

For DHHL's Use: July 1, 2020 thru June 30, 2021 Annual Performance Report

ANNUAL PERFORMANCE REPORT

(NAHASDA §§ 803(b)(1), 803(c)(1) and 820(a)(2))

This form meets the requirements for a Native Hawaiian Housing Plan (NHHP) and Annual Performance Report (APR) required by the United States Department of Housing and Urban Development. The information requested does not lend itself to confidentiality.

Regulatory and statutory citations are provided throughout this form as applicable. The Department of Hawaiian Home Lands (DHHL) is encouraged to review these citations when completing the NHHP and APR sections of the form.

Under Title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4101 et seq.), HUD will provide grants under the Native Hawaiian Housing Block Grant (NHHBG) program to DHHL to carry out affordable housing activities for Native Hawaiian families who are eligible to reside on the Hawaiian Home Lands. To be eligible for the grants, DHHL must submit a NHHP that meets the requirements of the Act. To align the NHHBG program with recent improvements made to the Indian Housing Block Grant program, HUD is requiring DHHL to submit the NHHP to HUD at least 75 days prior to the start of its 12-month fiscal year. The APR is due no later than 60 days after the end of DHHL's fiscal year (24 CFR § 1006.410).

The NHHP and the APR (previously two separate forms) are now combined into one form. The sections pertaining to the NHHP are submitted **before** the beginning of the 12-month fiscal year, leaving the APR (shaded) sections blank. If the NHHP has been updated or amended, use the most recent version when preparing the APR. After the 12-month fiscal year, enter the results from the 12-month fiscal year in the shaded sections of the form to complete the APR. More details on how to complete the NHHP and APR sections of the form can be found in the body of this form. In addition, DHHL may find it helpful to refer to the IHP/APR form guidance available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/ih/codetalk/nahasda/guidance until a guidance specific to the NHHP/APR form is made available.

FORM COMPLETION OPTIONS: The NHHP/APR form may be completed either in hard copy or electronically. Hard copy versions may be completed either by hand or typewriter. Alternatively, the form may be completed electronically as it is a Word document. It is recommended that the form be completed electronically because it is more efficient to complete, submit, and review the form. Furthermore, electronic versions of the form may be submitted to HUD as an email attachment. To document official signatures on the electronic version, you should sign a hard copy of the pages and either fax (808-457-4694) that signed page or email (claudine.c.allen@hud.gov) it as an attachment to the Office of Native American Programs – Attention: Claudine Allen in the HUD Honolulu Field Office. The sections of the NHHP that require an official signature are the Cover Page and Sections 13 and 14, if applicable. For the APR, the Cover Page requires an official signature.

The NHHP data is used to verify that planned activities are eligible, expenditures are reasonable, and DHHL certifies compliance with related requirements. The APR data is used to audit the program accurately and monitor DHHL's progress in completing approved activities, including reported expenditures, outputs, and outcomes. This form is exempt from OMB Approval pursuant to 5 CFR 1320.3(4)(c).

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Native Hawaiian Housing Block Grant (NHHBG)

Exempt from OMB Approval. 5 CFR 1320.3 (c) (4)

NHHP/APR

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Native American Programs

COVER PAGE**(1) Grant Number: 14HGBHI0001; 15HBGHI0001; 17HBGHI0001; 18HBGHI0001; 19HBGHI0001****(2) Recipient Fiscal Year: 2020****(3) Federal Fiscal Year: 2020****(4)** ☐ Initial Plan (Complete this Cover Page then proceed to Section 1)**(5)** ☐ Amended Plan (Complete this Cover Page and Section 14)**(6)** ☒ Annual Performance Report (Complete items 24-27 and proceed to Section 3)

(7) Name of Recipient: Department of Hawaiian Home Lands		
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(16) Tax Identification Number: 99-0266483
(17) DUNS Number: 809935661
(18) CCR/SAM Expiration Date: 10/03/2020
(19) NHHBG Annual Grant Amount: \$2,000,000
(20) Name of Authorized NHP Submitter: William J. Aila, Jr.
(21) Title of Authorized NHP Submitter: Chairman, Hawaiian Homes Commission
(22) Signature of Authorized NHP Submitter:
(23) NHP Submission Date: 04/30/2020 Revised 09/16/2020
(24) Name of Authorized APR Submitter: William J. Aila, Jr.
(25) Title of Authorized APR Submitter: Chairman, Hawaiian Homes Commission
(26) Signature of Authorized APR Submitter:
(27) APR Submission Date: August 30, 2021

Certification: The information contained in this document is accurate and reflects the activities actually planned or accomplished during the program year. Activities planned and accomplished are eligible under applicable statutes and regulations.

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under 18 U.S.C 1001. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional disclosure, is subject to a civil money penalty not to exceed \$10,000 for each violation.

SECTION 1: FIVE YEAR PLAN

The Five Year Plan is intended to cover the Department of Hawaiian Home Lands' (DHHL) long range plans for affordable housing. Each housing plan must contain, for the five-year period beginning with the fiscal year for which the plan is first submitted, the following information.

Five Year Period: **2020** through **2025**

MISSION STATEMENT (NAHASDA § 803(b)(2)(A))

A Mission Statement describes the mission of the DHHL to serve the needs of Native Hawaiian low-income families.

Enter the DHHL's Mission Statement here:

To manage the Hawaiian Home Lands Trust effectively and to develop and deliver land to native Hawaiians.

GOALS, OBJECTIVES AND PROGRAMS/ACTIVITIES (NAHASDA § 803(b)(2)(B) and (C))

DHHL must provide a statement of the goals, objectives, and programs/activities planned for the beneficiaries over the five year period. The goals are the intended result of the NHHBG activity and are based on the types of outcomes that the DHHL will report in the APR. The objectives are the means or approach that the DHHL will use to reach the goal. The programs/activities are the specific programs/activities that will be funded in order to achieve the goal and the objective.

Goals May Include:

- | | |
|--|--|
| (1) Reduce over-crowding | (6) Assist affordable housing for college students |
| (2) Assist renters to become homeowners | (7) Provide accessibility for disabled/elderly persons |
| (3) Improve quality of substandard units | (8) Improve energy efficiency |
| (4) Address homelessness | (9) Reduction in crime reports |
| (5) Create new affordable rental units | (10) Other |

Objectives May Include:

- | | |
|--|---|
| (1) [RESERVED – DO NOT USE THIS NUMBER] | (14) Lending subsidies for homebuyers |
| (2) [RESERVED – DO NOT USE THIS NUMBER] | (15) Other homebuyer assistance activities |
| (3) Acquisition of rental housing | (16) Rehabilitation assistance to existing homeowners |
| (4) Construction of rental housing | (17) Tenant based rental assistance |
| (5) Rehabilitation of rental housing | (18) Other Housing Service |
| (6) Acquisition of land for rental housing development | (19) Housing Management Services |
| (7) Development of emergency shelters | (20) Operation and maintenance of NHHBG units |
| (8) Conversion of other structures to affordable housing | (21) Crime Prevention and Safety |
| (9) Other rental housing development | (22) Model Activities |
| (10) Acquisition of land for homebuyer unit development | (23) [RESERVED – DO NOT USE THIS NUMBER] |
| (11) New construction of homebuyer units | (24) Infrastructure to support housing |
| (12) Acquisition of homebuyer units | (25) [RESERVED – DO NOT USE THIS NUMBER] |
| (13) Downpayment/Closing cost assistance | |

Use the sections below to describe the DHHL's goals, objectives, and programs/activities during the five year period.

Goal(s) Number: I	(2) Assist renters to become homeowners
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Select from the goals listed above.

Objective(s) Number: Ia.	(24) Infrastructure to support housing
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Select from the objectives listed above.

Program/Activity Description: Infrastructure Development (Statewide)	To develop lots statewide.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: II	(2) Assist renters to become homeowners
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Select from the goals listed above.

Objective(s) Number: IIa.	(11) New construction of homebuyer units; (14) Lending subsidies for homebuyers; (13) Downpayment/Closing cost assistance
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Select from the objectives listed above.

Program/Activity Description: Homeowner Financing (Statewide)	To provide NHHBG-funded home loans (including down payment assistance, individual development accounts) to lessee families participating in new construction. This activity also provides for down payment/closing cost assistance where NHHBG funds are not the primary loan source.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: III	(2) Assist renters to become homeowners
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Select from the goals listed above.

Objective(s) Number: IIIa.	(8) Conversion of other structures to affordable housing
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Select from the objectives listed above.

Program/Activity Description: Housing Conversion	This activity supports the exploration of converting existing land and structures to affordable housing whose general lease or license may soon expire and revert back to the department.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: IV.	(5) Create new affordable rental units
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Select from the goals listed above.

Objective(s) Number: IVa.	(4) Construction of rental housing
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Select from the objectives listed above.

Program/Activity Description: Developer Financing	This activity will provide NAHASDA funding for the development of urban rentals.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: V.	(5) Create new affordable rental units
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Select from the goals listed above.

Objective(s) Number: Va.	(4) Construction of rental housing
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Select from the objectives listed above.

Program/Activity Description: Kupuna Housing Development	This activity will support the development of elderly housing for the aging native Hawaiian population. Sites may include the departments land at Isenberg and East Kapolei II.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: VI.	(7) Provide accessibility for disabled/elderly persons
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Select from the goals listed above.

Objective(s) Number: VIa.	(16) Rehabilitation assistance to existing homeowners
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Select from the objectives listed above.

Program/Activity Description: Home Assistance Program (Statewide)	This activity provides three types of assistance: (1) a deferred, no payment loan up to \$100,000; (2) a small repayment loan (up to \$100,000) for costs exceeding the original \$100,000 amount; and (3) a demolition/new build loan for properties where cost to repair exceed the appraised or tax assessed value. 40 families identified for this program are located in: Kalamaula/Hoolehua, Molokai; Keaukaha-Panaewa, Hawaii; Nanakuli/Waianae/Waimanalo/Papakolea, Oahu.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: VII.	(1) Reduce over-crowding; (5) Create new affordable rental units; (2) Assist renters to become homeowners
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Select from the goals listed above.

Objective(s) Number: VIIa.	(10) Acquisition of land for homebuyer unit development; (6) Acquisition of land for rental housing development;
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Select from the objectives listed above.

Program/Activity Description: Land Acquisition (Oahu – Priority)	This activity will support land purchase(s) for home development.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: VIII.	(1) Reduce over-crowding
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Select from the goals listed above.

Objective(s) Number: VIIIa.	(18) Other Housing Service
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Select from the objectives listed above.

Program/Activity Description: Alternative Housing Design	This activity will support the design of alternative housing models, to include multi-family; multi-lease; and culturally-relevant housing models.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: IX.	(8) Improve energy efficiency
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Select from the goals listed above.

