



DRAFT SUBSTANTIAL AMENDMENT

to the State of Hawaii's

CONSOLIDATED PLAN

FOR PROGRAM YEARS 2015 THROUGH 2019

(July 1, 2015 - June 30, 2020)

(National Housing Trust Fund Program)

April 2016

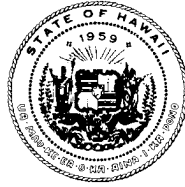
Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, Hawaii 96813



**DRAFT
SUBSTANTIAL AMENDMENT
to the
State of Hawaii’s Consolidated Plan
for Program Years 2015 through 2019
(National Housing Trust Fund Program)**

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STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

**DRAFT
SUBSTANTIAL AMENDMENT
to the
State of Hawaii's Consolidated Plan
for Program Years 2015 through 2019
(National Housing Trust Fund Program)**

April, 2016

The Hawaii Housing Finance and Development Corporation (HHFDC) administers HUD's HOME Investment Partnerships (HOME) program for the State of Hawaii, and the Department of Human Services – Benefits, Employment and Support Services administers HUD's Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs. HHFDC prepared the State of Hawaii's Consolidated Plan for Program Years 2015 through 2019 (5-Year CP) that describes the proposed projects and programs that will be supported with HOME, ESG and HOPWA funds. The 5-Year CP and other documents are available for review at regional libraries and at HHFDC's website at <http://hawaii.gov/dbedt/hhfdc/>.

PURPOSE

The purpose of this draft Substantial Amendment to the State of Hawaii's Consolidated Plan for Program Years 2015 through 2019 is to include HHFDC's administration of HUD's new National Housing Trust Fund program.

BACKGROUND / DISCUSSION

The National Housing Trust Fund (HTF) program was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289), to complement existing federal, state and local efforts to increase and preserve affordable housing for extremely low-income and very low-income households, including homeless families. Governor David Y. Ige designated HHFDC to administer the HTF funds on behalf of the State of Hawaii.

Before awarding HTF funds, HUD must approve an allocation plan. This Substantial Amendment sets forth HHFDC's HTF allocation plan, approved by its Board of Directors on March 10, 2016. HHFDC will allocate its HTF funds to the counties for rental housing activities. After retaining five percent of the annual allocation for administrative costs, HHFDC

will allocate fifty percent of the HTF annual allocation to the City and County of Honolulu, to be administered by its Department of Community Services. HHFDC will annually rotate the allocation of the remaining fifty percent to one of the neighbor island counties, in accordance with the rotation of HOME funds. For PY2016, the County of Kauai is scheduled to receive the HOME allocation, so it will also receive fifty percent of the PY2016 HTF allocation. If for any reason a county is unable to identify an eligible HTF activity within a specified timeframe, HHFDC, in its sole discretion, may seek alternate activities from the remaining three counties. The HTF allocation plan, which also identifies other requirements and provisions, is attached as Exhibit A.

CITIZEN PARTICIPATION

In October and November of 2015, HHFDC conducted public hearings statewide, in part to introduce the public to the National Housing Trust Fund program. Members of the public were provided with HTF program information and HHFDC's intent to administer the HTF funds for the State of Hawaii.

On March 17, 2016, HHFDC published a statewide Notice of Public Comment (Notice) seeking the public's input on this draft Substantial Amendment to the 5-Year CP, which sets forth HHFDC's allocation plan for the distribution of HTF funds. The Notice is attached as Exhibit B.

The Notice and this Draft Substantial Amendment are available for review at regional libraries, the housing offices of the counties of Hawaii, Honolulu, Kauai and Maui, at the Homeless Programs Office of the Department of Human Services, at HHFDC, and on HHFDC's website. The deadline for written comments on the draft Substantial Amendment to the 5-Year CP is April 16, 2016.

SUBSTANTIAL AMENDMENTS

The 5-Year CP will be amended to include HUD's National Housing Trust Fund program and HHFDC's policies for the administration of the program. The proposed amendments are shown below.

A. ES-05, Executive Summary, page 3.

- 1. Introduction** is amended to add the sentence, *“Starting in PY2016, HHFDC will also administer HUD’s new National Housing Trust Fund (HTF), to provide affordable rental housing units serving households with incomes at or below 30% of the area median income. HHFDC will allocate HTF to its county partners, including the City and County of Honolulu.”*
- 2. Summary of the objectives and outcomes** is amended to add the sentence, *“HHFDC will focus its HTF activities on the development or preservation of affordable rental housing. HHFDC will work with its county partners, including the City and County of Honolulu, to use HTF funds to promote decent, affordable rental housing, and strengthen communities.”*

