

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

[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 NHHHP 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 NHHHP 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 2011 – 2012 (Program Year 6)

PY 6 funds were expended September 30, 2011. This will be the last report for program year 6.

Goal 1. Increase the affordable housing inventory on HHL to meet the increasing or unmet demand for housing by low-income nH families.

Objective 1a. Increase the supply of affordable housing units through house construction or infrastructure improvements or single-family housing.

Task 1. Construct infrastructure improvements or house construction for at least one single-family residential subdivision on the island of O'ahu to serve at least 30 eligible families and one on an outer island to serve at least 25 eligible families.

During FY 2011-2012:

On the island of O'ahu, in Waimānalo, Kumuhau Subdivision consists of 52 lots; 45 are turnkey homes and 7 will be 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 completed for the following families: Halemanu, Ho, Kalai, Kepa, Kipapa, Kupahu, Lenchanko, Manalo, Ortiz, Reis-Moniz, Rodrigues, Souza and Tagupa. 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. Since the down payment assistance funds were applied in the current fiscal year, they will also be counted in the current fiscal year for down payment assistance. Bringing the total of families assisted through NHHBG to sixteen 16 for the project.

Note: Thirteen (13) of the families assisted constitute a duplicate count in the following areas 1) house completion, 2). DPA assistance.

Three (3) families that were assisted with house completion in the last fiscal year will be counted for DPA assistance this fiscal year.

Kaka'ina, which is comparable to the second phase of this particular project, consists of approximately 44 homes and infrastructure construction is anticipated before the end of the calendar year 2012. 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 will be awarded to Habitat partner families for development under a self-help program
- 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 2012, 38 turn key homes by Gentry are under construction with the majority scheduled to be occupied by December 2012. Twenty other lots have been reserved for self-help construction through the Council for Native Hawaiian Advancement. Twenty-eight of the remaining lots about the Kualaka'i Parkway and require a sound/safety wall along the boundary before houses can be built.

Note: For house completion, 7 NHHBG homes will be counted this fiscal year in PY6. This will be a duplicate count with Down Payment Assistance for the same time period.

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, scheduled for completion in August 2012. This master planned community will consist of approximately 1,100 homes of which approximately 198 will be reserved for NAHASDA eligible families.

On the island of Hawai'i, the La'i 'Ōpua subdivision will provide approximately 359 homes of which approximately 72 are earmarked for NAHASDA eligible families. The homes will be divided between Village 4 (242) and Village 5 (117).

For Village 5, the first phase of house construction includes 45 homes. As of June 30, 2012, first phase of house construction nearing completion. 42 homes have been constructed. 34 homes are occupied; 8 homes are vacant; 3 empty lots without homes. Habitat for Humanity is planning to build five homes in 10 days through the "Blitz Build" program. Construction is scheduled for September 12 through 22, 2012.

For Village 4 – is currently in design phase. Currently consists of two phases. Phase 1 (Akau) Subdivision consists of approximately 117 residential lots. Phase 2 (Hema) Subdivision consists of approximately 125 residential lots.

Note: During the current fiscal year, (1) family was assisted with NHHBG funds for the project (Shook) This will be a duplicate count with Down Payment Assistance for the same time period

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 at least two 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.

For the Pīlani 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; 9 owner builder homes (4 homes completed, 1 under construction and 4 no action); 22 Self Help Homes (12 completed but only 11 occupied, one home was constructed without a family identified for ownership. Habitat Homes: 5 (3 families have qualified for loans, 2 lots remain due to lack of qualified families)

Remaining Lots in inventory: 8

Phase II: DHHL is in the process of awarding the contract (IFB-12-HHL-013) for the construction of on and offsite infrastructure and lot grading of 51 Lots in Phase II. This portion of the project is scheduled to be completed by October 2013. 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 15 low-income families achieve homeownership.

During FY 11 - 12:

These Habitat affiliates completed the following homes:

Habitat for Humanity West Hawaii'i has completed the final of four homes (Kawaauhau) in the fall of 2011 for one of their two open contracts. Under their second open contract, HFH W. Hawaii has completed two (2) homes (G. Noeau & Fernandez). Completion of the final two homes is expected in August 2012.

Moloka'i Habitat has had no new activity on this contract. The contract was closed and balance was unencumbered this fiscal year.

Habitat for Humanity Maui was contracted to construct 4 homes and to do 6 renovations or replacement homes on Maui—Maui has completed construction on the home for (Alo) and identified one additional family which is pending a lease transfer (Kanehe)

Habitat for Humanity Leeward - This affiliate has opted to cancel the new contract and build homes for DHHL via the Habitat for Humanity International, State Support Office's contract with DHHL. Funds for the contract have been unencumbered this fiscal year.

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.

During FY 11 – 12:

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.

Sixteen (16) eligible households were assisted with a RD Participation Grants in Kumuhau, on the island of Oahu.