Objective(s) Number: IXa.	(16) Rehabilitation assistance to existing homeowners
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Select from the objectives listed above.

Program/Activity Description: Energy Retrofits	This program reduces the high cost of energy in the State by installing solar panels or photovoltaic panels on lessee homes thru the use of new construction loans.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: X.	(3) Improve quality of substandard units
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Select from the goals listed above.

Objective(s) Number: Xa.	(19) Housing Management Services
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Select from the objectives listed above.

Program/Activity Description: Waimanalo Kupuna Housing Operating Subsidy	This activity establishes an Operating Subsidy for the Waimanalo Kupuna Housing from 2019 – 2046. Built in 2002 utilizing Low Income Housing Tax Credits, the operating subsidy will assist in stabilizing rental increases over the remainder of the project's LIHTC existence. The use of NHHBG funds in the project will result in tenant's maximum contribution not exceeding 30% of their gross monthly income.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

Goal(s) Number: XI.	(4) Address homelessness
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Select from the goals listed above.

Objective(s) Number: XIa.	(17) Tenant based rental assistance
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Select from the objectives listed above.

Program/Activity Description: Rental Vouchers	This activity establishes the use of rental housing vouchers for eligible applicant beneficiaries. Provides financial assistance to families facing eviction, experiencing homelessness or at risk of homelessness.
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Describe the planned program/activity and indicate how it will enable DHHL to meet its mission, goals, and objectives.

ONE YEAR PLAN & ANNUAL PERFORMANCE REPORT

SECTION 2: HOUSING NEEDS

(NAHASDA § 803(c)(2)(B))

- (1) **Type of Need:** Check the appropriate box(es) below to describe the estimated types of housing needs and the need for other assistance for low-income Native Hawaiian families (columns B and C) and non-low-income Native Hawaiian families, including non-Native Hawaiian essential families [809(a)(2)(B) and (C)] (column D) eligible to be served by DHHL.

(A) Type of Need	Check All That Apply		
	(B) Low-Income Native Hawaiian Families on Hawaiian Home Lands	(C) Low-Income Native Hawaiian Families on Wait List	(D) Non-Low- Income Native Hawaiian Families
(1) Overcrowded Households	☒	☒	☐
(2) Renters Who Wish to Become Owners	☐	☒	☒
(3) Substandard Units Needing Rehabilitation	☒	☒	☒
(4) Homeless Households	☐	☒	☐
(5) Households Needing Affordable Rental Units	☐	☒	☒
(6) College Student Housing	☒	☒	☒
(7) Disabled Households Needing Accessibility	☒	☒	☒
(8) Units Needing Energy Efficiency Upgrades	☒	☒	☒
(9) Infrastructure to Support Housing	☒	☒	☐
(10) Other (specify below)	☐	☐	☐

(2) Other Needs. *(Describe the "Other" needs below. Note: this text is optional for all needs except "Other.")*:

The Hawaiian Homes Commission Act of 1920, as amended, established the Hawaiian Home Lands Trust and defined the population eligible to reside on Hawaiian home lands as those native Hawaiians with no less than 50% Hawaiian blood and their successors or assignees of less than 50% Hawaiian blood. With approximately 8,411 leases on homesteads stretching from Hawaii Island to Kauai, the Department of Hawaiian Home Lands was created at statehood to assist the commission in meeting its fiduciary obligations.

In 2019, Hawaii Housing Finance & Development Corporation contracted with SMS Research & Marketing Services, Inc. (SMS) to release *Hawaii Housing Planning Study*.

The native Hawaiian subset for the purpose of this plan is determined as follows:

8,411	Lessees residing on the DHHL lands — as of November 30, 2019 ¹
23,084	Unduplicated waitlist as of November 30, 2019 ²
21,399	Estimated Potential Applicants based on SMS 2019 respondents ³
52,894	Total native Hawaiian individuals/households

By applying the SMS 2014 Beneficiary/Applicant Study and the SMS 2019 Study percentage estimates, we anticipate the following NAHASDA eligible native Hawaiian households as follows:

4,542	Lessees residing on the DHHL Lands – 8,411 x 54%
10,387	Applicants – 23,084 x 45% (to determine 80% AMI)
12,197	Potential Applicants – 21,399 (SMS 2019 Study) x 57%
27,126	Total native Hawaiian households eligible for NAHASDA

If we extrapolate and say that the average DHHL turnkey home is \$350,000, then the sufficient funding amount for NAHASDA would look like this:

10,387	Applicants – 26,926 x 45%
12,197	Potential Applicants – 21,399 (SMS 2019 Study) x 57%
22,584	x \$350,000 = \$7,904,400,000.00 sufficient funding for NAHASDA

The SMS 2019 Study also indicated that of the 50,156 housing units needed to accommodate Hawaii's households between 2020 and 2025, approximately 14,407 will be needed by Native Hawaiian households. Fifty-seven percent (57%) of the 14,407 units would be needed to accommodate Native Hawaiian households that earned 80 percent or less of the HUD AMI (8,142 units). Since the SMS 2019 Study noted that among Native Hawaiian households, 20 percent had at least one member on the waitlist, an estimated 1,628 units (8,142 units x 20%) would be needed to accommodate Native Hawaiian households that earned 80 percent or less of the HUD AMI who had at least one member on the waitlist between 2020 and 2025. On an annual basis, this demand could be estimated at 325 units and if we extrapolate and say that the average DHHL turnkey home is \$350,000, then the sufficient funding per year would be \$113,750,000 (325 x \$350,000).

Additional Research - 2017 HUD Report

Some of the key findings of *the Housing Needs of Native Hawaiians: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs* prepared for HUD and dated May 2017 include the following:

¹ Homestead Services Division, 12/16/19 Commission submittal. Includes lessees residing on residential, agricultural and pastoral lots, one lessee per lease, one house per lease/lot, as applicable. 817 Undivided Interest lessees omitted.

² *Ibid.*

³ The SMS 2019 Housing Policy Study included a category for native Hawaiians with at least 50% blood quantum and not DHHL lessees or applicants.

- Native Hawaiian households tend to be larger. In 2010, the average size of a Native Hawaiian's household was 4.1 people compared with 2.7 people for residents of Hawaii households.
- Although improvements were made during the 2000-to-2010 decade, Native Hawaiians living in Hawaii continue to be more economically disadvantaged: they have lower incomes, higher rates of assistance receipt, and higher poverty rates than do other residents of Hawaii.
- Native Hawaiian households also experience higher rates of overcrowding (15 percent) compared with residents of Hawaii households (8 percent).
- Homelessness among Native Hawaiians is prevalent. Although not typically chronically homeless, they are overrepresented in Hawaii's homeless population. Homeless Native Hawaiians often have jobs but cannot afford housing, so they double up (hidden homeless) or live in tents, shelters, cars, or garages.
- HHCA beneficiary households on the waiting list are more economically disadvantaged than are Native Hawaiian households overall, residents of Hawaii households, and Native Hawaiian households living on the home lands.
 - HHCA beneficiary households on the waiting list have the lowest median income of all four groups by a substantial margin: \$48,000 compared with more than \$60,000 for all other groups.
 - HHCA beneficiaries on the waiting list also receive public cash assistance at more than twice the rate of the other groups: about 20 percent of households on the waiting list received public cash assistance compared with about 7 percent of Native Hawaiians and those living on the home lands and 3 percent for residents of Hawaii.
- HHCA beneficiary households on the waiting list face more significant housing challenges across all dimensions than do the other groups.
 - Nearly 40 percent of HHCA beneficiary households on the waiting list were overcrowded compared with only 19 percent of households on sampled Hawaiian home lands, 15 percent of the state's Native Hawaiian households, and 8 percent of resident of Hawaii households.
 - About 10 percent of HHCA beneficiary households on the waiting list lack complete plumbing compared with 1 percent for all other groups.
 - Nearly one-half (46 percent) of HHCA beneficiary households on the waiting list experience cost burden compared with 40 percent of Native Hawaiian households, 42 percent of resident of Hawaii households, and only 21 percent of households on the sampled Hawaiian home lands. The much lower rate of cost burden among home lands households is due, at least in part, to the financial benefits of home lands leases, which reduce monthly housing costs, including minimal lease payments for the land and a 7-year exemption from real estate property tax.

Native Hawaiian Rehabilitation

The statistics shared in preceding paragraphs are not new to the native Hawaiians. Over 100 years ago, moved by the poor living conditions and low incomes of his people, Prince Jonah Kuhio Kalaniana'ole created the Ahahui Puuhonua o Na Hawaii, an organization comprised of royal men of lesser rank than

himself who collectively served as the catalyst toward the chronicling of the despair and destitution of the makaaainana (commoner) in 1911.

By 1918, one of the Prince's closest confidants and the kahu (pastor) of Kawaiahao Church, put the results of many years of study in publishing, "*The Sinews for Racial Development*."⁴ This book, which the Prince carried with him every day, was dedicated, "...for leaders, for those whose hearts are touched by the pressing needs of the race and are willing to offer the very best of their lives and service freely for its uplift."

The book provides a guide to the rehabilitation of the native Hawaiian people from the perspective of those who developed and championed the Hawaiian Homes Commission Act. It covers the following areas and seeks to offer counsel to any whose direction may not be clear:

1. Race Consciousness: to mean pride for, and faith in the race. That "Hawaiians must play the primary part in the solution" and that self-respect for oneself and others was a "true foundation for a successive progression in life."
2. Broadmindedness: to maintain a broad outlook on life and "a sympathetic attitude toward humanity as a whole." It encourages natives to "Give out to those about us, and to the community in which we live, the very best that we possess" and to "cultivate the ability to observe, to absorb, and to assimilate the good in other races."
3. Education: both 1 and 2 above need the "discerning power and the balanced judgment of proper education." He describes a "Thoroughly trained mind, and a broadly cultivated heart are luminous in the soul of a nation."
4. The Home Life: the home life is the foundation of the development of 1, 2 and 3. It is the "starting point of all social organization, the foundation of civilization."
5. Systematic Living: the execution of the afore-mentioned activities cannot be achieved at once or in burst of energy but rather cultivated over time in a systematic fashion. Regular, good habits such as mindful eating and exercise can help to develop the fortitude to continue no matter the circumstance.
6. Godliness: the thought of ke Akua; the worship and observance of His laws provides a stabilizing relationship that leads to one's fulfillment of one's purpose in life. Today, with the many religious beliefs, spirituality is important to the self-fulfillment each experience in his/her own life.

