

NSP GRANT SUBMISSION TEMPLATE **& CHECKLIST**

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): State of Hawaii <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: Karen Seddon
Jurisdiction Web Address: http://hawaii.gov/dbedt/hhfdc <i>(URL where NSP Substantial Amendment materials are posted)</i>	Address: 677 Queen Street, Suite 300, Honolulu, Hawaii, 96813
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	Email: Karen.s.seddon@hawaii.gov

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data [LINK – to HUD USER data], in developing this section of the Substantial Amendment.

Response:

All counties within the State of Hawaii experience a shortage of affordable housing. The housing needs for the Counties of Hawaii, Kauai, and Maui are described in the State of Hawaii's Consolidated Plan for Program Years 2005-2010 and Action Plan for Program Year 2008-2009. The housing needs for the City and County of Honolulu are described in the City's Consolidated Plan for Program Years 2005-2010 and Action Plan for Program Year 2008-2009, which are incorporated by reference [http://www.honolulu.gov/budget/consol_plan_+2006_2010.pdf and <http://www.honolulu.gov/budget/final14thyractionplan.pdf>].

Data provided by the U.S. Department of Housing and Urban Development (HUD) show that each of the counties in the State of Hawaii has areas with or at risk of high rates of foreclosure.

Although the State of Hawaii appears to rank near the bottom of state-by-state listings of mortgage delinquency and subprime mortgage problems, Hawaii has lagged the mainland United States in past economic downturns. Data from the Mortgage Bankers Association Quarterly Survey for the 2nd quarter of 2008 reveal the following statistics for Hawaii:

- Of 169,953 loans serviced, 3.34 percent of all loans were past due, with 0.86 percent past due 90 days or more.¹
- 1.42 percent of loans were in foreclosure, with 0.58 percent started during the quarter.²
- 2.28 percent of loans were considered “seriously delinquent,” including the loans past due 90 days or more plus those in the foreclosure inventory.³

When prime loans were separated from subprime loans, the following Hawaii statistics were reported:

- Of 143,183 prime loans serviced, 2.03 percent were past due, 0.52 percent were in the foreclosure inventory at the end of the quarter, and 0.96 percent were seriously delinquent.⁴
- In comparison, of 18,448 subprime loans serviced, 12.71 percent were past due, 8.46 percent were in the foreclosure inventory at the end of the quarter and 12.42 percent were seriously delinquent.⁵

Adjustable rate mortgages numbered 22,072 prime ARMs and 7,817 subprime ARMs.⁶ Of the 7,817 subprime ARMs, 16.95 percent were past due, 14.94 were in the foreclosure inventory at the end of the quarter, and 20.50 percent were seriously delinquent.⁷

Additionally, according to HUD, Hawaii’s statewide foreclosure rate is at 2.3%, and all four counties in the State of Hawaii have areas at risk of foreclosure and abandonment.⁸

¹ Mortgage Bankers Association, National Delinquency Survey from the Mortgage Bankers Association, Second Quarter 2008, page 4.

² Op. cit., page 4

³ Ibid.

⁴ Op. cit., page 5

⁵ Ibid.

⁶ Op. cit., page 9

⁷ Ibid.

⁸ HUD data

The HHFDC worked closely with the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui to identify areas of greatest need. The factors used to identify areas of greatest need are summarized below.

- Give priority consideration to Census Tracts with a higher HUD “estimated foreclosure and abandonment risk score.” (The HUD risk score ranges from 0 to 10, where 0 is an indicator of a very low risk of home foreclosure and abandonment and 10 suggest a very high risk. HUD utilized data from four sources: the Office of Federal Housing Enterprise Oversight, Federal Reserve Home Mortgage Disclosure Act data, Labor Department, and United States Postal Service.)
- Consider trends in the local housing market and economy. While a Census Tract may not have a high HUD risk score, home foreclosures in the State of Hawaii are on the rise due to job losses, rising costs, declining property values, and the effects of a weakened economy.
- Consider the impact of an activity or project in meeting the housing needs of households of low-, moderate-, or middle-income (LMMI) and in stabilizing an LMMI neighborhood.

City & County of Honolulu

Unemployment in the City and County of Honolulu has increased significantly. The unemployment rate (not seasonally adjusted) jumped to 4.2 percent in September 2008 from 2.7 percent a year ago (Department of Labor and Industrial Relations, October 20, 2008). Unemployment claims in the City and County of Honolulu rose from 736 claims in October 2007 to 1,032 in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

Within the City and County of Honolulu, the neighborhood with the highest rate of loans in foreclosure and real estate owned was Waianae, followed by Ewa Beach.⁹ The Oahu neighborhoods found to have concentrations of subprime loans were Ewa Beach, Makakilo, and Waianae, base on data aggregated by zip code.¹⁰ Within the category of subprime loans, larger areas extending beyond the neighborhoods listed will be affected by variable interest subprime loans scheduled to reset in 2008.¹¹

A database search of a real estate reporting service which compiles data from public records indicates that during the period January 2007 through September 2008, 35 properties were sold under Commissioners’ deed or Commissioners’ assignment of leases.¹² This excludes the majority of Hawai’i foreclosures which are sold through

⁹ “Mortgage Delinquencies and Foreclosures: Hawaii,” presentation by Craig Nolte, Federal Reserve Bank of San Francisco, July 21, 2008

¹⁰ Ibid.