Notes: All of the 13 of homes are duplicate counts with home completion data.

Seven (7) eligible households were assisted with a RD Participation Grants in Kānehili, on the island of Oahu.

Notes: All of the 7 homes are duplicate counts with home completion data.

Six (6) eligible households were assisted with a RD Participation Grants in Laiopua, on the Island of Hawaii.

Notes: All of the 6 homes are duplicate counts with home completion data.

Five (5) families were assisted with Individual Development Accounts through CNHA's HIDA program.

Goal 2. Reduce the number of homes in need of repair or replacement 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.

The following services were contracted last fiscal year to facilitate work conducted under various other goals and objectives. DHHL continues to utilize the services under the existing contracts with the vendors.

- Based Paint Risk Assessment, Estimates, and Clearance
- Appraisal Services

The families served via these contracts will NOT be counted separately because the primary functions of these contracts act as supplements to other existing contracts, predominantly for repair type services.

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.

During FY 11-12:

In October of 2011, DHHL received notification from the City and County of Honolulu that the County would be terminating their partnership with DHHL for the Home Repair Program. Applications for 27 lessees in various stages of the approval process were forwarded to DHHL. At present, DHHL is in process of assisting the families with the rehabilitation of their homes. The first home of the project is currently under repair. DHHL is considering outsourcing the project.

Task 2. Provide low-interest or no-interest loans and/or grants to at least 25 eligible families to rehabilitate existing housing units.

During FY 11 - 12:

Moloka'i Community Services Council has a contract to repair 10 homes on the island of Moloka'i. There have been many challenges for program. During a site visit conducted in April of 2012, the Executive Director discussed the various reasons for delays to the start of the program. Most of the challenges faced by the subrecipient have remained basically the same, the lengthy process to receive building permits from the county and enough equity in the homes to substantiate the requested grant funds. Fortunately the staff has remained a constant during this fiscal year and procedures have been refined to proceed with the project. Two applicants passed away. One of the families intends to proceed with repairs to their home. An eligible family has not been identified to replace the deceased applicant. Seven of the applicants for the program are at various stages of the permitting & pre-construction process. The first home of the project is currently under repair (Tancayo)

The City and County of Honolulu assisted two (2) families (Lopes, Wright) with repair grants. The County of Hawai'i has completed home repairs for one family (1) family (Lee). Repairs are nearing completion for the (Kenoi) family.

In addition, as a result of the nationwide financial crisis and delay in authorization of the federal budget, DHHL created a mortgage loan that would be made available to NHHBG eligible households that were at risk of delayed mortgage closing due to the lack of or delay in RD funding. Two (2) (Kalai, Kipapa) loans were made in Kumuhau (Waimānalo, O'ahu) this fiscal year.

Note: Both of the families assisted will be a duplicate count with house completion and also counted under DPA

Goal 3. Promote safe communities on Hawaiian home lands through various methods of engaging and supporting communities that express interest and active levels of involvement in their respective communities.

Objective 3a. Assist homestead communities in assessing the viability of and planning for community centers that will further enhance community safety, homeownership education, and affordable housing activities that will serve applicants and residents of affordable housing.

Task 1. Support community initiatives directed at community level enhancements that promote safe communities or supplement other housing related activities.

During FY 11-12:

Papakōlea Community Development Corporation (PCDC) was contracted to develop a housing retention education program. There has been no activity on this project. A site visit was conducted with PCDC on May 3, 2012. The Executive Director indicated that the work on the project has been completed; PCDC is preparing the final report. The close of the contract is pending.

See Attachment 1 for status details of each Objective and Task.

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 would like to convert 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 would like 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.

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 may consider 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. The procurement of a contractor(s) through DHHL may also be considered to service the Repair 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 \$8,377,770

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

NHHBG \$8,377,770

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

Table I - Sources of Funds

<u>Sources of Funds for NHHBG Activities</u>	<u>Planned Amount (from the NHP)</u>	<u>Total Amount Actually Available</u>
1. HUD Resources		
a. Native Hawaiian Housing Block Grant	8,377,770	8,377,770
Planned Program Income	637,322	
b. Additional grant fund transferred from 08HBGHI0001 to 07HBGHI0001		28,971
b. Interest Income		24,972
b. P & I Repayments	510,231	
b. Gains from Investments in Govt. Securities	95,322	659,496
2. Other Federal Resources (Refund of prior year's grant funds expended)		
Return of loans not NHHBG funded	146,947	
Refund Title Guaranty (Leonard Kama)	49,920	
Partial return of grant funds from (Chai, Kalamau, Puaoi)	2,953	
First Am. Title Refund (Jeremiah)	88	
Return of grant fund partial refund Donnie-Dian Pa	208	
Return of grant funds from HI First FCU (Napihaa),	6,400	206,516
3. State Resources		0
4. Private Resources	0	0
5. Total Resources	<u>9,015,092</u>	<u>9,243,782</u>