The work of the Ahahui Puuhonua o Na Hawaii and its members provided Prince Kuhio the much-needed data to create support, both at home in Hawaii and abroad in Washington, D.C. to pass the Hawaiian Homes Commission Act of 1920, as amended.

Through the Prince's leadership and participation in each of these community endeavors, the legacy of the Prince lives on for us today. This housing plan, a descendant of Kuhio's legacy thru the HHCA, is but a small piece of a much broader articulation of need in the State of Hawaii today. By focusing on housing, this most basic of needs acknowledged in the Western world by Maslow, the department attempts to participate in the rehabilitation of the Hawaiian people. Should every Hawaiian have a safe,

⁴ Akana, Akaiko. (1992) *Light Upon the Midst*. Mahina Productions: Kailua-Kona, Hawaii.

affordable, decent home, with fresh water for bathing and eating and cooking and food grown or gathered nearby, we could claim success. But with a little under \$8 billion in need and as the average 57-year-old applicant dies on the waiting list, it does not seem likely we will be able to make such a claim without immediate and swift monetary assistance in the next few years.

(3) Planned Program Benefits. *(Describe below how your planned programs and activities will address the needs of low income families identified above. Also describe how your planned programs will address the various types of housing assistance needs. NAHASDA § 803(c)(2)(B)):*

DHHL is in the process of awarding 395 lots statewide and has over 1,300 lots in its production pipeline that are anticipated to be completed over the next five years. The planned programs and activities are aimed at assisting as many native Hawaiian households that earn 80 percent or less of the HUD AMI to realize homeownership as part of the ongoing lot awards and production given the estimated 325 units needed per year for the next five years to accommodate Native Hawaiian households that earned 80 percent or less of the HUD AMI who had at least one member on the waitlist. The 2017 HUD Report noted that “many renters (63 percent) on the HHCA beneficiary waiting list who would prefer to own a home are unable to do so because they cannot afford a downpayment or save enough for a house.” Thus, focus will be on homeowner financing, leveraged loans with USDA Rural Housing, or other downpayment assistance options to provide new awardees with the opportunity for safe, affordable and decent housing. This effort will be supported by credit counseling and homebuyer education funded by the department.

The 2017 HUD Report also noted that “a complementary approach might be to support affordable rental options as a stepping stone to homeownership.” The planned rental housing voucher is aimed at providing rent for families at risk of homelessness, overcrowding, or without shelter.

While the 2017 HUD Report noted that HHCA beneficiary households on the waiting list face more significant housing challenges across all dimensions than do the other groups, lessees, especially in our older homestead communities face aging substandard housing. The planned home assistance program is geared to addressing this need.

(4) Geographic Distribution. *(Describe below how the assistance will be distributed throughout the geographic area and how this geographic distribution is consistent with the needs of low income families, including the needs for various categories of housing assistance. NAHASDA § 803(c)(2)(B)(i)):*

In early 2013, the Department confirmed the Hawaiian Homes Commission’s commitment in the \$75 million NAHASDA spend down to addressing new housing opportunities for home ownership. Since the need for housing was statewide, a priority had to be developed that beneficiaries and lessees could readily understand and accept. It was determined that prioritizing based on the

homestead mookuauhau would serve as the best methodology in prioritizing NAHASDA funding and the initial first three homesteads of Kalamaula, Hoolehua and Keaukaha were chosen. The programmatic funding of Home Assistance Program (home rehabilitation); HALE (financial literacy/foreclosure prevention); and Homeowner Financing (60/40 split; Deferred Sales Price; Self Help; IDA; DPA) were utilized in these areas and then expanded to other homestead areas in the last two years. Homeowner Financing are direct loans (or Downpayment assistance) from the department and the availability is limited to new homestead awards coming online.

SECTION 3: PROGRAM DESCRIPTIONS

(NAHASDA § [803(c)(2)(A)], [802(c)], [820(b)], 24 CFR §1006.410(b)(2) and (3)])

Planning and Reporting on Program Year Activities

For the NHHP, the purpose of this section is to describe each program that will be operating during the 12-month fiscal year. Each program must include the eligible activity, its planned outputs, intended outcome, who will be assisted, and types and levels of assistance. Each of the eligible activities has a specific, measurable output. The first column in the table below lists all eligible activities, the second column identifies the output measure for each eligible activity, and the third column identifies when to consider an output as completed for each eligible activity. Copy and paste text boxes 1.1 through 1.10 as often as needed so that all of your planned programs are included.

For the APR, the purpose of this section is to describe your accomplishments, actual outputs, actual outcomes, and any reasons for delays.

Eligible Activities May Include (citations below reference sections in NAHASDA)

Eligible Activity	Output Measure	Output Completion
(1) RESERVED – DO NOT USE THIS NUMBER		
(2) RESERVED – DO NOT USE THIS NUMBER		
(3) Acquisition of Rental Housing [810(b)(1)]	Units	When recipient takes title to the unit
(4) Construction of Rental Housing [810(b)(1)]	Units	All work completed and unit passed final inspection
(5) Rehabilitation of Rental Housing [810(b)(1)]	Units	All work completed and unit passed final inspection
(6) Acquisition of Land for Rental Housing Development [810(b)(1)]	Acres	When recipient takes title to the land
(7) Development of Emergency Shelters [810(b)(1)]	Households	Number of households served at any one time, based on capacity of the shelter
(8) Conversion of Other Structures to Affordable Housing [810(b)(1)]	Units	All work completed and unit passed final inspection
(9) Other Rental Housing Development [810(b)(1)]	Units	All work completed and unit passed final inspection
(10) Acquisition of Land for Homebuyer Unit Development [810(b)(1)]	Acres	When recipient takes title to the land
(11) New Construction of Homebuyer Units [810(b)(1)]	Units	All work completed and unit passed final inspection
(12) Acquisition of Homebuyer Units [810(b)(1)]	Units	When recipient takes title to the unit
(13) Down Payment/Closing Cost Assistance [810(b)(1)]	Units	When binding commitment signed
(14) Lending Subsidies for Homebuyers (Loan) [810(b)(1)]	Units	When binding commitment signed
(15) Other Homebuyer Assistance Activities [810(b)(1)]	Units	When binding commitment signed
(16) Rehabilitation Assistance to Existing Homeowners [810(b)(1)]	Units	All work completed and unit passed final inspection
(17) Tenant Based Rental Assistance [810(b)(2)]	Households	Count each household once per year

(18) Other Housing Service [810(b)(2)]	Households	Count each household once per year
(19) Housing Management Services [810(b)(3)]	Households	Count each household once per year
(20) Operation and Maintenance of NHHBG-Assisted Units [810(b)(3)]	Units	Number of units in inventory at Fiscal Year End
(21) Crime Prevention and Safety [810(b)(4)]	Dollars	Dollars spent (report in Uses of Funding Table only)
(22) Model Activities [810(b)(5)]	Dollars	Dollars spent (report in Uses of Funding Table only)
(23) RESERVED – DO NOT USE THIS NUMBER		
(24) Infrastructure to Support Housing [810(b)(1)]	Improved Lots	All work completed and lot passed final inspection
(25) RESERVED – DO NOT USE THIS NUMBER		

Outcome May Include:

(1) Reduce over-crowding	(7) Create new affordable rental units
(2) Assist renters to become homeowners	(8) Assist affordable housing for college students
(3) Improve quality of substandard units	(9) Provide accessibility for disabled/elderly persons
(4) Improve quality of existing infrastructure	(10) Improve energy efficiency
(5) Address homelessness	(11) Reduction in crime reports
(6) Assist affordable housing for low income households	(12) Other – must provide description in boxes 1.4 (NHHP) and 1.5 (APR)

NHHP: PLANNED FISCAL YEAR ACTIVITIES (NAHASDA § 803(c)(2)(A))

For each planned activity, complete all the non-shaded sections below. It is recommended that for each program name you assign a unique identifier to help distinguish individual programs. This unique number can be any number of your choosing, but it should be simple and clear so that you and HUD can track tasks and results under the program and collect appropriate file documentation tied to this program.

- One way to number your programs is chronologically. For example, you could number your programs 2014-1, 2014-2, 2014-3, etc.
- Or, you may wish to number the programs based on type. For example rental 1, rental 2, homebuyer 1, homebuyer 2, etc. This type of numbering system might be appropriate if you have many programs that last over several years.
- Finally, you may wish to use an outline style of numbering. For example, all programs under your first eligible activity would start with the number 1 and then be consecutively numbered as 1.1, 1.2, 1.3, etc. The programs under the second eligible activity would be numbered as 2.1, 2.2., 2.3, etc.

APR: REPORTING ON PROGRAM YEAR PROGRESS (NAHASDA § 820(b))

Complete the shaded section of text below to describe your completed program tasks and actual results. Only report on activities completed during the 12-month fiscal year. Financial data should be presented using the same basis of accounting as the Schedule of Expenditures of Federal Awards (SEFA) in the annual OMB Circular A-133^{*} audit. For unit accomplishments, only count units when the unit was completed and occupied during the year. For households, only count the household if it received the assistance during the previous 12-month fiscal year.

^{*}DHHL should note that new Federal government regulations on Administrative Requirements, Cost Principles, and Audit Requirements were promulgated on December 26, 2013 at 2 C.F.R. Part 200. HUD intends to update its regulations by December 26, 2014 to implement these new requirements in its programs. In the meantime, applicable OMB Circulars and the regulations at 2 C.F.R. Part 225 will continue to apply to existing grants. After HUD implements the new requirements in 2 C.F.R. Part 200 (after December 26, 2014), all grants will be subject to 2 C.F.R. Part 200, as implemented by HUD.

1.1 Program Name and Unique Identifier: 2020 Capital Improvement Projects (AHP I)
1.2 Program Description <i>(This should be the description of the planned program.):</i> This activity develops lots for residential use on Trust Lands statewide.
1.3 Eligible Activity Number <i>(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):</i> (24) Infrastructure to Support Housing [810(b)(1)]
1.4 Intended Outcome Number <i>(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):</i> (2) Assist renters to become homeowners
Describe Other Intended Outcome <i>(Only if you selected "Other" above.):</i>
1.5 Actual Outcome Number <i>(In the APR identify the actual outcome from the Outcome list.):</i> (2) Assist renters to become homeowners
Describe Other Actual Outcome <i>(Only if you selected "Other" above.):</i>
1.6 Who Will Be Assisted <i>(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a separate program within this section.):</i> Applicant lessees or undivided interest lessees who meet NAHASDA criteria will receive vacant or improved lots for new home construction.
1.7 Types and Level of Assistance <i>(Describe the types and the level of assistance that will be provided to each household, as applicable.):</i> This activity covers the cost of the infrastructure for projects. As most of the infrastructure is completed in areas where NHHBG had been expended over the past five years, and no new moneys exist to start new CIP developments, the outputs for this housing plan year may include expenditures made for planning and design.
1.8 APR: <i>(Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):</i> Engineering is in progress for East Kapolei IIC, Oahu (130 lots) as the consultant processed the plans for approval by the County and drafted the bid documents.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Improved Lots	0	0

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

N/A

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

None

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Developer Financing (AHP II)

1.2 Program Description *(This should be the description of the planned program.):*

This activity utilizes previously appropriated NHHBG Funds for East Kapolei IIB wherein NHHBG funds are revolving for the development of turn-key homes eliminating the financing costs to the developer thereby keeping the price of the turn-key home affordable. The developer will repay these NHHBG funds upon the sale of all East Kapolei IIB turn-key homes resulting in the NHHBG funds revolving back for other NHHBG eligible activities.