¹¹ Ibid.

¹² Database search in Hawaii Information Service, Public Record Data. Search by Gary Kurokawa, Administrator, Real Property Assessment Division, Department of Budget & Fiscal Services.

the non-judicial foreclosure process. Of the 35 properties listed, 7 properties, or 20 percent, were located in Waianae and two properties, or five percent, were located in Ewa. Anecdotally, the City and County of Honolulu, Department of Budget & Fiscal Services, is aware that the Ewa neighborhood is experiencing foreclosure activity, based on notices received in relation to homes in a City-developed subdivision.¹³

According to HUD data, Waianae Kai and East Kapolei-Ewa Villages are LMMI areas (i.e., areas where more than 51 percent of the people in the area had incomes in 2000 of less than 120 of the area median income). Waianae Kai (Census Tract 97.01) has a HUD foreclosure risk score of 7, while the East Kapolei-Ewa Villages (Census Tract 86.05) has a HUD risk foreclosure score of 4.

County of Hawai'i

The Hawaii County unemployment rate (not seasonally adjusted) jumped to 6.7 percent in September 2008 from 3.7 percent a year ago (Department of Labor and Industrial Relations, October 20, 2008). The Kona area of the Big Island has experienced a surge in unemployment claims, jumping from 115 claims in October 2007 to 245 claims in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

HUD has identified several census tracts in the County of Hawaii as being areas with high foreclosure and abandonment risk scores. Kalaoa (Census Tract 215.01) has a high HUD foreclosure risk score of 6 and is an area with low-, moderate-, and middle-income households.

County of Kaua'i

Unemployment on Kauai has increased significantly. The unemployment rate (not seasonally adjusted) jumped to 4.9 percent in September 2008 from 2.8 percent a year ago (Department of Labor and Industrial Relations, October 20, 2008). Unemployment claims on Kauai rose from 66 claims in October 2007 to 122 in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

Information obtained from realtytrac.com indicates that foreclosures during the period March/April 2008 to September 2008 were scattered throughout the island. Foreclosure activity was high in the Kapaa, Koloa, Kalaheo, Lihue and Princeville areas.¹⁴ On October 9, 2008, foreclosureconnections.com showed ten foreclosure properties located mainly in Kapaa (five foreclosures), with others in Princeville, Koloa and Kilauea.¹⁵ Judicial foreclosure filings were scattered throughout the

¹³ Personal communication with Beryle Matsumura, Fiscal Officer, Department of Budget & Fiscal Services, October 1, 2008

¹⁴ Information gathered by the Kauai County Housing Agency, from <http://www.realtytrac.com> (March/April, 2008 to September, 2008)

¹⁵ Information gathered by the Kauai County Housing Agency on October 9, 2008, from <http://www.foreclosureconnections.com>.

County of Kaua'i and totaled thirty-five from January 2007 through December 2007, and forty-nine from January 2008 through September 26, 2008; a total of eleven foreclosure filings were recorded in the one-month period of August 25, 2008 through September 29, 2008.¹⁶

County of Maui

Unemployment on Maui Island and the County of Maui has increased significantly. The unemployment rates (not seasonally adjusted) for Maui Island and Maui County jumped to 5.2 percent and 5.5 percent, respectively, in September 2008 from 3.6 percent and 3.7 percent, respectively, a year ago (Department of Labor and Industrial Relations, October 20, 2008). Unemployment claims in the County of Maui rose from 167 claims in October 2007 to 425 in October 2008 (Department of Business, Economic Development & Tourism, October 2008).

Maui County is experiencing a sharp increase in the foreclosure rate as the year proceeds. On July 17, 2008, there were 524 active foreclosures in the state. On September 3, 2008, the active foreclosures statewide had increased to 899, an increase of 72%. The County of Maui's share has also increased as compared to the state as a whole: As of September 3, 2008, the State of Hawaii has experienced 2,538 foreclosures during the year, of which 409 (or 16 percent of foreclosures) were in the County of Maui. In comparison, active pending foreclosures statewide numbered 899, of which 186 were in the County of Maui, representing 21 percent of the total active pending foreclosures.¹⁷

Statewide foreclosure data from a September 3, 2008 list of active foreclosures suggest 4 areas that have concentrations of foreclosures: Kihei, Kahului, Lahaina and Wailuku.¹⁸

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note:* The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

¹⁶ Information on judicial foreclosures in the County of Kauai was gathered by the Kauai County Housing Agency from the Fifth Judicial Circuit Court records.