Table IIa - Uses of NHHBG Funds

Activity	Year-to-Date 7/1/2011 - 6/30/2012					Cumulative-to-Date ¹		
	Budgeted NHHBG	Budgeted Other Amounts	Grant (NHHBG) Funds Expended	Other Funds Expended	Grant (NHHBG) Funds Expended	Other Funds Expended	% of NHHBG Funds Obligated	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1. Development	7,062,678	637,322	321,240	255,506	7,653,049	606,203	107.3%	
a) Rental	0	0	0	0	0	0	0.0%	
b) Homeownership - Construction	5,362,678	637,322	1,71,783	0	1,962,366	33,400	33.3%	
Homeownership - Loans	1,000,000	0	(728,170)	32,875	1,621,060	74,573	169.6%	
Homeownership - Grants	700,000	0	877,627	222,630	4,069,623	498,229	652.6%	
2. Housing Services	500,000	0	28,913	3,432	534,930	36,615	114.3%	
3. Housing Management Services	146,322	0	0	0	0	0	0.0%	
4. Crime Prevention & Safety	150,000	0	0	0	18,661	0	12.4%	
5. Model Activities	100,000	0	0	0	0	0	0.0%	
6. Planning and Administration	418,770	0	10,851	32,929	320,394	73,929	95.7%	
7. Total	8,377,770	637,322	361,004	291,868	8,527,034	716,748	100.0%	

¹ Note: Total Expended \$9,243,782 (\$8,377,770 + \$659,496 + 206,516) Program Year/Grant 07HBGHI0001/2 was closed out September 30, 2011.
form HUD-50090-APR (04/2002)

Table IIb - Uses of NHHBG Funds

Activity	Planned (from NHHP)		Units Completed			Families Assisted				
	Number of Units Planned	Number of Families Planned	Year to Date		Cumulative to Date		Year 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 (p)	Non Low Income native Hawaiian Families (q)	Non Low Income native Hawaiian Families (r)	Non Low Income native Hawaiian Families (s)
(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
	Acquisition	0	0	0	0	0	0	0	0	0
	Rehabilitation	0	0	0	0	0	0	0	0	0
b. Homeownership	Construction of New Units	75	25	378	86	378	25	0	0	86
	Acquisition	20	34	0	117	0	34	0	0	117
	Rehabilitation	20	3	2	11	2	3	0	0	11
2. Housing Services		25	0	0	0	0	0	0	0	0
3. Housing Management Services		0	0	0	0	0	0	0	0	0
4. Crime Prevention and Safety		NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Model Activities (specify below)		NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Planning and Administration		NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total	140	140	62	380	214	380	62	0	0	214

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

Started not Completed YTD = CTD based on start of infrastructure vs start of house construction

Acquisition: 7 families assisted with RD participation grant in Kanehili 16 families assisted in Kumuhau; 1 families in Laiohua = 25

Construction: Kumuhau 13 + Kanehili 7 + V. 5 Laiohua 6 = 26 + Maui HFH 1 + W HI HFH 3 = 30

Acquisition: Council for Native Hawaiian Advancement 5

Rehabilitation: City & County of Honolulu 2 + Hawaii County 1 = 3

Housing Services:

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 2011 – 2012 (Program Year 7)

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.

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.

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.

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 achieve homeownership.

During Fiscal Year 2011 – 2012:

Moloka'i Habitat for Humanity was contracted to provide technical assistance to 10 eligible NHHBG/Habitat families in the repair of their existing homes or the construction of new homes, to include energy upgrades, as applicable. The primary challenge with this program was the use of NHHBG funds for direct, zero percent (0%) loans to Habitat partner families and the difficulty with establishing adequate escrow accounts on the island of Moloka'i. MHFH was unable to establish the accounts, DHHL had initially planned to assist in providing these services within the Department. Due to State Procurement Policies, DHHL was unable to follow through. This problem is not unique to MHFH, several subrecipients have experienced the same difficulties. DHHL is in process of establishing escrow accounts for the program through a local title company.

Hilo Habitat was contracted to provide technical assistance to one eligible NHHBG household in Hilo, on the island of Hawai'i. Hilo Habitat is in agreement to close the contract due to the applicant's inability to move forward due to financial issues. Funds for the contract have been unencumbered this fiscal year.

Honolulu Habitat was contracted to provide technical assistance to four (4) families. Two (2) families have been identified and construction was completed (Fuller, Naone).

Kula na no Po'e Hawaii - Project Coordinator position filled 10/5/11. Contacted 36 eligible Kupuna/ Rcvd. 23 responses w/19 interested in participation. Eligibility info. has been received from the 19. Meeting was held with kupuna to review process on 10/24/11. 9/2011. Training conducted for the project team by Fire Dept. on how to review for Safety & access issues. 5 homes were selected in the Spring of 2012. ERRs were completed and approved. Lead Based Paint Testing was conducted on 4 of the homes. All were reported free of LBP. Notice to Proceed was issued for 5 homes slated for repairs.

