

## NOTICE OF PUBLIC COMMENT

Title III of the Housing and Economic Recovery Act, 2008 authorized \$3.92 billion to provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC), is eligible to receive \$19,600,000 under the Neighborhood Stabilization Program (NSP).

NSP funds may be used for activities which include, but are not limited to: (A) establishing financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties; (B) purchasing and rehabilitating homes and residential properties abandoned or foreclosed; (C) establishing land banks for foreclosed homes; (D) demolishing blighted structures; and (E) redeveloping 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). At least 25 percent of NSP funds must benefit households whose incomes do not exceed 50 percent of the AMI. Up to 10 percent of NSP funds may be used for administrative purposes.

To receive the NSP funds, HHFDC must submit, for HUD's approval, an "*NSP Substantial Amendment*" to the State of Hawaii's Consolidated Plan, Action Plan for Program Year 2008-2009. The *NSP Substantial Amendment* will describe how NSP funds will be distributed and used. The proposed priority activities, which were identified in collaboration with the City and County of Honolulu and Counties of Hawaii, Kauai, and Maui, are summarized below.

**City and County of Honolulu:** \$5,500,000 in two redevelopment activities. The first activity uses \$3,500,000 in NSP funds for the construction of the Seawinds Apartments, an affordable rental housing project being proposed on vacant State-owned land in the Waianae Neighborhood Community. The total budget is \$12,490,000. The project will provide 50 affordable rental units that will serve households whose incomes do not exceed 50% and 60% AMI. The project will be developed by Housing Solutions, Inc., a Hawaii nonprofit organization. The second activity uses \$2,000,000 in NSP funds for the construction of the Ewa Villages Apartments, which has a total budget of \$53.5 million. The project, located on vacant land in Ewa, will be constructed in two phases and will produce 140 affordable rental units for families whose incomes do not exceed 30%, 50% and 60% AMI. The project will be developed by Hui Kauhale, Inc., a Hawaii nonprofit organization.

**County of Hawai'i:** \$4,887,800 in NSP funds for the Kaloko Rental Housing Project in Kailua-Kona. The project is a redevelopment of vacant county-owned land and construction of eight permanent rental housing units. Six units will be rented to households whose incomes do not exceed 120% AMI and two units will be rented to households whose incomes do not exceed 50% AMI. The project will be part of a larger development called the Kaloko Housing Program, which will include 96 multi-family units (24 transitional units and 72 affordable units), a warehouse, a self-contained wastewater treatment plant, and a community center. The County of Hawai'i will administer the project.

**County of Kaua'i:** \$4,275,000 for two activities. The first activity uses \$1,326,000 in NSP funds for the redevelopment of three vacant lots in Waimea and Eleele. Permanent housing structures will be constructed for homeownership opportunities for households whose incomes do not exceed 120% AMI. The second activity uses \$2,949,000 in NSP funds to purchase, rehabilitate (or demolish and rebuild), and sell at least six foreclosed residential properties. Foreclosed properties to be purchased would include bank-owned (foreclosed) real estate or properties for which tax foreclosures are complete under state or local law. Families whose incomes do not exceed 120% AMI and 50% AMI may be eligible to purchase these homes as their primary residences. Under both activities, the homes will be sold under the County of Kauai's Limited Equity Leasehold Program. The County of Kaua'i will administer both activities.

**County of Maui:** \$3,000,000 in NSP funds for the purchase, rehabilitation and sale of foreclosed properties in the County of Maui. Na Hale O Maui (NHOM), a Hawaii nonprofit organization, will acquire abandoned and foreclosed homes in the towns of North Wailuku/Waiehu, Dream City/Maui Lani in Kahului, North Kihei, and Lahaina. NHOM will provide long-term stewardship of the rehabilitated affordable homes by holding title to the underlying land in a community land trust and providing the homeowner with a renewable 99-year ground lease. NHOM will initially target 13 households whose incomes do not exceed 50%, 80%, and 120% AMI. Over a four-year period, approximately 37 households are estimated to be assisted.

The draft *NSP Substantial Amendment* is available for public review at regional libraries and is posted on HHFDC's website at <http://hawaii.gov/dbedt/hhfdc>. Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

City and County of Honolulu  
Department of Budget and Fiscal Services  
530 S. King Street, Room 208, Honolulu, Oahu  
and  
Department of Community Services  
715 S. King Street, Suite 311, Honolulu, Oahu

County of Hawaii, Office of Housing and Community Development  
50 Wailuku Drive, Hilo, Hawaii

County of Maui  
Community Development Block Grant Office  
David K. Trask Jr. Building, 2145 Kaohu Street, Suite 201, Wailuku, Maui  
and  
Department of Housing and Human Concerns  
86 W. Kamehameha Avenue, Kahului, Maui

County of Kauai, Kauai County Housing Agency  
4444 Rice Street, Suite 330, Lihue, Kauai

State of Hawaii, HHFDC  
677 Queen Street, Suite 300, Honolulu, Hawaii 96813

Interested persons are invited to provide written comments on the draft *NSP Substantial Amendment* to HHFDC at the aforementioned address no later than November 12, 2008 at 4:30 p.m. Written comments may also be submitted via fax to (808)587-0600 or e-mailed to [hhfdc.nsp@hawaii.gov](mailto:hhfdc.nsp@hawaii.gov). All written comments will be considered in preparing the final *NSP Substantial Amendment*.

Persons with special needs (e.g., large print, taped materials, sign language interpreter, or translator) shall make all requests to HHFDC by calling 587-0634 and from the neighbor islands toll free at the numbers listed below for access and communication assistance or by written request at least five (5) days before the end of the comment period.

Kauai 274-3141, ext. 70634	Hawaii	974-4000, ext. 70634
Maui 984-2400, ext. 70634	Molokai and Lanai	1-800-468-4644, ext.70634

HHFDC does not discriminate against any person because of race, color, religion, sex, including gender identity or expression, sexual orientation, disability, familial status, ancestry, age, marital status, or HIV infection.

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State of Hawaii



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