¹⁷ Information gleaned by Na Hale O Maui, a Community Land Trust, from raw data based on recordings at the Bureau of Conveyances as reported by First American Title Company, September 3, 2008.

¹⁸ Ibid.

Response:

NSP funds will be distributed to the areas of greatest need identified in Section A of this NSP Substantial Amendment.

The HHFDC worked closely with the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui to identify eligible uses of the NSP funds. In identifying activities to be funded under NSP, HHFDC also considered the capability of the entity to effectively administer the NSP and the ability of the NSP funds to be used for a particular activity within the required 18-month time period.

City and County of Honolulu

NSP funds will be used for the development of affordable rental housing in the Waianae Kai and East Kapolei-Ewa Villages Census Tracts. Funding for both projects will help to meet the need for permanent rental housing opportunities, particularly for homeless individuals and low- and moderate-income households, on the Leeward side of Oahu.

County of Hawaii

NSP funds will be used for the development of eight affordable rental housing units in Kalaoa (Census Tract 215.01). The County of Hawaii has placed a priority on the development of the Kaloko Housing Program due to the impending closure of the only homeless facility in West Hawaii in June 2009.

County of Kauai

NSP funds will be used to finance two activities on Kauai. The first activity is the redevelopment of three residential lots located in Eleele-Kalaheo (Census Tract 407) and Kekaha-Waimea (Census Tract 409). While the residential lots are located in areas with a HUD foreclosure risk score of 1, property values in those areas have significantly declined since 2007 (nearly 17% in Eleele and over 23% in Waimea according to Cyberhomes).

The second activity involves the acquisition, rehabilitation or redevelopment, and resale of residential property in which a mortgage or tax foreclosure is complete. The County of Kauai will place priority on the acquisition of properties in areas with higher foreclosure rates including Kapaa, Koloa, Kalaheo, Lihue and Princeville.

County of Maui

NSP funds will be used for the acquisition, rehabilitation, and resale of foreclosed homes under a community land trust model. Priority will be placed on acquiring homes in the higher risk foreclosure areas of North Kihei (Census Tract 307.02), Kahului (Census Tracts 311.01, 311.02, 311.03, and 312), Lahaina (Census Tracts 314.01 and 314.02), and Wailuku (Census Tracts 309.02 and 309.03). The HUD foreclosure risk scores in these areas range from 3 to 5. The median value of homes in these areas has significantly declined since 2007. According to Cyberhomes,

Kihei property values have decreased by about 15%; approximately 19% in Wailuku, and nearly 26% in Lahaina.

The distribution and uses of NSP funds is summarized in the table below.

PROJECT DESCRIPTION	NSP USE	HONOLULU	HAWAII	KAUAI	MAUI	HHFDC	TOTALS
Purchase/Rehab/Sell	B	\$0	\$0	\$2,949,000	\$3,000,000	\$0	\$5,949,000
Ewa Villages Apts.	E	\$2,000,000	\$0	\$0	\$0	\$0	\$2,000,000
Seawind	E	\$3,500,000	\$0	\$0	\$0	\$0	\$3,500,000
Kaloko	E	\$0	\$4,887,800	\$0	\$0	\$0	\$4,887,800
Waimea/Eleele LELP	E	\$0	\$0	\$1,326,000	\$0	\$0	\$1,326,000
Administration	Admin	\$0	\$486,400	\$470,800	\$0	\$980,000	\$1,937,200
TOTALS		\$5,500,000	\$5,374,200	\$4,745,800	\$3,000,000	\$980,000	\$19,600,000

The distribution of NSP funds will be subject to a number of requirements which include, but are not limited to, the following:

Timeliness: The HHFDC will be required to use its NSP allocation within 18 months from the time that HUD signs its NSP Grant Agreement with HHFDC. Accordingly, the HHFDC will require its sub-recipients to use their allocation of NSP funds within 18 months from the time that HUD signs its NSP Grant Agreement with HHFDC. NSP funds will be considered “used” when they are obligated by a sub-recipient for a specific NSP activity. Examples of “obligated” are when orders are placed, contracts are awarded, services are received, or similar transactions have occurred that require payment.

Monitoring: The intent of NSP grant funds is to quickly address an emergency situation in areas of greatest need; accordingly, the NSP requires that funds be used within 18 months, and spent within 4 years. To ensure compliance with this requirement, the HHFDC will closely monitor the appropriate and timely administration and use of NSP funds by each sub-recipient.