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 2011– 2012

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. They are the Barrett & Kaleiupu families. The ERRs have been completed and home construction is pending. The Barrett family's loan is being processed through USDA. Funding difficulties for USDA have delayed the start of the home. Construction is expected to start at any time. The Kaleiupu family is working with a local bank and is expected to start construction soon.

Note: DPA will be counted next fiscal year, and will be 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 2011 – 2012:

The Nānākuli Housing Corporation (NHC) was contracted to provide financial literacy classes and case management services for Level 1 and 2 of DHHL's Home Ownership Assistance Program (HOAP). This service includes determination of NHHBG income eligibility for various DHHL programs, as applicable. Nine (9) families were provided financial counseling.

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 would like to convert 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 would like 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.

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 may consider 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. The procurement of a contractor(s) through DHHL may also be considered to service the Repair 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 \$8,700,000

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

NHHBG \$8,700,000²

Narrative:

² 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.
\$0

Table I - Sources of Funds

<u>Sources of Funds for NHHBG Activities</u>	<u>Planned Amount (from the NHP)</u>	<u>Total Amount Actually Awarded</u>
1. HUD Resources		
a. Native Hawaiian Housing Block Grant	8,700,000	8,700,000
Planned Program Income	174,000	
b. P & I Repayments		282,116
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)
		282,116
2. Other Federal Resources (Refund of prior year's grant funds expended)		
Partial refund Title Guaranty (Frances Apo)		27,854.17
NSF Check from Kaulia		(1,000.00)
NSF checks Kanahele		(301.00)
Partial refund from First American Title		8.95
Partial refund Florence Respicio		53.00
Return of NHHBG funds – First American Title (Motta)		50,000.00
Rebate from Hawaii Electric Light		2,909.50
Rebate from Hawaii Electric Light		541.35
Rebate from Hawaii Electric Light		27.35
		80,094
3. State Resources		0
4. Private Resources		0
5. Total Resources	8,874,000	9,062,210

Grant Number 08HBGHI0001/2
DHHL FYE: 6/30/12

Table IIa - Uses of NHHBG Funds

Year-to-Date 7/1/2011 - 6/30/2012							
Activity (a)	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Grant (NHHBG) Funds Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Funds Expended (f)	Other Funds Expended (g)	% of NHHBG Funds Obligated (h)
1. Development	7,540,000	174,000	1,987,692	147,921	2,046,261	147,921	114.1%
a) Rental	0	0	0	0	0	0	0.0%
b) Homeownership - Construction	5,000,000	174,000	229,934	716	229,934	716	51.1%
Homeownership - Loans	1,000,000	0	478,934	64,801	478,934	64,801	54.4%
Homeownership - Grants	1,540,000	0	1,278,824	82,404	1,337,393	82,404	242.0%
2. Housing Services	575,000	0	318,294	86,219	723,530	86,219	282.5%
3. Housing Management Services	0	0	0	0	0	0	0.0%
4. Crime Prevention & Safety	50,000	0	0	0	0	0	12.7%
5. Model Activities	100,000	0	0	0	0	0	7.4%
6. Planning and Administration	435,000	0	104,746	128,070	104,746	128,070	69.9%
7. Total	8,700,000	174,000	2,410,733	362,210	2,874,538	362,210	100.0%

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	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)	(u)
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	50	50	2	0	3	0	2	0	3	0
Acquisition	25	25	0	0	0	0	0	0	0	0
Rehabilitation	10	10	4	0	5	0	4	0	5	0
2. Housing Services	25	25	9	0	242	0	9	0	242	0
3. Housing Management Services	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
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	110	110	15		250	0	15	0	250	0

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

Planned Units based on NHHP.

Construction: Honolulu HFH = 2

Acquisition:

Rehabilitation: City & County of Honolulu 2 + Hawaii County 2 = 4

Housing Services: Nanakuli Housing Corp. + 9

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 2011 – 2012

American Recovery and Reinvestment Act (ARRA)

ARRA 2009 funds were expended as of May 31, 2012. This will be the last report for this program.

From 2008 NHHP Amendment for ARRA:

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.

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.

Tasks and Activities:

- i. Construct infrastructure improvements for at least one single-family residential subdivision on the island of O'ahu to serve at least 20 eligible families and one on an outer island to serve at least 20 eligible families.

This goal, objective and task will not change as the ARRA funding will be focused on infrastructure development, specifically hard costs as per the ARRA regulations, in two different single-family residential subdivisions on O'ahu. The two projects

targeted for the ARRA funding are Kaupuni Village, an 19³ unit development on the Leeward coast of O'ahu of which all 19 units will be reserved for NAHASDA eligible households, and East Kapolei II, a 1,000 unit master planned community located in the 'Ewa Plains of O'ahu. Approximately 20% of the 1,000 East Kapolei II units, or 200 units, will be reserved for NAHASDA eligible households. East Kapolei II is a multi-year, multi-increment development project and the ARRA funds will be focused on infrastructure improvements for East Kapolei II, increments B & C. House construction for East Kapolei II is expected to begin in 2013 and should run through 2020⁴.