1.3 Eligible Activity Number *(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):*

(11) New Construction of Homebuyer Units [810(b)(1)]

1.4 Intended Outcome Number *(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):*

(2) Assist renters to become homeowners

Describe Other Intended Outcome *(Only if you selected "Other" above.):*

1.5 Actual Outcome Number *(In the APR identify the actual outcome from the Outcome list.):*

(2) Assist renters to become homeowners

Describe Other Actual Outcome *(Only if you selected "Other" above.):*

1.6 Who Will Be Assisted *(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a separate program within this section.):*

Undivided interest lessees and applicants meeting the 80% AMI income guidelines will have the opportunity to qualify for turn-key homes in East Kapolei II.

1.7 Types and Level of Assistance *(Describe the types and the level of assistance that will be provided to each household, as applicable.):*

The assistance provided will go directly to the developer as part of the capital stack for vertical construction financing.

1.8 APR: *(Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):*

As reported in the APR for the program year ending June 30, 2020, the \$5 million in NHHBG funds provided the necessary financing for the developer to construct 25 housing units in the East Kapolei IIB project for NAHASDA income eligible families. When these families in turn secured financing for their home purchase, the \$5 million revolved to the developer to finance the construction of a portion of the remaining 37 turnkey units for NAHASDA eligible families in the East Kapolei IIB project offered in December 2020. One applicant has met the 80% AMI income guidelines and additional documentation is

needed for a second applicant. Construction of the turnkey units are expected by the end of this year and the \$5 million in NHHBG funds will revolve back to DHHL as program income and be used to assist other NAHASDA income eligible families.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Units	2	0

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

The offering of the remaining 37 turnkey units in East Kapolei IIB occurred as scheduled even with the challenges that COVID-19 presented this fiscal year with a virtual lot orientation held in October 2020 followed by a walk-through event in December 2020 following social distancing and gathering guidelines, including the use of a virtual portion of the meeting. Construction is underway for these units and staff will continue to identify NAHASDA income eligible families.

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

None

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Homeowner Financing (AHP III)
1.2 Program Description <i>(This should be the description of the planned program.):</i> This activity utilizes the Department's Direct Loan program, providing homeowner financing to eligible NAHASDA families for new construction. DHHL is working to identify families in upcoming project areas for direct loans or down payment assistance.
1.3 Eligible Activity Number <i>(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):</i> (14) Lending Subsidies for Homebuyers (Loan) [810(b)(1)]
1.4 Intended Outcome Number <i>(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):</i> (2) Assist renters to become homeowners
Describe Other Intended Outcome <i>(Only if you selected "Other" above.):</i>
1.5 Actual Outcome Number <i>(In the APR identify the actual outcome from the Outcome list.):</i> (2) Assist renters to become homeowners
Describe Other Actual Outcome <i>(Only if you selected "Other" above.):</i>
1.6 Who Will Be Assisted <i>(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a separate program within this section.):</i> Molokai: 4 families Maui: 5 families West Hawaii: 5 families East Kapolei: 8 families Waimanalo: 4 families Kauai: 4 families
1.7 Types and Level of Assistance <i>(Describe the types and the level of assistance that will be provided to each household, as applicable.):</i> Financing for home loans statewide utilizing NHHBG funds for projects areas listed in 1.6.
1.8 APR: <i>(Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):</i> Five homes – 2 in Waiohuli, Maui, 1 on Hawaii Island, 1 in Kalamaula, Molokai, and 1 in Kakaina, Oahu were completed and occupied in this fiscal year. The funding for these five homes were from prior fiscal years and three of these five homes were built in partnership with Habitat for Humanity.

Homeowner financing was provided in this fiscal year for 1 lessee in Kakaina, Oahu, a slight increase in costs required additional funding for 2 lessees in Kawaihae on Hawaii Island and an appraisal was completed for a lessee in Waiohuli, Maui.

Construction is underway for 6 lessees – 3 in Kanehili, Oahu, 2 in Kawaihae on Hawaii Island, and 1 in Waiohuli, Maui. Pre-construction is also ongoing for several families in Waiohuli, Maui.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Units	5	5

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

The construction process is lengthy and although an estimate of one year is projected, delays in securing permits, contractors willing to complete the necessary certified payroll to comply with labor requirements, and additional individual wastewater system requirements can extend the construction timeline.

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

Homeowner financing is a critical component for NAHASDA eligible families, so expanding options to include down payment assistance and individual development accounts before and during construction are additional programs that could stretch NHHBG funds across more families.

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Home Assistance Program (HAP) (AHP IV)

1.2 Program Description *(This should be the description of the planned program.):*

This program covers the department's attempt to address substandard and/or aging housing on the homelands. Despite numerous delays over the past six years, some families are finally seeing actual work being done on their demolition/new builds or have completed much needed health and safety repairs on existing homes.

1.3 Eligible Activity Number *(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):*

(16) Rehabilitation Assistance to Existing Homeowners [810(b)(1)]

1.4 Intended Outcome Number *(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):*

(3) Improve quality of substandard units

Describe Other Intended Outcome *(Only if you selected "Other" above.):*

1.5 Actual Outcome Number *(In the APR identify the actual outcome from the Outcome list.):*

(3) Improve quality of substandard units

Describe Other Actual Outcome *(Only if you selected "Other" above.):*

1.6 Who Will Be Assisted *(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a separate program within this section.):*

Elderly families identified over the past 6 years are being assisted. No new kupuna are being assisted until NAHASDA funding levels increase or existing families have completed their projects.

1.7 Types and Level of Assistance *(Describe the types and the level of assistance that will be provided to each household, as applicable.):* Families determined and identified by HAP or subrecipient staff as eligible will be assisted. This includes the 20 families who were waiting for help from the C&C of Honolulu program.

Deferred, no-payment loans, subject to conditional recapture, as defined by HAP will be provided. NAHASDA eligible families will receive \$100,000 to repair their home according to HUD Housing Quality Standards. The standards would prioritize repairs for the home. Those families whose homes have been identified as needing more than \$100,000 to fix repairs are offered 1% loans on the amount that exceeds the first \$100,000, up to an additional \$100,000. A demolition/new build loan is the third option offered for properties where cost to repair exceed the appraised or tax assessed value.

1.8 APR: (Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):

Two home repairs in Hoolehua, Molokai and Panaewa, Hawaii Island and three homes – 1 in Papakolea, Oahu, 1 in Waimanalo, Oahu, and 1 in Hoolehua, Molokai were completed and occupied in this fiscal year.

Funding was provided in this fiscal year for another two homes – 1 in Papakolea, Oahu and 1 in Hoolehua, Molokai.

Pre-construction is also ongoing for a few families in Hoolehua, Molokai.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Units	2	5

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

As similarly reported under homeowner financing, the construction process for home repair is also lengthy and although an estimate of one year is projected, delays in securing permits and contractors willing to complete the necessary certified payroll to comply with labor requirements can extend the construction timeline.

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

None

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Rental Operating Subsidy (AHP V)
1.2 Program Description <i>(This should be the description of the planned program.):</i> This activity provides funds for use as a rental operating subsidy to eligible rental housing on Trust Lands in Waimanalo.
1.3 Eligible Activity Number <i>(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):</i> (20) Operation and Maintenance of NHHBG-assisted Units
1.4 Intended Outcome Number <i>(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):</i> (6) Assist Affordable Housing for Low-Income Households
Describe Other Intended Outcome <i>(Only if you selected "Other" above.):</i>
1.5 Actual Outcome Number <i>(In the APR identify the actual outcome from the Outcome list.):</i> (6) Assist affordable housing for low-income households
Describe Other Actual Outcome <i>(Only if you selected "Other" above.):</i>
1.6 Who Will Be Assisted <i>(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a separate program within this section.):</i> The rental housing project, with up to 85 units, on Trust Lands in Waimanalo will be assisted.
1.7 Types and Level of Assistance <i>(Describe the types and the level of assistance that will be provided to each household, as applicable.):</i> This project assisted with an annual operating subsidy paid directly to the development company. This elderly housing project was first occupied in 2002 and was constructed with funds from the state's Low Income Housing Trust Fund and Rental Housing Trust Fund along with funds from DHHL and the Office of Hawaiian Affairs. Many of the elderly are living on fixed income and cannot afford current rental rates under Hawaii Housing and Finance Development Corporation (HHFDC) which oversees the project and approves the rates from the developer. The subsidy covers the difference between the NAHASDA required 30% cap on tenant's adjusted gross income and the approved LITHC rent. The subsidy payments shall be used exclusively for the Project's operating expenses including property management fees; capital improvement projects such as solar water heating/photovoltaic panels/ADA accommodations; reasonable repair and replacement reserves; maintenance expenses; utilities; partnership management fees; interest on loans (whether or not currently payable); and all other costs reasonably related to the Project, such as accrued development and legal fees and costs, to ensure these costs are not passed on to the Project tenants.

1.8 APR: (Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):

A subsidy agreement for the Waimanalo Kupuna Housing Project provides an annual subsidy of \$250,000 per year, which amounted to over \$13,000/month ranging from \$10/month to \$604/month for 75 Kupuna and the remaining funds covered other operating expenses as provided for in the agreement. The use of NHHBG funds to cover Project rental assistance, including operating and other expenses is aimed at maintaining the affordability of rents for Kupuna residing within the Project.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Units in Inventory	40	75

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

N/A

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

None

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Rental Vouchers (AHP VI)
1.2 Program Description (This should be the description of the planned program.): This activity provides funds for rental housing vouchers (first month rent/deposit/emergency rent) to non-profits already engaged in this activity. Eligible families will be 80% AMI and beneficiaries of the Hawaiian Homes Commission Act of 1920.
1.3 Eligible Activity Number (Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.): (17) Tenant Based Rental Assistance [8IO(b)(2)]
1.4 Intended Outcome Number (Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.): (6) Assist Affordable Housing for Low-Income Households
Describe Other Intended Outcome (Only if you selected "Other" above.):
1.5 Actual Outcome Number (In the APR identify the actual outcome from the Outcome list.): (6) Assist affordable housing for low-income households
Describe other Actual Outcome (Only if You selected "Other." above.):
1.6 Who Will Be Assisted (Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a <u>separate program</u> within this section.): Eligible families under the HHCA and Title VIII of NAHASDA.
1.7 Types and Level of Assistance (Describe the types and the level of assistance that will be provided to each household, as applicable.): At present a number of non-profits provide deposit/first months rent/emergency rent for families at risk of homelessness, overcrowding, or without shelter. The goal of this activity will have the DHHL conduct a Request for Proposals to provide funding to families eligible for this activity. With the average rent/deposit at approximately \$4000 per family, the DHHL anticipates assisting over 250 families with funds recently appropriated.

