gov.

Sincerely,



Rodger J. Boyd
Deputy Assistant Secretary
for Native American Programs