The Eligible Activity from the list provided is **(9) Site Improvements for Homeownership Housing**

Specific Tasks and Activities:

- i. Construct infrastructure improvements for one single-family residential subdivision on the island of O'ahu to serve at least 18 eligible families, when home construction is completed.
- ii. Begin infrastructure improvements for one single-family residential subdivision on the island of O'ahu to serve at least 47 eligible families, when home construction is completed.

During FY 2011 - 2012:

DHHL obligated \$10,200,000 in ARRA funds on three projects on the island of O'ahu. The status of each project is as follows:

Kaupuni Village (infrastructure) - includes grading and drainage, construction of roadway, sewer system, etc. This project is COMPLETE.

- Contractor: Royal Contracting Co., Ltd.
- Amount of contract: \$2,565,943.48
- Amount expended as of 6/30/2011: \$2,565,943.48
- Balance remaining as of 6/30/2011: \$0

Kaupuni Village (house construction) - NTP was given on 5/17/2010 and construction is COMPLETE and all families have moved in.

- Contractor: Hunt Building Co., Ltd.
- Amount of contract: \$3,558,320.02
- Amount expended as of 6/30/2011: \$3,558,320.02
- Balance remaining as of 6/30/2011: \$0

East Kapolei II (infrastructure) – focused on infrastructure improvements (mass grading) for East Kapolei II, increments B & C. This project is COMPLETE.

- Contractor: Delta Construction Co.

³ Although the original ARRA Amendment to the 2008 NHHP indicates 18 units, the development was increased to accommodate 19 units.

⁴ Although the original ARRA Amendment to the 2008 NHHP indicated an expectation for house construction to begin in 2011 and end in 2017, those dates have been revised accordingly and as noted here.

- Amount of contract: \$4,075,736.50
- Amount expended as of 6/30/2012: \$4,075,736.50
- Balance remaining as of 6/30/2012: \$0

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?

Funds received through the American Recovery and Reinvestment Act (ARRA) will be used as specified by ARRA regulations and will not impact future implementation of NHHBG programs. However, since the ARRA funds are specific to infrastructure or house development, any funds that are received in the form of program income (i.e., from the sale of homes in Kaupuni) will be treated accordingly.

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.

ARRA/NHHBG \$10,200,000

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

ARRA/NHHBG \$10,200,000

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 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

Table I - Sources of Funds

<u>Sources of Funds for NHHBG Activities</u>	<u>Planned Amount (from the NHHP)</u>	<u>Total Amount Actually Awarded</u>
1. HUD Resources		
a. Native Hawaiian Housing Block Grant	\$10,200,000	\$10,200,000
2. Other Federal Resources (Refund of prior year's grant funds expended)		0
3. State Resources		0
4. Private Resources		0
5. Total Resources	\$10,200,000	\$10,200,000

Table 11a - Uses of NHHBG Funds

Activity (a)	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Year-to-Date 7/1/2010 - 6/30/2011				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)		
1. Development	10,200,000	0	1,104,937	0	10,200,000	0	100.0%		
a) Rental	0	0	0	0	0	0	0.0%		
b) Homeownership - Construction	10,200,000	0	1,104,937	0	6,641,680	0	65.1%		
Homeownership - Loans	0	0	0	0	3,558,320	0	34.9%		
Homeownership - Grants	0	0	0	0	0	0	0.0%		
2. Housing Services	0	0	0	0	0	0	0.0%		
3. Housing Management Services	0	0	0	0	0	0	0.0%		
4. Crime Prevention & Safety	0	0	0	0	0	0	0.0%		
5. Model Activities	0	0	0	0	0	0	0.0%		
6. Planning and Administration	0	0	0	0	0	0	0.0%		
7. Total	10,200,000	0	1,104,937	0	10,200,000	0	100.0%		

Note: USDA-RD was scheduled to provide mortgage loans for turn key units in Kaupuni. However, due to federal budget cutbacks and projected funding uncertainties, USDA-RD did not have funds available for homes that were already completed. Although, ARRA funds were used to construct the homes in Kaupuni, the \$3,558,320 was "reclassified" to Homeownership-Loans in order to account for the DHHL loans given to the 19 families. HHC Submittal, March 22, 2011, Item No. A-1.

Table 1b - Uses of NHHBG Funds

Activity	Planned (from NHHF)		Units Completed				Families Assisted					
	Number of Units Planned	Number of Families 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 Hawaiian Families	Non Low Income 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	12	0	0	19	0	0	0	0	19	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	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	12	12	0	0	19	0	0	0	0	19	0	0

Number of new construction units (12) based on actual prorated cost of house construction contract for Kaupuni, which is different from the 2008 ARRA Amendment which estimated 8 homes.