Alternative Funding Allocation (Reallocation): During the initial 18-month period, the HHFDC will closely monitor NSP sub-recipients for timeliness, and the effective use and administration of NSP funds. Should a sub-recipient fail to demonstrate the need for, or the ability to effectively administer, its allocation of funding for projects contracted for within the 18-month period, the HHFDC reserves the right to reallocate the funds to an eligible NSP activity in an area of greatest need.

Recapture: After the initial 18-month period, the HHFDC will continue to monitor sub-recipients to ensure that NSP activities meet program requirements. HHFDC reserves the right to recapture NSP funds if a sub-recipient is not in compliance with the program requirements.

Dual Assistance with NSP Funds:

To make the best and most efficient use of limited NSP funds, dual assistance, in the form of more than one NSP eligible use, may not be provided for a single eligible project or program.

Program Income:

Before July 30, 2013, income generated by NSP-funded activities may be used by the counties or the sub-recipient for other eligible NSP activities:

- (A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income buyers;**
- (B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;**
- (C) establish land banks for homes that have been foreclosed upon;**
- (D) demolish blighted structures; and**
- (E) redevelop demolished or vacant properties.**

All NSP funds must benefit households whose incomes do not exceed 120 percent of the area median income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD). Any program income received from NSP activities must be spent before

After July 30, 2013, income generated by NSP-funded activities shall be returned to the U.S. Treasury.

C. DEFINITIONS AND DESCRIPTIONS

- (1) Definition of “blighted structure” in context of state or local law.

Response:

“Blighted structure” is one that exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

- (2) Definition of “affordable rents.” *Note:* Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

“Affordable Rent” means rent that does not exceed 30% of the annual household income for NSP-eligible households, based on the area median income as established by HUD, with adjustments for household size. Affordable rent includes utilities such as water, sanitary sewage services, electricity and gas (where applicable).

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

Continued affordability of projects utilizing NSP funds will be ensured through the use of a recorded restrictive document which will detail a project’s minimum affordability period. The construction of new affordable projects serving

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

For NSP-assisted rehabilitation activities, rehabilitation standards shall be in compliance with HUD’s Housing Quality Standards as defined in 24 CFR 982.401.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$_____.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

At least \$4,900,000 will be spent on individuals or families whose incomes do not exceed 50% of AMGI. This amount represents 25% of \$19,600,000 which the State of Hawaii is eligible to receive under the NSP program.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

Does not apply.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

On October 29, 2008, the State of Hawaii published a Notice of Public Comment, inviting public comments on the proposed uses of Neighborhood Stabilization Program funds, in newspapers of all four counties. The Notice was also posted on the website of the Hawaii Housing Finance and Development Corporation. The public is provided a 15-day period during which public comments will be accepted. The HHFDC will consider all comments received for developing the final NSP Substantial Amendment to the State of Hawaii's Consolidated Plan, Action Plan for Program Year 2008-2009.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Waianae Supportive Housing Project (Seawind Apartments)**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP eligible use: 2301(c)(3)(E) – Redevelop demolished or vacant properties

CDBG eligible activity: 570.201(m) – Construction of housing

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date:

October 1, 2010

(5) Projected End Date:

June 30, 2011

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Housing Solutions Incorporated

P. O. Box 11360

Honolulu, Hawaii 96828

Contact: Terry Brooks, President and CEO

(808)222-5510

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Census Tract 97.01. Vacant site on Kauliokalani Place (TMK: 8-5-028-044), Waianae, Hawaii. The site is mauka of the Waianae Neighborhood Community Center.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity

will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

NSP grant funds will be used to construct a 50-unit affordable rental project on vacant land leased from the State of Hawaii in Waianae. The Waianae area has the highest rate of loans in foreclosure and real estate owned, and a concentration of subprime loans. The Waianae neighborhood area's estimated foreclosure rate is 4.5%, with a risk score of 7 and an unemployment rate of 4.2%.

Phase I of the project is funded by HOME Investment Partnership Act funds from the City & County of Honolulu, and Economic Development Initiative grant funds, and consists of thirty two-bedroom units. Phase II will consist of twenty studio units. The project will include offices, a conference room, a computer center and lanai area. The project is supported by the Waianae Neighborhood Board and has approval of exemptions from development requirements pursuant to Resolution 08-161, adopted August 20, 2008.

A construction contract has been awarded and permits are expected shortly. Because the project does not include tax credit or bank financing, construction will not be delayed due to current economic and tightened credit conditions. Phase II of the project will target families whose incomes do not exceed 50% AMI, with rents at \$831 per month.

At a minimum, the project will be kept affordable for a 20-year period which will be ensured through a recorded use restriction on the property, required with the use of HOME funds. In addition, the 50-year land lease from the State of Hawaii requires the property to be used solely to provide rental housing opportunities to families whose incomes do not exceed 60% of the area median income, with preference given to people and families who are in need of transitional housing.