1.8 APR.: (Describe the accomplishments for the APR in the 12 months in accordance with 24 .CFR §1006.4JQ(b)(2) and (3)):

Assistance for six families occurred this fiscal year, three of which continued from the prior fiscal year and two have since been completed and three new families whose homes are presently under construction.

The Hawaiian Homes Commission authorized the establishment of the DHHL COVID-19 Emergency Rental Assistance Program utilizing NHHBG funds to provide security deposit and/or rent to eligible Native Hawaiian families impacted by COVID-19. The program originally aimed at assisting Native Hawaiians currently on the Applicant Waiting List who may be experiencing difficulty paying rent as a result of income/job loss due to COVID-19 was expanded to include undivided interest lessees. After executing a contract with Aloha United Way (AUW), the program officially launched on May 11, 2020. As reported in the prior fiscal year, 24 families received assistance as of June 30, 2020. Those families continued to receive assistance in the current fiscal year along with another 118 families for a total number of 142 families assisted with over \$1.9 million in NHHBG funds through the contract with AUW.

The Consolidated Appropriations Act, 2021 made available \$25 billion to assist households unable to pay rent and utilities due to the COVID-19 pandemic. Of the \$800 million allocated to tribal communities, 0.3 percent or \$2.4 million was allocated to DHHL. The Hawaiian Homes Commission authorized the DHHL COVID-19 Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 to provide for the payment of security deposit, rent, rental arrears, utilities and home energy costs, utilities and home energy arrears, and other expenses related to housing incurred due to the COVID-19 outbreak for up to 12 months subject to funding availability. After executing a contract with the Council for Native Hawaiian Advancement (CNHA), 246 families received assistance from this \$2.4 million, of which 41 of those families are duplicative of the families assisted in the contract with AUW because the assistance provided pursuant to the Consolidated Appropriations Act, 2021 allowed for utilities and home energy costs, utilities and home energy arrears, and other expenses related to housing that was not part of the contract with AUW.

Anticipating that additional funding beyond the \$2.4 million allocated to DHHL in the Consolidated Appropriations Act, 2021 for emergency rental assistance would still be needed, the Hawaiian Homes Commission authorized NHHBG funds to be made available, which was implemented through a separate contract with CNHA. 29 families were assisted with NHHBG funds as of June 30, 2021. NHHBG funds will continue to be disbursed. However, DHHL will likely be disbursing about \$5 million of the State of Hawaii's allocation from the Consolidated Appropriations Act, 2021 in order to obligate those funds prior to the deadline, thereby reducing the amount of NHHBG funds for emergency rental assistance next fiscal year.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Households	15	382

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

DHHL was one of the first governmental entities offering emergency rental assistance in Hawaii. Early projections of the estimated need for emergency rental assistance resulted in a disbursement of \$2 million to AUW, which was actually disbursed over the course of this fiscal year. As more governmental entities have also offered similar emergency rental assistance, we are able to better project and estimate the need and are disbursing funds in alignment with federal requirements.

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

The housing plan should separate program activities for rental vouchers for temporary relocation assistance and emergency rental and utilities assistance to more appropriately reflect program outcomes.

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Housing Counseling (AHP VII)
1.2 Program Description <i>(This should be the description of the planned program.):</i> Independent, expert advice customized to the need of the Native Hawaiian lessee, applicant or household to address housing barriers in order to achieve housing goals through homeownership counseling or rental housing counseling and include the following processes: intake, financial and housing affordability analysis, an action plan, and a reasonable effort to have follow-up communication when possible.
1.3 Eligible Activity Number <i>(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):</i> (18) Other Housing Service [810(b)(2)]
1.4 Intended Outcome Number <i>(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):</i> (6) Assist Affordable Housing for Low-Income Households
Describe Other Intended Outcome <i>(Only if you selected "Other" above.):</i>
1.5 Actual Outcome Number <i>(In the APR identify the actual outcome from the Outcome list.):</i> (6) Assist affordable housing for low-income households
Describe Other Actual Outcome <i>(Only if you selected "Other" above.):</i>
1.6 Who Will Be Assisted <i>(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a <u>separate</u> program within this section.):</i> Native Hawaiian lessee, applicants or households who received or are eligible to receive NAHASDA assistance including but not limited to homeowner financing, home repair assistance, and rental assistance.
1.7 Types and Level of Assistance <i>(Describe the types and the level of assistance that will be provided to each household, as applicable.):</i> Initial contact will be made with lessee, applicants or households who received NAHASDA assistance informing them of housing counseling services available and any Native Hawaiian requesting assistance who is deemed eligible to receive NAHASDA assistance will also be referred to housing counseling services.
1.8 APR: <i>(Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):</i> A vendor provided homeownership counseling to 43 households – 8 of whom have previously received NAHASDA financing assistance, 4 households are currently in construction, and the remaining 31 in pre-homeownership.

Of the 376 households that received emergency rental assistance, 337 households completed initial counseling, while services to 15 households were either closed or refused after several attempts by the vendor, and the remaining households have yet to schedule services as of June 30 reflecting a 90% rental housing counseling completion rate.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Households	50	380

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

N/A

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

None

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

1.1 Program Name and Unique Identifier: Existing Potable Water Infrastructure Improvements (AHP IX)
1.2 Program Description <i>(This should be the description of the planned program.):</i> This activity will utilize NHHBG funding for engineering services for the Anahola Farm Lots Water System and the Molokai Water System Improvements. These funds will be leveraged with funding from USDA to improve potable water infrastructure for systems in Anahola, Kauai and Hoolehua, Molokai.
1.3 Eligible Activity Number <i>(Select one activity from the Eligible Activity list. Do not combine homeownership and rental housing in one activity, so that when housing units are reported in the APR they are correctly identified as homeownership or rental.):</i> (24) Infrastructure to Support Housing [810(b)(1)]
1.4 Intended Outcome Number <i>(Select one outcome from the Outcome list. Each program can have only one outcome. If more than one outcome applies, create a separate program for each outcome.):</i> (4) Improve quality of existing infrastructure
Describe Other Intended Outcome <i>(Only if you selected "Other" above.):</i>
1.5 Actual Outcome Number <i>(In the APR identify the actual outcome from the Outcome list.):</i> (4) Improve quality of existing infrastructure
Describe Other Actual Outcome <i>(Only if you selected "Other" above.):</i>
1.6 Who Will Be Assisted <i>(Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median should be included as a separate program within this section.):</i> New and existing lessees in homestead areas with approved USDA DHHL applications would be assisted with potable water infrastructure improvements.
1.7 Types and Level of Assistance <i>(Describe the types and the level of assistance that will be provided to each household, as applicable.):</i> Improved potable water service delivery and/or new potable water service delivery for lessees in homestead areas with an approved DHHL USDA water application.
1.8 APR: <i>(Describe the accomplishments for the APR in the 12-month fiscal year in accordance with 24 CFR § 1006.410(b)(2) and (3)):</i> NHHBG funding for engineering services for the water system in Anahola, Kauai continued in this fiscal year.

1.9: Planned and Actual Outputs for 12-Month Fiscal Year

Type of Output to be Completed in Fiscal Year Under this Program. Enter <u>one</u> of following choices in accordance with the Eligible Activity: Units; Households; Improved Lots; Acres	Planned Number of Outputs to be completed in Fiscal Year Under this Program	APR: Actual Number of Outputs Completed in Fiscal Year
Improved Lots	0	0

1.10: APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

N/A

1.11: APR: Describe the manner in which DHHL would change its housing plan as a result of its experiences. (24 CFR § 1006.410(b)(4)). NOTE: It is sufficient to provide one response to this item rather than an individual response for each NHHBG-funded program.

The housing plan should include this program if engineering services are expected to continue keeping in mind that over 90% of the contract amount for the water system in Hoolehua, Molokai and 84% of the contract amount for the water system in Anahola, Kauai have been expended.

NOTE: Remember to complete all the text boxes in Section 3 for each NHHBG-funded program. If you are completing an electronic version of this form, you may copy and paste text boxes 1.1 through 1.11 as needed to describe each of your programs. If you are completing this form in hard copy, you may photocopy Section 3 as needed to describe each of your programs.

SECTION 4: AFFORDABLE HOUSING RESOURCES

This section of the NHHBP is designed to provide the public with basic background information on the characteristics shaping DHHL's affordable housing programs. Each portion of the text below has several required components that must be discussed. DHHL is encouraged to carefully review the instructions for each section and provide text covering all required elements.

Housing Market (NAHASDA § 803(c)(2)(D)(i) and (ii)) *(Describe the key characteristics of the housing market in the State of Hawaii, currently, and in the period of time covered by the plan. Include a description of the availability of housing from other public sources and private market housing, and how this supply of housing affected the DHHL's program/activity choices.):*

Wages remain relatively low in Hawai'i making housing affordability a major issue for residents of the state. Because wages remain low, families living in Hawai'i often work more than one job to make ends meet. The SMS Study of 2006 indicated that 44% of all households in the state were at or below 80% of median income. According to the same report, even families with household incomes between 120% and 140% of median income in Hawai'i require affordable housing units given the high cost of housing.

Almost one fourth (22.7%) of all Hawai'i residents pay over 40% of their monthly household income toward their shelter costs and approximately one third (34%) pay over 30% of their monthly household income toward their shelter costs. However, when examined closer it is clear that those households with income levels below 80% of the area median income are more likely to be paying over 30% of their household income toward shelter costs. More specifically, for all households in the state that are at or below 80% of area median income levels, about half (52.22%) pay over 30% of their monthly income toward shelter costs and approximately 38.33% pay over 40% of their monthly income toward shelter costs. Shelter to income ratios are higher for native Hawaiian households in that 45.5% pay over 40% of their monthly household income toward their shelter costs whereas only 36.6% of non-native households pay over 40% of their monthly household income toward shelter costs.