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 2011-12 (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.

FY 11-12:

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 3 to 1. Currently, there are nine (9) program participants; four (4) pending program applicants; and five (5) on the waitlist. Of the nine active participating families, there are a total of 26 individuals that are being directly impacted by the benefits this IDA program. Once the remaining five program spaces are filled, the total number of individuals impacted by the program is estimated to be over 40 individuals. Most participants and a few pending participants have completed the required "Money First" Homebuyer Education Workshop. A savings plan agreement for the IDA and requirements are agreed upon by the eligible participants.

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 2011– 2012

Kula na no Po'e Hawaii - Project Coordinator position filled 10/5/11. Contacted 36 eligible Kupuna/ Rcvd. 23 responses w/19 interested in participation. Eligibility info. has been received from the 19. Meeting was held with kupuna to review process on 10/24/11. 9/2011. Training conducted for the project team by Fire Dept. on how to review for Safety & access issues. 5 homes were selected in the Spring of 2012. ERRs were completed and approved. Lead Based Paint Testing was conducted on 4 of the homes. All were reported free of LBP. Notice to Proceed was issued for 5 homes slated for repairs.

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

Objective 3a. Provide funding to eligible entities to implements 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 11-12:

Council for Native Hawaiian Advancement was contracted to provide energy upgrades for (18) NAHASDA eligible families living in Hawaiian homestead communities in the County of Hawaii. Eighteen eligible applicants were identified for the program. ERRs were completed and approved. Installation is pending and expected by September 2012.

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 DHL'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 11-12:

Habitat for Humanity Maui was contracted to establish and provide Homeownership counseling to prepare families for successful homeownership. Thirty one (31) individuals successfully completed the Homeownership 101 class. Eleven (11) individuals received additional one-on-one counseling.

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 would like to convert 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 would like 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.

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 may consider 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. The procurement of a contractor(s) through DHHL may also be considered to service the Repair 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 NHHF.

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 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

<u>Sources of Funds for NHHBG Activities</u>	<u>Planned Amount (from the NHP)</u>	<u>Total Amount Actually Awarded</u>
1. HUD Resources		
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		51,209
2. Other Federal Resources (Refund of prior year's grant funds expended)		
Partial refund from First American Title		28,283
First American Title (Al Kahoolihala)		300
		28,583
3. State Resources		0
4. Private Resources	0	0
5. Total Resources	<u>9,940,789</u>	<u>9,780,581</u>

Table IIa - Uses of NHHBG Funds

Activity	Year-to-Date 7/1/2011 - 6/30/2012					Cumulative-to-Date		
	Budgeted NHHBG (a)	Budgeted Other Amounts (b)	Grant (NHHBG) Funds Expended (c)	Other Funds Expended (d)	Grant (NHHBG) Funds Expended (e)	Other Funds Expended (f)	% of NHHBG Funds Obligated (g)	
1. Development								
a) Rental	8,260,000	240,000	0	0	7,330	32,290	10.7%	
b) Homeownership - Construction	0	0	0	0	0	0	0.0%	
Homeownership - Loans	5,760,000	240,000	0	0	0	0	0.0%	
Homeownership - Grants	1,500,000	0	0	0	0	0	0.0%	
	1,000,000	0	0	0	7,330	32,290	10.7%	
2. Housing Services	450,000	0	169,033	72,462	195,645	72,462	84.6%	
3. Housing Management Services	0	0	0	0	0	0	0.0%	
4. Crime Prevention & Safety	25,000	0	0	0	0	0	0.0%	
5. Model Activities	25,000	0	0	0	0	0	0.0%	
6. Planning and Administration	940,789	0	0	0	0	0	0.0%	
7. Total	9,700,789	240,000	169,033	79,792	228,935	79,792	13.0%	

Grant Number 09HBGHI0001
DHHL FYE 6/30/2012

Table 11b - 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 Hawaiian Families	Non Low Income Hawaiian Families	Low Income Hawaiian Families	Non Low Income 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		40	40	0	0	0	0	0	0	0	0	0	0
	Acquisition		40	40	0	9	0	9	9	0	0	0	0	0
	Rehabilitation		10	10	0	0	0	0	0	0	0	0	0	0
2. Housing Services			0	25	31	0	31	0	31	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	115	31	9	31	9	40	0	0	0	0	0

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

[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 NHP 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 NHP 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 11-12 (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 are pending approval by the Attorney General 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 NHPs: 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 would like to convert 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 would like 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.

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 may consider 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. The procurement of a contractor(s) through DHHL may also be considered to service the Repair 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.