I. Total Budget: (Include public and private components)

The budget for Phase II is \$5,500,000 and the total budget for the entire 50-unit project is \$12,490,536. The costs are being funded as follows:

Funding Source	Amount
Neighborhood Stabilization Program – Pending	\$3,500,00
HOME Funding	\$8,493,486
HOME Funding – Pending FY10 Application	\$2,200,000
TOTAL	\$12,490,536

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Twenty units will be produced in Phase II of the project that will serve households with incomes that do not exceed 50% AMI.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Ewa Villages Apartments**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Activity: 2301(c)(3)(E) – Redevelop demolished or vacant properties.

CDBG Activity: 570.201(m), Construction of Housing

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of AMI.

(4) Projected Start Date:

July 1, 2009

(5) Projected End Date:

August 31, 2010

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

**Hui Kauhale, Inc.
841 Bishop Street, Suite 2208
Honolulu, Hawaii 96813**

**Contact: Marian Gushiken, Director of Real Estate Development
(808)523-8826**

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

**Census Tract 86.05. Vacant site on Renton Road, Ewa, Hawaii.
TMK: (1)9-1-017-076 and 077**

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

The project site is located in Ewa, identified to be an area of _____

Construction of the project will be in two phases. The project will consist of 140 one-, two-, and three-bedroom affordable rental units serving the following income groups:

PHASE	NO. OF UNITS	% OF UNITS	INCOME GROUP
Phase I	3	5%	30% AMI
	19	30%	50% AMI
	41	65%	60% AMI
	1		Resident Mgr.
Phase II	4	5%	30% AMI
	19	25%	50% AMI
	52	70%	60% AMI
	1		Resident Mgr.
TOTAL	140		

Hui Kauhale, Inc. has elected to maintain the project's affordability for 61 years, which will be assured through a recorded use restriction on the property.

I. Total Budget: (Include public and private components)

The total budget for Phase I and II is \$53.5 million, excluding repayment of the construction loan. The request for NSP funds is \$2,000,000.

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

The project will deliver 140 units of affordable rental units for households with incomes that do not exceed 60% AMI, of which 45 units will be set aside for households with incomes that do not exceed 50% AMI.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Kaloko Rental Housing Project (KRHP)**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Activity: 2301(c)(3)(E), Redevelop demolished or vacant properties

CDBG Activity: 570.201(m), Construction of Housing

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent AMI.

(4) Projected Start Date:

October 2009 – Estimated execution of project construction Contract

(5) Projected End Date:

June 2010

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

**County of Hawaii, Office of Housing and Community Development (OHCD)
50 Wailuku Drive
Hilo, Hawaii 96720**

**Contact Person: Edwin Taira, Housing Administrator
(808)961-8379**

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Census Tract 215.01. The Koloko Rental Housing Project will be constructed on part of a vacant parcel owned by the County of Hawai'i. The site is located north of Kaloko Industrial Park, off Hina Lani Street in Kailua-Kona, Hawai'i. TMK: (3)7-3-009-055.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity

will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

The County of Hawai'i is proposing to use NSP funds for the development of eight affordable rental units in a 96-unit multi-family project called the Kaloko Housing Program (KHP). The KHP project site is in the West Hawaii Census Tracts 215, adjacent to Census Tract 216. Both Census Tracts are in an area, as determined by US. Department of Housing and Urban Development (HUD) foreclosure and abandonment risk scores, having the greatest need and highest percentages of home foreclosures.

The KHP facility will include approximately 24 transitional housing units, approximately 72 affordable rental units, a warehouse, a self-contained wastewater treatment plant and a community center. The NSP funds will also be used to pay for a proportionate share of the Community Center, the on- and off-site construction, flood, sewer and storm drain improvements, access roads, sidewalks, landscaping and parking.

The eight multi-family affordable rental units will be designed into a building containing four rental units upstairs and four rental units downstairs. The tenant selection process will be based on the rules of the Section 8 program, as tenants will have to qualify and meet household incomes according to the Section 8 income requirements. To meet the NSP requirement of providing 25% of its total allocation to households with incomes that do not exceed 50% AMI, two individual two-bedroom units will be set aside for families with household incomes that do not exceed 50% AMI; the six remaining units will be rented to households with incomes that do not exceed 120% AMI.

A Federal and State Environmental Assessment (EA) for the Kaloko Rental Housing Project (KRHP) is being completed and will be amended to include the NSP funding. The County is preparing to publish the EA for public review and comment. The environmental, project design, bid advertise, award and execution of a construction contract is expected to be complete by October 2009. The expected project start of construction will be in November 2009 which will meet the NSP requirement of obligating NSP funds in 18 months.