The department's NHHBG funded mortgage loans provide single family housing for the same or lower price than a studio in a multi-family high rise built by another housing agency in the urban core. Without NHHBG funding, the department would be unable to build or finance housing for the 80% AMI or below target population.

Cooperation (NAHASDA § 803(c)(2)(D)(iii) *(Describe the structure, coordination, and means of cooperation between DHHL and other relevant partners and organizations [including private nonprofit organizations experienced in the planning and development of affordable housing] in the development, submission, or implementation of its housing plan. In addition, DHHL must indicate if it plans to use loan guarantees under Section 184A of the Housing and Community Development Act of 1992 and any other housing assistance provided by the Federal Government.):*

The department currently partners with a number of housing agencies and organizations either thru subject matter meetings or formal MOUs or agreements. Included in each of the activities of the plan above were the names of the organizations currently or about to receive, monies from the NHHBG.

The Section 184A Loan Guarantee Program, which is similar to the Section 184 Loan Guarantee Program giving Native Americans access to private mortgage financing by providing loan guarantees to lenders, was implemented in 2007. Currently, Bank of Hawai'i, Homebridge Financial Services, Inc. and HomeStreet Bank are approved lenders for the Section 184 A loan program.

DHHL has been utilizing the FHA 247 loan program since 1987. Almost \$495 million in mortgage loans are outstanding through the FHA 247 loan program to lessees on Hawaiian home lands. The Veterans Affairs direct loan, Rural Development (U.S. Department of Agriculture) loan programs, and low-income housing tax credits are other financing options and tools utilized on Hawaiian home lands.

Demolition and Disposition (NAHASDA § 803(c)(2)(D)(viii), 24 CFR 1006.101(b)(4)(viii)) *(Describe any planned demolition or sale of NHHBG-assisted housing units, or any other demolition or disposition that will be carried out with NHHBG funds. Be certain to include a financial analysis of the proposed demolition, the timetable for any planned demolition or disposition and any other information that is required by HUD with respect to the demolition or disposition.):*

There are no 1937 Act housing on Hawaiian home lands. The DHHL does not anticipate demolishing any units funded by the NHHBG.

Coordination (NAHASDA § 803(c)(2)(D)(ix) *(Describe how DHHL will coordinate with partners to promote employment and self-sufficiency opportunities for residents of affordable housing.)*):

The State of Hawai'i Department of Human Services (DHS) administers individual and family financial assistance programs that provide cash payments to help individuals and families meet their basic needs. The programs include Temporary Assistance to Needy Families (TANF), Temporary Assistance to Other Needy Families (TAONF), General Assistance (GA), Aid to the Aged, Blind and Disabled (AABD) and the Food Stamps program. Medical assistance is provided through the Hawai'i QUEST and Medicaid fee-for-services programs. Vocational rehabilitation services are provided to persons with disabilities. Whenever the DHHL staff is made aware of a lessee in need, the families are referred to DHS or to an appropriate non-profit service provider.

Safety (NAHASDA § 803(c)(2)(D)(x)) *(Describe how DHHL will promote crime prevention and resident involvement in affordable housing.)*:

The DHHL continues to coordinate efforts with the Police Narcotics Division, the Sherriff's Office and the Attorney General's Office—Investigative Division to do surveillance and to evict the offending occupants whenever there is evidence of drug problems or other crimes in the homestead areas. If investigation results in a conviction, the lessee is taken to a contested case hearing for lease cancellation.

Capacity (NAHASDA § 803(c)(2)(D)(xi)) *(Describe the structure, capacity, and key personnel of the entities that will carry out the program/activities of the housing plan.):*

The DHHL was created by the State Legislature in 1964 to administer the Hawaiian home lands program and manage the Hawaiian home lands trust. The DHHL is one of eighteen principal agencies of the Executive Branch of the State of Hawai'i.

The DHHL serves native Hawaiians or individuals of no less than 50% Hawaiian blood, as defined by the Hawaiian Homes Commission Act of 1920, as amended, and their successors and assigns. These native Hawaiians are the beneficiaries of the Hawaiian home lands trust consisting of a land trust of over 200,000 acres, settlement monies from the State for the mismanagement of trust lands, funds received from the State general fund for operating costs, and revenues and earnings from the land leasing program.

The DHHL is governed by a nine-member board of commissioners headed by the Chairman, who also serves as the executive officer of the DHHL. The Governor of the State of Hawai'i appoints each commissioner and Chairman to a four-year term. The terms of the commissioners are staggered.

Currently, there are 134 full time employees in DHHL with six offices statewide. DHHL's main administrative office is located in Kapolei, Oahu and the five (5) district offices are located on neighbor islands. There are two (2) district offices on the Big Island, one in Hilo (East Hawaii) and one in Waimea (West Hawai'i), Hawai'i; one (1) district office in Lihue, Kauai; one (1) district office in Wailuku, Maui; and one (1) district office in Kalamaula, Molokai. DHHL is organized into five offices and three divisions under the Hawaiian Homes Commission and Office of the Chairman. The various offices and divisions are described as follows:

Office of the Chairman (OCH) — 21 staff members

The Office of the Chairman consists of the Chairman of the Hawaiian Homes Commission, who is also the Director of Department of Hawaiian Home Lands; the Deputy to the Chairman, the Executive Assistant; the NAHASDA Manager, HALE Manager, NAHASDA Program Specialist, NAHASDA Compliance Specialist, NAHASDA Clerk; and executive staff.

Administrative Services Office (ASO) – 7 staff members

The Administrative Services Office provides DHHL staff support in the areas of personnel, budgeting, program evaluation, information and communication systems, risk management, facilities management, clerical services and other administrative services. This office also provides support services in preparation of legislative proposals and testimonies, coordinates the preparation of reports to the legislature and facilitates the rule-making process.

Fiscal Office (FO) – 12 staff members

The Fiscal Office provides accounting support for DHHL. One accountant is dedicated to the NHHBG whose position is currently vacant.

Planning Office (PO) – 10 staff members

The Planning Office conducts research and planning studies required in the development of policies, programs, and projects to benefit native Hawaiians. The PO coordinates and develops the Regional Plans, administers the Native Hawaiian Development Program, provides capacity building training

for homestead organizations, and provides community based grants for the implementation of Regional priority projects, community based economic development, and membership development.

Information and Community Relations Office (ICRO) – 5 staff members

The Information and Community Relations Office disseminates information to the public on Department issues, oversees community relations with the various homestead communities and coordinates DHHL's ceremonies. They also publish DHHL's annual reports to the State Legislature.

Homestead Services Division (HSD) – 43 staff members

HSD is composed of three branches: 1) Homestead Applications, 2) District Operations, and 3) Loan Services. HSD is the largest division in DHHL, has staff on all islands, and services more than 25,000 applicants and 8,000 lessees on five islands.

Land Management Division (LMD) – 10 staff members

LMD is responsible for managing Hawaiian home lands that are not used for homestead purposes. Unencumbered lands are managed and disposed of for long and short term uses in order to generate revenues and keep the lands productive while minimizing the occurrence of vegetative overgrowth, squatting or illegal dumping. LMD is responsible for properly managing the lands in DHHL's inventory.

Land Development Division (LDD) – 16 staff members

LDD is charged with the responsibility of developing trust lands for homesteading and income-producing purposes. This is accomplished through the development of properties for residential, agricultural, pastoral, and economic development uses. LDD has three operating branches: 1) Design and Construction – concentrating on the design and construction of off-site and on-site improvements for the various subdivisions; 2) Master-Planned Community – expediting the construction of housing options through partnerships with private sector and exploring other housing opportunities; and, 3) Housing Project—providing turn-key homes and assisting lessees of vacant lots in arranging financing and in contracting with a builder, including self-help and Habitat programs.

The following is a listing of the key personnel responsible for the implementation of DHHL and NAHASDA assisted programs:

Hawaiian Homes Commission (HHC)

William J. Aila, Jr., Chairman
David Kaapu, West Hawaii Commissioner
Michael Kaleikini, East Hawaii Commissioner
Randy Awo, Maui Commissioner
Zachary Helm, Molokai Commissioner
Pauline Namuo, Oahu Commissioner
Patricia (Patty) Kahanamoku-Teruya, Oahu Commissioner
Russell Kaupu, Oahu Commissioner
Dennis Neves, Kauai Commissioner

Department of Hawaiian Home Lands

William J. Aila, Jr., Director
Tyler Iohepa Gomes, Deputy to the Chairman

Rodney Lau, Administrative Services Officer
Pearl Teruya, Fiscal Management Officer
Andrew Choy, Acting Planning Program Manager
Cedric Duarte, Info Community & Relations Officer
David Hoke, Enforcement Supervisor
Niniau Simmons, Manager (NAHASDA)
Trisha Paul, Program Specialist (NAHASDA)
Cynthia Rezentes, NAHASDA Compliance Specialist
Michelle Hitzeman, HALE Manager
Juan Garcia, Homestead Services District Supervisor III
Nina Fisher, East Hawaii Homestead District Supervisor
James Du Pont, West Hawaii Homestead District Supervisor II
Gene Ross Davis, Molokai Homestead District Supervisor II
Dean Oshiro, Housing Services Division Administrator
Lehua Kinliau-Cano, HHL Legislative Analyst
Nadine Pomroy, Clerk (NAHASDA)
Stewart Matsunaga, Land Development Division Administrator
Kelbert Yoshida, Engineer III
Jeff Fujimoto, Engineer VI

SECTION 5: BUDGETS

(1) Sources of Funding (NAHASDA § 803(c)(2)(C)(i) and 820(b)(1)) (Complete the non-shaded portions of the chart below to describe your estimated or anticipated sources of funding for the 12-month fiscal year. **APR Actual Sources of Funding -- Please complete the shaded portions of the chart below to describe your actual funds received. Only report on funds actually received and under a grant agreement or other binding commitment during the 12-month fiscal year.**)

SOURCE	NHHP					APR					
	(A) Estimated amount on hand at beginning of fiscal year	(B) Estimated amount to be received during 12-month fiscal year	(C) Estimated total sources of funds (A + B)	(D) Estimated funds to be expended during 12-month fiscal year	(E) Estimated unexpended funds remaining at end of fiscal year (C minus D)	(F) Actual amount on hand at beginning of fiscal year	(G) Actual amount received during 12-month fiscal year	(H) Actual total sources of funding (F + G)	(I) Actual funds expended during 12-month fiscal year	(J) Actual unexpended funds remaining at end of 12-month fiscal year (H minus I)	(K) Actual unexpended funds obligated but not expended at end of 12-month fiscal year
1. NHHBG Funds	14,638,221	2,000,000	16,638,221	2,845,417	13,792,804	15,544,788	2,000,000	17,544,788	1,962,515	15,582,273	15,582,273
2. NHHBG Program Income	0	139,583	139,583	139,583	0	0	812,607	812,607	812,607	0	
LEVERAGED FUNDS											
3. Other Federal Funds					0		2,793,839	2,793,839	2,793,839	0	
4. LIHTC											
5. Non-Federal Funds											
TOTAL	14,638,221	2,139,583	16,777,804	2,985,000	13,792,804	15,544,788	5,606,446	21,151,234	5,568,961	15,582,273	15,582,273

Notes:

- For the NHHP, fill in columns A, B, C, D, and E (non-shaded columns). **For the APR, fill in columns F, G, H, I, J, and K (shaded columns).**
- Total of Column D should match the total of Column N from the **Uses Table** on the following page.
- Total of Column I should match the Total of Column Q from the Uses Table on the following page.**
- For the NHHP, describe any estimated leverage in Line 3 below. For the APR, describe actual leverage in Line 4 below (APR).