\$ 0.00

Table I - Sources of Funds

<u>Sources of Funds for NHHBG Activities</u>	<u>Planned Amount (from the NHHP)</u>	<u>Total Amount Actually Awarded</u>
1. HUD Resources		
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
2. Other Federal Resources (Refund of prior year's grant funds expended)		0
3. State Resources		0
4. Private Resources	0	0
5. Total Resources	<u>12,880,000</u>	<u>12,700,000</u>

Grant Number 10HBGHI0001
DHHL FYE 6/30/2012

Table IIa - Uses of NHHBG Funds

Activity (a)	Year-to-Date 7/1/2011 - 6/30/2012				Cumulative-to-Date		
	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Grant (NHHBG) Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Expended (f)	Other Funds Expended (g)	% of NHHBG Funds Obligated (h)
1. Development	10,600,000	180,000	0	0	0	0	0.0%
a) Rental	0	0	0	0	0	0	0.0%
b) Homeownership - Construction	6,820,000	180,000	0	0	0	0	0.0%
Homeownership - Loans	1,780,000	0	0	0	0	0	0.0%
Homeownership - Grants	2,000,000	0	0	0	0	0	0.0%
2. Housing Services	780,000	0	0	0	0	0	0.0%
3. Housing Management Services	0	0	0	0	0	0	0.0%
4. Crime Prevention & Safety	25,000	0	0	0	0	0	0.0%
5. Model Activities	25,000	0	0	0	0	0	0.0%
6. Planning and Administration	1,270,000	0	0	0	0	0	0.0%
7. Total	12,700,000	180,000	0	0	0	0	0.0%

Grant Number 10HBGHI0001
DHHL FYE 6/30/2012

Table IIb - Uses of NHHBG Funds

Activity	Planned (from NHHF)		Units Completed				Families Assisted				
	Number of Units Planned	Number of Families 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 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
	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	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
2. Housing Services		0	0	0	0	0	0	0	0	0	0
3. Housing Management Services		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	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 2011-12 (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. The Grant Evaluation Committee is pending Chairman's approval. Completion of the review is slated for August 30, 2012.

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 would like to convert 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 would like 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.

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 may consider 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. The procurement of a contractor(s) through DHHL may also be considered to service the Repair 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

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

Table IIa - Uses of NHHBG Funds

Year-to-Date							
Activity	7/1/2011 - 6/30/2012				Cumulative-to-Date		
	Budgeted NHHBG (b)	Budgeted Other Amounts (c)	Grant (NHHBG) Funds Expended (d)	Other Funds Expended (e)	Grant (NHHBG) Funds Expended (f)	Other Funds Expended (g)	% of NHHBG Funds Obligated (h)
1. Development	10,336,300	208,000	0	0	0	0	0.0%
a) Rental	0	0	0	0	0	0	0.0%
b) Homeownership - Construction	6,336,300	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%
2. Housing Services	1,000,000	0	0	0	0	0	0.0%
3. Housing Management Services	0	0	0	0	0	0	0.0%
4. Crime Prevention & Safety	25,000	0	0	0	0	0	0.0%
5. Model Activities	25,000	0	0	0	0	0	0.0%
6. Planning and Administration	1,288,300	0	0	0	0	0	0.0%
7. Total	12,674,600	208,000	0	0	0	0	0.0%

Grant Number 11HBGHI0001
DHHL FYE 6/30/2012

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 Hawaiian Families	Non Low Income 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	0	0	0	0	0	0	0	0	0	0
	Acquisition	30	0	0	0	0	0	0	0	0	0	0
	Rehabilitation	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 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.

Staff Shortage

The staff shortage that the NAHASDA program has endured was further burdened by the furloughs implemented from 2009 through 2011. Fortunately the furloughs have ended leaving additional work hours for NAHASDA staff to complete additional tasks. 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.

The present administration has taken an active involvement in the daily activities performed within the NAHASDA program. They are currently working with the NAHASDA staff in the development of new procedures and revisions of some of the existing ones. They have taken advantage of training opportunities and materials offered through HUD as their schedules permitted.

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 Grant Specialist. Contracts that are HOAP specific are monitored by the HOAP Manager. DHHL Self-Monitoring was established in July 2012 to ensure DHHL's compliance with HUD regulations. The NAHASDA Grant 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 for (11) of the (13) open subrecipient grants during this fiscal year. The final two site visits for the open grants are scheduled for September 2012. Site visits for the current year will be scheduled during the first quarter of 2013.

Training

Currently, DHHL has 4 staff positions that are funded through NAHASDA. DHHL is investigating additional training opportunities for select DHHL 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. All 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 (i.e. LDD, HOAP) receives adequate training, as applicable. The present DHHL administration has attended HUD sponsored training as their schedules have permitted and have reviewed training materials provided for the 2011 sessions. A request was submitted to HUD for Income Eligibility training for DHHL staff. DHHL would like to ensure compliance and consistency in the eligibility review. Training dates have not been finalized.