Prior to the completion of KHP, the County will lease KHP to a non-profit organization for a minimum of 20 years for its management and day-to-day operations. The OHCD will monitor the lease and the non-profit's management and record-keeping requirements, which will be in accordance with applicable government and other program rules and requirements. The OHCD will incorporate into its lease that the project shall remain affordable for not less than twenty (20) years to meet the NSP affordability requirements.

The affordable rental units will provide long-term affordable rentals near the urban core areas to households with incomes that do not exceed 120% AMI, providing ready access to employment, education and other essential resources. Increased access will also reduce household transportation costs, alleviate commute time, and increase time spent with family.

NSP funds will be used for the construction of eight permanent rental units of which two units will be rented to households with incomes that do not exceed 50% AMI. The remaining 6 units will be rented to households whose income is not greater than 120% AMI.

I. Total Budget: (Include public and private components)

The total budget for the construction of Phase II, consisting of eight residential units, and a portion of the community center, is \$4,887,750.

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

NSP funds will produce eight new affordable rental units, six of which will be rented to households with incomes between 51-120% AMI and two of which will be set aside for households with incomes that do not exceed 50% AMI.

According to the County of Hawai'i's 2005-2009 Consolidated Plan, there is a shortage of approximately 845 rental units for households with incomes that do not exceed 80% AMI. The Consolidated Plan therefore states that housing (rentals, homeownership, special needs, homeless, or activities that address housing) for households earning below 80% AMI as a high priority in utilizing federal funding. The Consolidated Plan further states the County's goal in meeting this high priority is to construct 60 rental units for low-income families. The development of KHP will help to address this rental shortage and be consistent with the County's Consolidated Plan.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **New Construction to Redevelop Vacant Land**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: 2301(c)(3)(E) New construction to redevelop vacant land.

CDBG Eligible Activity: Direct Homeownership assistance

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

Provide housing that will be occupied by households with incomes that do not exceed 120% AMI

(4) Projected Start Date:

Upon receipt of NSP funds (Est. February 2009)

(5) Projected End Date:

12 months after receipt of funds (Est. January 2010)

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

**Kauai County Housing Agency
Piikoi Building, Suite 330
4444 Rice Street
Lihue, Hawaii 96766**

**NSP Contact: Jo Ann Shimamoto
Ph: 808-241-4428
Fax: 808-241-5118
E-mail: jshimamoto@kauai.gov**

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

- a. **Census Tract 409.00. Waimea, TMK (4)1-2-008-007. The lot is 90 feet wide by 150 feet deep. It will eventually be divided into two CPR units, identified as Unit “a”, 6,150 square feet, and Unit “B”, 7,350 square feet. One house will be build on this lot with NSP funds. Electrical power, telephone and CATV are located overhead. The**

property will be serviced by the Waimea wastewater treatment facility. There are existing dwellings on all three sides of this vacant parcel.

The County will not be able to build on the remnant CPR lot because Waimea's sewage treatment plant does not have adequate capacity at this time. The County's Wastewater Division will not approve construction of a second unit on the lot until capacity is increased.

- b. Census Tract 407.00. Eleele Nani, TMK (4) 2-1-009-074. The lot is located on the corner of Lilia Place and Akalei Street in the Eleele Nani subdivision. It is rectangular, 100 feet by 65 feet with one rounded corner. The area is 6,414 square feet. All necessary utilities are located in the adjacent streets.**
- c. Census Tract 407.00 Eleele Nani, TMK (4) 2-1-009-077. This is a flag lot located on Akalei Street in the Eleele Nani subdivision. It has an odd shape with an area of 7,661 square feet. All necessary utilities are located on Akalei Street. The lot is surrounded by adjacent homes on all sides.**

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

The County of Kauai will place priority on the acquisition of properties in areas with higher foreclosure rates including Kapaa, Koloa, Kalaheo, Lihue and Princeville.

Permanent structures will be constructed and occupied by households whose incomes do not exceed 120% AMI (low-, moderate-, and middle-income, or LMMI). The benefit to income-qualified persons is that LMMI households will be able to purchase homes to serve as their primary residence.

In this activity, three single family homes will be built on land that has been vacant for over 15 years. The homes will be sold through the County of Kaua'i's Limited Equity Leasehold Program (LELP), which provides an inventory of permanently affordable housing units. The County of Kaua'i will retain fee ownership of all properties and sells the leasehold interest to buyers under 99-year leases. There will be a separate document which will mandate a minimum NSP affordability period of 15 years for the units.

Every buyer will be required to receive and complete eight hours of counseling provided by a HUD-approved counseling agency retained by the County of Kaua'i. Curriculum will include such topics as budgeting, understanding credit, mortgage loan basics, home selection criteria, money management, and avoiding default and foreclosure.