(2) Uses of Funding (NAHASDA § 803(c)(2)(C)(ii)) (Note that the budget should not exceed the total funds on hand (Column C) and insert as many rows as needed to include all the programs identified in Section 3. **Actual expenditures in the APR section are for the 12-month fiscal year.**)

PROGRAM NAME (ie to program names in Section 3 above)	Unique Identifier	NHHP			APR		
		(L) Prior and current year NHHBG (only) funds to be expended in 12- month fiscal year	(M) Total all other funds to be expended in 12- month fiscal year	(N) Total funds to be expended in 12- month fiscal year (L + M)	(O) Total NHHBG (only) funds expended in 12-month fiscal year	(P) Total all other funds expended in 12- month fiscal year	(Q) Total funds expended in 12-month fiscal year (O+P)
2020 CIP	AHP I	265,000		265,000	6,171	28,202	34,373
Developer Financing	AHP II						0
Homeowner Financing	AHP III	1,260,417	139,583	1,400,000	44,357	215,175	259,532
HAP	AHP IV	400,000		400,000	790,252	181,233	971,485
Rental Operating Subsidy	AHP V	250,000		250,000	40,158	272,342	312,500
Rental Vouchers	AHP VI	50,000		50,000	468,123	2,502,862	2,970,985
Housing Counseling	AHP VII	250,000		250,000	407,467	199,641	607,108
Water Improvements	AHPIX				29,679	19,329	49,008
Planning and Administration		370,000		370,000	176,308	187,662	363,970
Loan Repayment – describe in 3 and 4 below.							
TOTAL		2,845,417	139,583	2,985,000	1,962,515	3,606,446	5,568,961

Notes:

- Total of Column L cannot exceed the NHHBG funds from Column C, Row 1 from the Sources Table on the previous page.
- Total of Column M cannot exceed the total from Column C, Rows 2-10 from the Sources Table on the previous page.
- Total of Column O cannot exceed total NHHBG funds received in Column H, Row 1 from the Sources Table on the previous page.**
- Total of Column P cannot exceed total of Column H, Rows 2-10 of the Sources Table on the previous page.**
- Total of Column Q should equal total of Column I of the Sources Table on the previous page.**

(3) Estimated Sources or Uses of Funding (NAHASDA § 803(c)(2)(C)). *(Provide any additional information about the estimated sources or uses of funding, including leverage (if any). You must provide the relevant information for any planned loan repayment. The text must describe which specific loan is planned to be repaid and the NAHASDA-eligible activity and program associated with this loan):*

The department anticipates using only program income and block grant balances for activities in this housing plan.

(4) APR (NAHASDA § 820(b)(1)) *(Enter any additional information about the actual sources or uses of funding, including leverage (if any)).*

Over \$800,000 in program income was realized this fiscal year. In addition, \$2.4 million was allocated to DHHL through the Consolidated Appropriations Act, 2021 to assist households unable to pay rent and utilities due to the COVID-19 pandemic and nearly \$400,000 in other refunds were processed.

SECTION 6: OTHER SUBMISSION ITEMS

- (1) Useful Life/Affordability Period(s)** (NAHASDA § 813, 24 CFR § 1006.305) *(Describe your plan or system for determining the useful life/affordability period of the housing assisted with NHHBG funds. A record of the current, specific useful life/affordability period for housing units assisted with NHHBG funds must be maintained in DHHL's files and available for review for the useful life/affordability period.):*

DHHL has established the following affordability periods to describe the term during which DHHL will keep the unit affordable:

<u>NHHBG Funds Invested</u>	<u>Affordability Period</u>
Up to \$24,999	6 months
\$25,000 to \$50,000	1 year
\$50,001 to \$100,000	10 years
\$100,001 to \$150,000	20 years
\$150,001 and above	30 years

The affordability period is based on the total amount of NHHBG funds invested in the development and/or rehabilitation of a housing unit. Resale and recapture provisions will be included as a condition of the Hawaiian homestead lease to enforce the affordability restriction for each assisted housing unit.

- (2) Model Housing and Over-Income Activities** (NAHASDA § 810(b)(5) and 809(a)(2)(B), 24 CFR § 1006.225 and 1006.301(b)) *(If you wish to undertake a model housing activity or wish to serve non-low-income households during the 12-month fiscal year, those activities may be described here. Each approved model activity must be included as a separate program in Section 3 (Program Descriptions) and the APR portions of Section 3 must be completed in the APR submission for any approved model activity.):*

None.

- (3) Anticipated Planning and Administration Expenses** (NAHASDA § 802(d), 24 CFR § 1006.230)

Do you intend to exceed your allowable spending cap for Planning and Administration? Yes ☐ No ☒

If yes, describe why the additional funds are needed for Planning and Administration.

Native Hawaiian Housing Block Grant (NHHBG)

Exempt from OMB Approval. 5 CFR 1320.3 (c) (4)

NHHP/APR

U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Native American Programs

(4) Actual Planning and Administration Expenses (NAHASDA § 802(d), 24 CFR § 1006.230)

Did you exceed your spending cap for Planning and Administration? Yes ☐ No ☒

If yes, did you receive HUD approval to exceed your spending cap on Planning and Administration? Yes ☐ No ☐

If you did not receive approval for exceeding your spending cap on Planning and Administration costs, describe the reason(s) for exceeding the cap.

SECTION 7: NATIVE HAWAIIAN HOUSING PLAN CERTIFICATION OF COMPLIANCE
(NAHASDA § 803(c)(2)(E))

By signing the NHHP, you certify that you have all required policies and procedures in place in order to operate any planned NHHBG programs.

- (1) In accordance with applicable statutes, the recipient certifies that it will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) or with the Fair Housing Act (42 U.S.C. 3601 et seq.) in carrying out the NHHBG program, to the extent that such Acts are applicable, and other applicable federal statutes.

Yes ☒ No ☐

The following certifications will only apply where applicable based on program activities.

- (2) The recipient will require adequate insurance coverage for housing units that are owned and operated or assisted with grant amounts provided under NAHASDA, in compliance with such requirements as may be established by HUD.

Yes ☒ No ☐ Not Applicable ☐

- (3) Policies are in effect and are available for review by HUD and the public governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under NAHASDA.

Yes ☒ No ☐ Not Applicable ☐

- (4) Policies are in effect and are available for review by HUD and the public governing rents charged, including the methods by which such rents or homebuyer payments are determined, for housing assisted with grant amounts provided under NAHASDA.

Yes ☒ No ☐ Not Applicable ☐ and

- (5) Policies are in effect and are available for review by HUD and the public governing the management and maintenance of housing assisted with grant amounts provided under NAHASDA.

Yes ☒ No ☐ Not Applicable ☐

SECTION 8: SELF-MONITORING

(NAHASDA § 819(b), 24 CFR § 1006.401)

(1) Do you have a procedure and/or policy for self-monitoring?

Yes ☒ No ☐

(2) Did you conduct self-monitoring, including monitoring sub-recipients?

Yes ☒ No ☐

(3) Self-Monitoring Results. *(Describe the results of the monitoring activities, including inspections for this program year.):*

Self-monitoring is currently underway and is expected to be completed in July 2021. The self-monitoring audit includes inspections and evaluations of DHHL's processes, procedures and records in the following areas: (1) Organizational Control Environment; (2) Complaint Management; (3) Financial & Fiscal Management (including finance system controls, cash management, indirect cost-cost allocation, reserve balances; total development costs, program income, investments, insurance); (4) Eligibility, Admissions and Occupancy (includes lead-based paint monitoring); (5) IHP and APR Compliance; (6) Procurement and Contract Administration; (7) Environmental Review Compliance Monitoring Plan; (8) Labor Standards; (9) Maintenance and Inspection; (10) Subrecipient Agreement; and (11) Self-Monitoring.

The FY20-21 program year was a year of transition for the NAHASDA Office at DHHL and the self-monitoring conducted is reflective of that change. The impacts of the COVID-19 world-wide pandemic (pandemic) created opportunities to reach out and provide positive impactful help to beneficiaries in a new manner while also requiring changes in the work environment. In addition, the makeup of the NAHASDA team changed with new leadership as well as other staff changes. These changes provided opportunities for growth that was captured as part of the self-monitoring activities. Following are a few highlights from various self-monitoring audit areas.

Organizational Control Environment - Although there has been a State-wide hiring freeze, DHHL was able to re-evaluate existing positions to create revised positions with responsibilities that better align with the services being provided as well as expand the use of existing consulting contracts. One revised position, with a focus on rental assistance has already been completed internally and the newly re-vamped environmental compliance position is under recruitment. The existing consulting contract was expanded to provide increase assistance in development of environmental documents until the environmental compliance position can be filled.

Financial & Fiscal Management (including finance system controls, cash management, indirect cost-cost allocation, reserve balances; total development costs, program income, investments, insurance) - The DHHL Fiscal department has continued to submit its reports with appropriately documented expenditure in a timely manner. In the first quarter of calendar 2021, all additional fiscal monitoring requirements, resulting from the 2016 HUD audit were eliminated.

Environmental Review Compliance Monitoring Plan - FY20-21 included the development of written ERR procedures to standardize the ERR review. While the draft procedures are still being finalized, it has provided staff with instructions to improve standardization of recordkeeping for new projects, as well as templates for development of mitigation plans and a visual flow chart for ease of understanding the process. The use of mitigation plans has improved the understanding of environmental requirements across divisions within DHHL. This increased understanding resulted in the integration of the mitigation plan into the Pre-award meetings held for potential recipients in the Discovery Harbor in-fill development improving their understanding of the on-going environmental requirements.