As a part of the DHHL's self monitoring plan, DHHL had several staff attend the HUD sponsored Self Monitoring Training and is either doing or considering 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 has been approved specifically for the monitoring of NAHASDA funded projects. DHHL is actively pursuing filling the position at this time.
3. Environmental Review Records for NAHASDA projects -- are currently reviewed by two of the NAHASDA staff. Several of the DHHL staff have attended the recent HUD sponsored Environmental Review Training. The appropriate Project Manager or one of the LDD staff are responsible for reviewing the ERR's that are completed by consultants. DHHL has procured the services of an Environmental firm to review Environmental Assessments for projects assisted with NAHASDA funds to re-evaluate ERR/EA's to ensure compliance.
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 reviews 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 (11) of the (13) open subrecipient grants during this fiscal year. Site visits are scheduled in September 2012 for the two not completed before submittal of the 2012 APR. Site visits for the current year will be scheduled during the first quarter of 2013.
- 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 - Site visits for Payroll Compliance were not conducted this reporting period. A site visit schedule will be prepared for Payroll Compliance review for the current fiscal year. An estimated 3 site visits per quarter will be conducted to monitor payroll compliance. The estimated amount may vary depending on the number of open contracts.
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 – Subrecipients are, for the most part, responsible for the determination of NHHBG eligibility, that is, NHHBG household income. A spot-check of Subrecipient income eligibility documents were reviewed during the site visits conducted this fiscal year. Eligibility to reside on Hawaiian Home Lands is dictated by the Hawaiian Homes Commission Act and is implemented by DHHLs Application Branch.

DHHL Self Monitoring - All existing DHHL staff (even staff whose positions are not funded by NHHBG) are committed to fulfilling DHHL's obligations to ensure the continued funding of the NHHBG. A Self-Monitoring meeting was held July 23, 2012, with DHHL staff to stress the importance of DHHL's compliance and steps needed for the implementation of the required self-monitoring. Several staff members were provided the Self-Monitoring worksheets to conduct evaluations to ensure DHHL's compliance with HUD regulations. Staff members selected are knowledgeable in the subject areas assigned for monitoring. Reviewers were instructed to recuse themselves from any self-monitoring activities in areas/projects that they oversee. DHHL has set a completion date of August 7, 2012.

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 it's 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.

The subrecipient agreement has been revised to include the following terms and conditions: **As applicable, Subrecipients will be required to submit the appropriate documentation to DHHL indicating that inspections were completed.**

(Not all Subrecipient Agreements are for construction or rehabilitation. For Subrecipients who provide financial counseling, etc., the requirement above would not apply. "As applicable," was included for these instances.)

Please Note: Contracts certified for PY 09HBGHI0001 did include the requirement for appropriate documentation within the Scope of Services.

It reads as follows: **(County issued Certificate of Completion, Letter of Occupancy, or other similar documentation to demonstrate that each home was is built in compliance with County building codes & standards).**

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)	35	35	35	0	0	0
Rental (NA)	0	0	0	0	0	0
Total	35	35	35	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, 2012, Kānehili (7 of 7 units assisted), La'i 'Ōpua (1 of the 1 units assisted), Kumuhau (16 of 16 units assisted), and Habitats (6 of 6 units assisted). CNHA DPA assistance (5 of 5 units assisted).

There were of three (3) completed home repairs for the County Repair Programs (2) Honolulu and (1) Hawaii. Home Rehabilitations were not included in the table above. Documentation of final inspections have been received.

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.

On August 9, 2012, a draft of the APR for DHHL FYE 6/30/12 for Grant Numbers: 07HBGHI0001/2, 08HBGHI0001/2, 09HBGHI0001, 10HBGHI0001 and 11HBGHI0001 was sent (via either email or snail mail) to the following organizations and individuals for comment.

The leadership of the Hawaiian home communities and the Hui Kāko'o 'Āina Ho'opulapula (Hui Kāko'o), which represents the applicants on the DHHL waiting lists, as follows:

Island	Organization
Statewide	Hui Kāko'o 'Āina Ho'opulapula
	Sovereign Councils of Hawaiian Homelands Assembly
O'ahu	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.
O'ahu	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
Moloka'i	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
Maui	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.
Kaua'i	Waiohuli Hawaiian Homesteaders, Inc.
	Anahola Hawaiian Homes Association
	Anahola Hawaiian Land Farm Lots Association
	Kekaha Hawaiian Homestead Association
Hawai'i- West	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
Hawai'i- East	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
- Michelle Kauhane, 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

- Darrell Yagodich, Planning Program Manager
- Dean Oshiro, Homestead Services Administrator
- Linda Chinn, Land Management Division Administrator
- Sandra S. Pfund, Land Development Division Administrator
- Crystal Kua, Information and Communications Office

Comments were received from the following individuals and incorporated into the APR, as applicable:

- Comments pending distribution of DRAFT