Construction plans for the three homes have been drawn, and building and zoning permits have been approved. The total cost of constructing the home is estimated at \$442,000, a total of \$1,326,000 for the 3 homes.

I. Total Budget: (Include public and private components)

The estimated cost per unit for new construction to redevelop vacant land in Waimea and Eleele:

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

The total estimated budget for all three units is \$1,326,000 (\$442,000 x 3).

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Three housing units will be constructed and sold to households with incomes that do not exceed 120% AMI.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: Purchase, rehabilitate, and sell foreclosed real estate.

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use: 2301(c)(3)(B) – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, or transferred in lieu of foreclosure, in order to sell, rent or redevelop such homes and properties.

CDBG Eligible Activity: Acquisition; Disposition; Direct homeownership assistance; rehabilitation and preservation activities for homes and other residential properties.

OR:

NSP Activity: 2301(c)(3)(E) – redevelop demolished or vacant properties.

CDBG Activity: Acquisition; Disposition; Public services for housing counseling; direct homeownership assistance.

CDBG Eligible Activity: Acquisition; Disposition; Public services for housing counseling; Direct homeownership assistance.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

Provide housing that will be occupied by a household whose income does not exceed 120% AMI.

(4) Projected Start Date:

Upon receipt of NSP funds (Est. February 2009)

(5) Projected End Date:

16 months after receipt of funds (Est. May 2010)

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

**Kauai County Housing Agency
Piikoi Building, Suite #330
444 Rice Street
Lihue, Hawaii 96766**

NSP Contact: Jo Ann Shimamoto
Ph. (808) 241-4428
Fax: (808) 241-5118
E-mail: jshimamoto@kauai.gov

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

This activity will take place island-wide as foreclosed properties become available.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Information obtained from realtytrac.com revealed that foreclosures during the period of March/April 2008 to present were scattered throughout the county of Kaua'i. Foreclosure activity was high in the Kapaa, Koloa, Kalaheo, Lihue, and Princeville areas.

On October 9, 2008, foreclosureconnections.com showed 10 foreclosure properties located mainly in Kapaa (5) with others in Princeville, Koloa and Kilauea.

The Fifth Judicial Circuit Court records provided the following information on judicial foreclosures:

January 2007 – December 2007:	35 foreclosures (filings)
January 2008 – September 26, 2008:	49 foreclosures (filings)

On October 8, 2008, the Court's records noted 11 foreclosures filings during the period of August 25, 2008 to September 29, 2008. Reference properties were scattered around the County of Kaua'i.

The Kauai County Real Property Tax Collection Office reported that the County's non-judicial foreclosures were as follows:

- 2006 2 foreclosures (both in the Kawaihau district which includes Kapaa, Wailua and Moloaa);**
- 2007 3 foreclosures (two in Lihue and one in Hanalei)**
- 2008 Auction scheduled for November 2008. To date, listing includes 1 property in Hanalei.**

Additionally, the same office reported that it has recorded liens on 150+ condominiums at the Kaua'i Beach Resort in Wailua.

As shown in the above data, the County of Kaua'i's area of greatest need is the entire island county. The activity will provide six permanent housing structures, three of which will be occupied by households whose incomes do not exceed 120% AMI; the remaining three will be occupied by households whose incomes do not exceed 50% AMI. The benefit to income-qualified persons is that LMMI households will be able to purchase homes to serve as their primary residence. \$1,638,333 of NSP funds will be expended to meet the low-income housing requirement for households with incomes that do not exceed 50% AMI.

The County will buy approximately six or more housing units from bank owned (foreclosed) real estate. Foreclosed properties will include property for which the mortgage or tax foreclosure is complete - - i.e., after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law. Depending on the area and circumstance, the County will purchase units at a minimum discount of 5% from the current market-appraised value of the home, but in the end, the County will have an aggregate discount of 15% as required. Such discounts will ensure that buyers are paying below-market value for the home. The current market-appraised value will be determined through an appraisal completed within 60 days prior to an offer to purchase. NSP administrative funds will be required to obtain these appraisals.

If necessary, the County will rehabilitate the unit to meet HUD's housing quality standards and then sell the property to an individual as a primary residence. The sales price shall be equal to or less than the cost to acquire and rehabilitate the home up to a decent, safe and habitable condition.

The sales price may include sales and closing costs. All sales will be through the County of Kaua'i's LELP, which provides an inventory of permanently affordable housing units. The County of Kaua'i will retain fee ownership of all properties and sells the leasehold interest to buyers under 99-year leases. There will be a separate document which will mandate a minimum NSP affordability period of 15 years for the units.

Every buyer will be required to receive and complete eight hours of counseling provided by a HUD-approved counseling agency retained by the County of Kaua'i. Curriculum will include such topics as budgeting, understanding credit, mortgage loan basics, home selection criteria, money management, and avoiding default and foreclosure.