3. **Evaluation of past performance** is amended to add the sentence, *“PY2016 will be the first year HHFDC administers the HTF program, in accordance with its HTF Allocation Plan, attached. The administration of the program may be refined in future years, to resolve issues and improve administration of the program.”*
4. **Summary of citizen participation** is amended to add the sentence, *“On March 17, 2016, HHFDC published a statewide Notice of Public Comment seeking the public’s input on this draft Substantial Amendment, which sets forth HHFDC’s allocation plan for the distribution of HTF funds. Public comments will be accepted through April 16, 2016.”*
7. **Summary** is amended to add the sentence, *“The City and County of Honolulu is an eligible recipient of HTF funds, and HHFDC intends to allocate fifty percent of its annual HTF allocation to the City and County of Honolulu. The remaining fifty percent of the annual allocation will be rotated between the neighbor island counties, in accordance with the current HOME rotation. The counties will use HTF funds for rental housing activities serving extremely low-income households.”*

B. PR-05, Lead & Responsible Agencies.

1. Narrative is amended to add the sentence, *“Starting in PY2016, HHFDC will administer the HTF program, to develop and preserve affordable rental housing in all four counties of the state, serving extremely low-income (30% AMI) households.”*

C. PR-10, Consultation, ConPlan Cooperation and Coordination, page 13.

2. Narrative is amended to add the sentence, *“Starting in PY2016, HHFDC will administer the HTF to develop and preserve affordable rental housing in all four counties of the state. HHFDC plans to allocate fifty percent of the annual allocation to the City and County of Honolulu, and allocate the remaining fifty percent on a rotating basis to a neighbor island county, to coincide with the neighbor island county receiving the HOME funds that year.”*

D. SP-05, Overview, page 87.

The first paragraph is amended to add the sentence, *“Starting in PY2016, HHFDC will administer HUD’s new National Housing Trust Fund (HTF) program. HHFDC will allocate its HTF funds statewide, including the City and County of Honolulu, to develop and preserve affordable rental housing serving households with incomes at or below thirty percent AMI. HHFDC anticipates that HTF funds will provide for the development or preservation of approximately 28 affordable rental units over the next four years.”*

E. SP-10, Geographic Priorities, page 88.

1. Narratives in **Table 50** are amended to add statements pertaining to the HTF:

“HHFDC will allocate its HTF program funds in all counties, as subgrantees, including the City and County of Honolulu, for the development or preservation of affordable rental housing for households with incomes at or below 30% AMI. After retaining administrative fees, HHFDC will allocate fifty percent of its annual allocation to the City and County of Honolulu. The remaining fifty percent will be rotated between the neighbor island counties of Hawaii, Kauai and Maui, on the same rotation as the HOME program.”

“Through consultation with the public, staff and housing administrators of all counties, and input from other county state and federal administrators, HHFDC gained consensus on its allocation plan, attached. The discussion focused on the limited amount of HTF funds available and the need for more affordable housing in all counties. HHFDC’s Board of Directors approved the HTF allocation plan at its meeting of March 10, 2016.

2. **General Allocation Priorities, page 89.**

Paragraph 1 is amended to add the sentence, *“The HTF program funds will be used in all counties, including the City and County of Honolulu.”*

Paragraph 2 is amended to add the sentence, *“The State will allocate its Housing Trust Fund program funds in all counties, including the City and County of Honolulu, as subgrantees. HHFDC will allocate 50% of the annual HTF allocation to the City and County of Honolulu. The remaining 50% of the annual allocation will be rotated between the neighbor island counties of Hawaii, Kauai and Maui, on the same rotation schedule as the HOME program. Subgrantees will not allocate HTF funds based on geographic areas, but still select eligible activities under a county-approved application process or Request for Proposals process.”*

- F. **SP-25, Priority Needs, page 95.**

The following sections of Table 51, Priority Need 9, Rental Housing, are amended:

Geographic Areas, is amended to include “Statewide.”

Associated Goals is amended to add objective “HR-4, *Statewide new construction/rehab for extremely low-income households – Rental Housing.*”

Description is amended to add the HTF program: *“HTF funds will be used in all counties, as subgrantees, including the City and County of Honolulu, for the development or preservation of affordable rental housing for households with incomes at or below*

thirty percent of the area median income; it is anticipated that approximately 28 units will be developed or preserved in the next four years.”

G. SP-45, Goals Summary, page 112.

A new item is added as “HR-4” for HTF new construction / rehab – Rental Housing.

Goals Summary is amended to add HTF information.

Estimate of the number of families to be served is amended to include the sentence, “*It is estimated that the HTF will assist in the development or preservation of 28 affordable housing units over the next four years, for households with incomes at or below thirty percent of the area median income.*”

H. SP-80, Monitoring, page 127, is amended to add the sentence, “**HTF Program:** *HHFDC will annually monitor its subgrantees for compliance with the HTF program.*”

I. AP-20, Annual Goals and Objectives, page 137, and Goal Descriptions, page 141.

A new item is added as “HR-4” for HTF new construction / rehab – Rental Housing.