Subrecipient Agreement - Prior to the pandemic, DHHL had a single subsidy agreement providing housing to native Hawaiian kūpuna (elderly individuals age 55+). However, the need for rental and utility assistance increased as a result of changing financial conditions due to the pandemic. This provided DHHL an opportunity to impact more qualified native Hawaiian beneficiaries, in particular, those on the applicant waiting lists. As a result, DHHL now has additional professional services contracts providing services and expanding the Departments reach.

Self-Monitoring - DHHL utilized the 2018, NAHASDA IHBG Recipient Self-Monitoring Guidebook and associated checklists along with its own policies and procedures to conduct the FY20-21 Self-monitoring. The intent of the transition was to better match the auditing system utilized by HUD. In addition, the questions posed were different from those asked for the last 8 years requiring greater reflection by the staff. This made the self-monitoring process more time-consuming, and difficult for the various staff involved. However, the information collected has been actionable, and is providing opportunities to improve systems, processes, and procedures. It also has highlighted that the procedures and programs already in place are working in ensuring that DHHL is meeting its obligations regarding the administration of federal funds.

SECTION 9: INSPECTIONS

(NAHASDA § 819(b))

(1) **Inspection of Units** *(Use the table below to record the results of inspections of assisted housing.)*

(A)		(B)	Results of Inspections	
Activity		Total number of units inspected	(C)	Total number of units (Inventory)
NAHASDA-Assisted Units: Running inventory as of Fiscal Year Beginning (July 1) a 12-month total.				
a.	New Construction Completed	5		589
b.	Rehab/Repair Completed	5		102
c.	Rental Assistance (if applicable)	75		
d.	Other			
Total		85		691

(2) Did you comply with your inspection policy: Yes ☒ No: ☐

(3) If no, why not:

SECTION 10: AUDITS

(24 CFR § 1006.375(d))

This section is used to indicate whether an Office of Management and Budget Circular A-133^{*} audit is required, based on a review of your financial records.

Did you expend \$500,000^{*} or more in total Federal awards during the APR reporting period?

Yes ☒ No ☐

If Yes, an audit is required to be submitted to the Federal Audit Clearinghouse and the Office of Native American Programs.

If No, an audit is not required.

^{*}DHHL should note that new Federal government regulations on Administrative Requirements, Cost Principles, and Audit Requirements were promulgated on December 26, 2013 at 2 C.F.R. Part 200. HUD intends to update its regulations by December 26, 2014 to implement these new requirements in its programs. Audits covering recipients' fiscal years that begin in January 2015 will be subject to the revised audit requirements. In the meantime, applicable OMB Circulars and the regulations at 2 C.F.R. Part 225 will continue to apply to grants until implementation of the new requirements.

SECTION 11: PUBLIC AVAILABILITY

(NAHASDA § 820(d), 24 CFR § 1006.410(c))

- (1) Did you make this APR available to the beneficiaries of the Hawaiian Homes Commission Act before it was submitted to HUD?

Check one: Yes ☒ No ☐

- (2) If you answered "No" to question #1, provide an explanation as to why not and indicate when you will do so.

- (3) Summarize any comments received from the beneficiaries (NAHASDA § 820(d)(2)).

Public comment will be received from July 20, 2021 thru August 23, 2021. The final draft of the APR will be submitted to HUD by August 30, 2021.

SECTION 12: JOBS SUPPORTED BY NAHASDA

(NAHASDA § 820)

Use the table below to record the number of jobs supported with NHHBG funds each year (including DHHL staff, Subrecipient staff, Contractors, etc.).

Native Hawaiian Housing Block Grant Assistance (NHHBG)	
(1) Number of Permanent Jobs Supported	24
(2) Number of Temporary Jobs Supported	22

(3) Narrative *(optional)*:

SECTION 13: NHHP WAIVER REQUESTS

(NAHASDA § 802(b)(2), 24 CFR 1006.20(b))

THIS SECTION IS ONLY REQUIRED IF DHHL IS REQUESTING A WAIVER OF A NHHP SECTION OR A WAIVER OF THE NHHP SUBMISSION DUE DATE. Fill out the form below if you are requesting a waiver of one or more sections of the NHHP. **NOTE:** This is NOT a waiver of the NHHBG program requirements but rather a request to waive some of the NHHP submission items because DHHL cannot comply due to circumstances beyond its control.

- (1) List below the sections of the NHHP where you are requesting a waiver and/or a waiver of the NHHP due date. *(List the requested waiver sections by name and section number):*

- (2) Describe the reasons that you are requesting this waiver *(Describe completely why you are unable to complete a particular section of the NHHP or could not submit the NHHP by the required due date.):*

- (3) Describe the actions you will take in order to ensure that you are able to submit a complete NHHP in the future and/or submit the NHHP by the required due date. *(This section should completely describe the procedural, staffing or technical corrections that you will make in order to submit a complete NHHP in the future and/or submit the NHHP by the required due date.):*

(4) Recipient:	
(5) Authorized Official's Name and Title:	
(6) Authorized Official's Signature:	
(7) Date (MM/DD/YYYY):	

SECTION 14: NHHP AMENDMENTS

(24 CFR § 1006.101(d))

Use this section for NHHP amendments only.

Fill out the text below to summarize your NHHP amendment. Copy and paste Section 14 for each amendment. This amendment is only required to be submitted to the HUD Office of Native American Programs when the recipient is adding a new activity that was not described in the current One-Year Plan that has been determined to be in compliance by HUD. All other amendments will be reflected in the APR and do not need to be submitted to HUD.

NOTE: A Cover Page is strongly recommended but not required with a NHHP Amendment submission.

APR: REPORTING ON PROGRAM YEAR PROGRESS (NAHASDA § 820(b))

Complete the shaded section of text below to describe your completed program tasks and actual results. Only report on activities completed during the 12-month fiscal year. Financial data should be presented using the same basis of accounting as the Schedule of Expenditures of Federal Awards (SEFA) in the annual OMB Circular A-133 audit. For unit accomplishments, only count units when the unit was completed and occupied during the year. For households, only count the household if it received the assistance during the previous 12-month fiscal year.

*DHHL should note that new Federal government regulations on Administrative Requirements, Cost Principles, and Audit Requirements were promulgated on December 26, 2013 at 2 C.F.R. Part 200. HUD intends to update its regulations by December 26, 2014 to implement these new requirements in its programs. In the meantime, applicable OMB Circulars and the regulations at 2 C.F.R. Part 225 will continue to apply to existing grants. After HUD implements the new requirements in 2 C.F.R. Part 200 (after December 26, 2014), all grants will be subject to 2 C.F.R. Part 200, as implemented by HUD.

(1) Program Name and Unique Identifier:**(2) Program Description** (*This should be the description of the planned program.*):**(3) Eligible Activity Number** (*Select one activity from the Eligible Activities list in Section 3. Do not combine homeownership and rental housing in one activity, so that when units are reported in the APR they are correctly identified as homeownership or rental.*):

(4) Intended Outcome Number (Select one Outcome from the Outcome list in Section 3.):

Describe Other Intended Outcome (Only if you selected "Other" above.):

(5) Actual Outcome Number (Select one Outcome from the Outcome list in Section 3.):

Describe Other Actual Outcome (Only if you selected "Other" above.):

(6) Who Will Be Assisted (Describe the types of households that will be assisted under the program. Please note: assistance made available to families whose incomes exceed 80 percent of the median income should be included as a separate program within this Section.):

(7). Types and Level of Assistance (Describe the types and the level of assistance that will be provided to each household, as applicable.):

(8). APR: (Describe the accomplishments for the APR in the 12-month fiscal year. In accordance with 24 CFR § 1006.410(b)(2) and (3), provide an analysis and explanation of cost overruns or high unit costs.):

(9). Planned and Actual Outputs for 12-Month Fiscal Year

Planned Number of Units to be Completed in Year Under this Program	Planned Number of Households To Be Served in Year Under this Program	Planned Number of Acres To Be Purchased in Year Under this Program	APR: Actual Number of Units Completed in Fiscal Year	APR: Actual Number of Households Served in Fiscal Year	APR: Actual Number of Acres Purchased in Fiscal Year

(10). APR: If the program is behind schedule, explain why. (24 CFR § 1006.410(b)(2))

(11) Amended Sources of Funding (NAHASDA § 803(c)(2)(C)(i)) (Complete the non-shaded portions of the chart below to describe your estimated or anticipated sources of funding for the 12-month fiscal year. **APR Actual Sources of Funding -- Please complete the shaded portions of the chart below to describe your actual funds received. Only report on funds actually received and under a grant agreement or other binding commitment during the 12-month fiscal year.**)

SOURCE	NHHP					APR					
	(A) Estimated amount on hand at beginning of fiscal year	(B) Estimated amount to be received during 12- month fiscal year	(C) Estimated total sources of funds (A + B)	(D) Estimated funds to be expended during 12- month fiscal year	(E) Estimated unexpended funds remaining at end of fiscal year (C minus D)	(F) Actual amount on hand at beginning of fiscal year	(G) Actual amount received during 12- month fiscal year	(H) Actual total sources of funding (F + G)	(I) Actual funds expended during 12- month fiscal year	(J) Actual unexpended funds remaining at end of 12- month fiscal year (H minus I)	(K) Actual unexpended funds obligated but not expended at end of 12- month fiscal year
6. NHHBG Funds											
7. NHHBG Program Income											
LEVERAGED FUNDS											
8. Other Federal Funds											
9. LIHTC											
10. Non-Federal Funds											
TOTAL											

Notes:

- For the NHHP, fill in columns A, B, C, D, and E (non-shaded columns). **For the APR, fill in columns F, G, H, I, J, and K (shaded columns).**
- Total of Column D should match the total of Column N from the **Uses Table** on the following page.
- Total of Column I should match the Total of Column Q from the Uses Table on the following page.**

(13) Estimated Sources or Uses of Funding (NAHASDA § 803(c)(2)(C)). *(Provide any additional information about the estimated sources or uses of funding, including leverage (if any). You must provide the relevant information for any planned loan repayment listed in the Uses Table on the previous page. The text must describe which specific loan is planned to be repaid and the NAHASDA-eligible activity and program associated with this loan):*

(14) APR (NAHASDA § 820(b)(1)) *(Enter any additional information about the actual sources or uses of funding, including leverage (if any). You must provide the relevant information for any actual loan repayment listed in the Uses Table on the previous page. The text must describe which loan was repaid and the NAHASDA-eligible activity and program associated with this loan.):*

(15) Recipient:	
(16) Authorized Official's Name and Title:	
(17) Authorized Official's Signature:	I certify that all other sections of the NHHF approved on are accurate and reflect the activities planned.
(18) Date (MM/DD/YYYY):	