I. Total Budget: (Include public and private components)

Estimated budget for the purchase, rehabilitation, and resale of foreclosed real estate:

Discounted purchase price per unit:	\$450,000
Times 6 units	<u>x 6</u>
Total Purchase for 6 units:	\$2,700,000
Plus Cost of Repairs for 6 units:	<u>\$249,000</u>
TOTAL COST:	\$2,949,000

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Approximately six or more foreclosed units will be purchased, rehabilitated if necessary to meet HUD's housing quality standards, and then sold to households who are at or below 120% AMI. Three units will be set aside for households with incomes that do not exceed 50% AMI, and the remaining three units will be for households with incomes that do not exceed 120% AMI.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Affordable Workforce Housing**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP-eligible use: HERA Section 2301(c)(3)(B) - Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

**CDBG-eligible activity: - 24 CFR 570.201(a) Acquisition; (b) Disposition; (i) relocation; and (n) Direct homeownership assistance; and
- 24 CFR 570.202 Eligible rehabilitation and preservation activities for homes and other residential properties.**

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

LMMH: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date:

February 1, 2009

(5) Projected End Date:

May 31, 2010

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

**Na Hale O Maui
P. O. Box 1829
Wailuku, Hawaii 96793**

**Contact Person: John Anderson
Ph: (808) 244-6110
Fax: (808) 244-6115
E-mail: info@nahaleomaui.org**

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Abandoned and foreclosed homes will be targeted in the high risk foreclosure areas of Kihei, Kahului, Lahaina and Wailuku. Specifically, activity will be focused in the following census tracts:

**Census Tract 307.02 (North Kihei);
Census Tracts 311.01, 311.02 311.03 and 312 (Dream City-Maui Lani, Kahului);
Census Tracts 314.01 and 314.02 (Lahaina); and
Census Tracts 309.02 and 309.03 (North Wailuku/Waiehu).**

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

The State of Hawai'i and the County of Maui are experiencing a sharp increase in the foreclosure rate in 2008. On July 17, 2008, there were 524 active foreclosures in the state. Less than 2 months later, on September 3, 2008, the active foreclosures had jumped to 899, an increase of 72% The number of foreclosures in the County of Maui has also increased as compared to the state as a whole. Year-to-date, the County of Maui had 16% of the total foreclosure activity; on September 3, 2008, Maui had 21% of the active foreclosures.

The affordability of the abandoned and foreclosed homes will be preserved by converting them to community land trust homes that remain affordable. Na Hale O Maui will provide long-term stewardship of the rehabilitated affordable homes by holding title to the underlying land in trust and providing the homeowner with a renewable 99-year ground lease that contains an equity-sharing resale formula that preserves affordability for future qualified buyers.

NHOM is a 501(c)(3) nonprofit organization. It is prepared to track, analyze, inspect, acquire, rehabilitate, and resell foreclosed homes in the County of Maui suitable for workforce housing. It is prepared to negotiate discounted acquisitions from lenders who have REOs that have already completed the foreclosure process or deed in lieu process. NHOM will build a portfolio of workforce homes that will remain affordable. Funds generated by resale of the foreclosed homes will be used of the purchase and rehabilitation of additional foreclosed homes until all funds are utilized or until the program expiration date, at which time any remaining funds will be returned.

NHOM has an established project affordability criteria that requires land trust homes to be at least 25% below market value for a comparable fee simple home, which will guide their resale pricing for the benefit of low-, moderate-, and middle-income buyers. The resale price will not exceed the cost to acquire, rehabilitate, and dispose of the home.

Every NSP-assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from Hale Mahaolu, a Maui-based, HUD-approved housing counseling agency before obtaining a mortgage loan.

I. Total Budget: (Include public and private components)

NSP FUNDS	ACTIVITY
\$750,000	Purchase an estimated 15 units over 4 years at an average price of \$165,000 per unit, to be sold at an average price of \$130,000 per unit to households with incomes that do not exceed 50% AMI.
\$1,050,000	Purchase an estimated 15 units over 4 years at an average price of \$228,000 per unit, to be sold at an average price of \$185,000 per unit to households with incomes between 51% - 80% AMI.
1,200,000	Purchase an estimated 7 units over 4 years at an average price of \$370,000 per unit, to be sold at an average price of \$310,000 to households with incomes between 81% -120% AMI.
Total NSP Request: \$3,000,000	Estimated total of 37 units over 4 years.

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Purchase, rehabilitate and sell an estimated 37 homes over four years in the County of Maui to eligible buyers. Approximately 15 of the 37 homes will be set aside for households with incomes that do not exceed 50% AMI.

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds ≤ 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

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

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

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

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

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

Signature/Authorized Official

Date

Title