J. AP-25, Allocation Priorities, page 143.

Introduction is amended to add a new paragraph that reads, “*HHFDC anticipates annually receiving HTF funds, which will be allocated to all four counties for rental housing activities serving households with incomes at or below 30% of the area median income. After retaining five percent of the annual allocation for administrative costs, HHFDC will allocate fifty percent of the annual allocation to the City and County of Honolulu. HHFDC will annually rotate the allocation of the remaining fifty percent to one of the neighbor island counties, in accordance with the rotation of HOME funds. For PY2016, the County of Kauai is scheduled to receive the HOME allocation, so it will receive fifty percent of the PY2016 HTF allocation as well. If a designated county is unable to identify an eligible HTF activity or use for HTF funds within a specified timeframe, HHFDC, in its sole discretion, will seek alternate activities from the remaining three counties.*”

The **Funding Allocation Priorities** table on page 144 is amended to add “HR-4” and “100 (%)” under column HR-4 for the HTF row.

On page 146, the narrative describing how priority needs will be addressed is amended to add the sentence, “*Beginning in PY2016, HHFDC will administer the HTF and focus HTF funds on the development and preservation of affordable rental housing in all four counties for extremely low-income households.*”

K. AP-30, Methods of Distribution, page 148.

Table 60, Method of Distribution is amended to add the HTF method of distribution: *“HHFDC will allocate its Housing Trust Funds to all four counties, as subgrantees, for rental housing activities serving households with incomes at or below 30% of the area median income. After its retention of 5 percent for administrative costs, HHFDC will allocate fifty percent of the annual HTF allocation to the city and County of Honolulu, to be administered by its Department of Community Services. HHFDC will annually rotate the remaining fifty percent to one of the neighbor island counties, in accordance with the rotation of HOME fund. For PY2016, the County of Kauai is scheduled to receive the HOME allocation, so it will receive fifty percent of the PY2016 HTF allocation as well. HHFDC's HTF allocation plan is attached.”*

Table 60, Selection Criteria is amended to add a description of the HTF selection criteria: *“The HTF Subgrantees may consider the following when selecting eligible HTF activities: 1) timeliness and readiness to proceed, as evidenced by site control, financing commitments, environmental factors, zoning, availability and capacity of utilities, and site and neighborhood standards; 2) the extent to which the project meets at least one of the high priorities and objectives in the Consolidated Plan for both HHFDC and the county, primarily through the addition of units to the inventory of affordable rental housing for extremely low-income households; 3) an applicant's ability to obligate HTF funds and undertake funded projects of similar type and scope, staff qualifications, and fiscal soundness; 4) financial feasibility of the project, as evidenced by the project's pro forma to cover a minimum 30-year affordability period and rents that are affordable to extremely low-income households; and 5) leveraging of non-federal resources. HHFDC's HTF allocation plan is attached.”*

Table 60, Selection Criteria is amended to add the sentence, *“For the HTF program, please see the attached HTF Allocation Plan.”*

L. AP-50, Geographic Distribution, is amended to add, *“Statewide, 100 HTF.”*

This Substantial Amendment to the State of Hawaii Consolidated Plan for PY 2015-2019 was adopted by the Hawaii Housing Finance and Development Corporation’s Board of Directors on March 10, 2016, subject to public comments.

Craig K. Hirai, Executive Director

Date: _____

Exhibit A: HHFDC’s Housing Trust Fund Allocation Plan
Exhibit B: Notice of Public Comment

EXHIBIT A

State of Hawaii
Hawaii Housing Finance and Development Corporation

NATIONAL HOUSING TRUST FUND ALLOCATION PLAN
March 10, 2016

STATE OF HAWAII
HOUSING TRUST FUND PROGRAM
ALLOCATION PLAN

I. INTRODUCTION

The Housing Trust Fund (HTF) program was created by Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289) and is administered by the U.S. Department of Housing and Urban Development. The regulations which govern the HTF are contained in 24 CFR Part 93, Housing Trust Fund. The purpose of the HTF is to provide grants to State governments to increase and preserve the supply of decent, safe, and sanitary affordable housing for primarily extremely low-income (30% AMI) households, including homeless families. The Hawaii Housing Finance and Development Corporation (HHFDC) is designated as the HTF Grantee for the State of Hawaii.

II. DISTRIBUTION OF FUNDS

The Consolidated Plan identifies a substantial need for affordable housing throughout the State of Hawaii. Consequently, the HHFDC will make its allocation of HTF funds available on a statewide basis. HHFDC will fund projects through subgrantees (a unit of general local government that is selected to administer all or a portion of the state HTF program). The annual distribution is described below:

- a. HHFDC will retain 5% of the HTF annual allocation for allowable administrative and planning expenses.
- b. The balance of the HTF annual allocation will be split (50/50) between the City and County of Honolulu and the designated neighbor island county that receives HHFDC's rotated HOME allocation, (Subgrantees); for PY2016, the City and County of Honolulu and the County of Kauai are anticipated to receive the HTF allocation; the next neighbor island allocations would be received by the County of Maui in PY2017, followed by the County of Hawaii in PY2018.
- c. The HTF program requires HHFDC to commit funds within 24 months of HUD's execution of the HTF grant agreement. Should a Subgrantee be unable to identify an eligible HTF project(s) within a specified timeframe, HHFDC, in its sole discretion, may seek alternate activities from the remaining Subgrantees.

III. ELIGIBLE ACTIVITIES AND EXPENSES

Rental Housing - HHFDC will focus its HTF funds on providing affordable rental housing to 30% AMI households. HTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing through the acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities.

All rehabilitation projects must meet the applicable County HTF rehabilitation standards and the requirements of 24 CFR 93.301(b).

Eligible activities and expenses include: real property acquisition, site improvements and development hard costs, related soft costs, conversion, demolition, financing costs, relocation assistance, operating cost assistance and reasonable administrative and planning costs for HTF program administration.

HHFDC does not intend to use HTF funds for refinancing of existing debt.

IV. ELIGIBLE RECIPIENTS

An organization, agency or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity) is eligible to apply for HTF assistance as an owner or developer to carry out an HTF-assisted project. A recipient must:

- a. Make acceptable assurances to the Subgrantee that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- b. Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- c. Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- d. Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.

V. APPLICATION AND AWARD PROCESS

Applications for the HTF are issued, accepted and selected by the applicable county housing agencies (Subgrantees) annually for funding consideration, subject to availability of funds. Applications are reviewed for eligibility and rated using the selection criteria. Each application must describe the eligible activity to be conducted with HTF funds and contain a certification by each eligible recipient that housing units assisted with HTF will comply with the HTF requirements.

In addition, applications will include performance goals and bench marks that the Subgrantees will use to monitor efforts to accomplish the rental housing objectives. Rental housing projects may provide tenant preferences in accordance with 24 CFR 93.303, if provided for in the HHFDC and Subgrantees consolidated plan. Any limitation or preference must not violate nondiscrimination requirements in 24 CFR 93.350.

STATE OF HAWAII SUBGRANTEES

City and County of Honolulu	Kauai County Housing Agency
Department of Community Services	Pi`ikoi Building
715 South King Street, Suite 311	4444 Rice Street, Suite 330
Honolulu, Hawaii 96813	Lihue, Hawaii 96766
County of Hawai`i	County of Maui
Office of Housing and Community Development	Department of Housing and Human Concerns
50 Wailuku Drive	35 Lunalilo Street, Suite 102
Hilo, Hawaii 96720	Wailuku, Hawaii 96793

For PY 2016, the applicable Subgrantees to issue the HTF applications are the City and County of Honolulu and the Kauai County Housing Agency.

Minimum Thresholds:

Applicants must meet all of the following Minimum Threshold requirements to receive consideration for an allocation or award of HTF.

Failure to meet any Minimum Threshold shall result in the immediate rejection of the application.

1. **Market Assessment**
A market assessment of the housing needs of extremely low income individuals to be served by the project must be submitted as a part of the application. The assessment should review the neighborhood and other relevant market data to determine that there is current demand for the type and number of housing units being developed.

2. **Site Control**
Evidence of site control shall be submitted with the application for HTF funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sales option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County. Evidence of site control must be provided for all proposed sites.

3. Capital Needs Assessment (For projects acquiring an existing property.)
To ensure that the proposed rehabilitation of the project is adequate and that the property will have a useful life that exceeds the affordability period. A capital needs assessment of the property by a competent third party shall be submitted with the application. A capital needs assessment is a qualified professional's opinion of a property's current physical condition. It identifies deferred maintenance, physical needs and deficiencies, and material building code violations that affect the property's use, structural and mechanical integrity, and future physical and financial needs. The Capital Needs Assessment shall identify any work that must be completed immediately to address health and safety issues, violation of Federal or State law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.

4. Debt Service Ratio
 - a. Projects with hard debt service requirements:
 - i. The Project is required to evidence a Debt Service Ratio of no less than 1.15x on all hard debt service requirements for the first 15 years.
 - b. Projects with no hard debt service requirements:
 - i. The Project is required to evidence positive Net Operating Income throughout the 30-year proforma period.
 - c. Hard Debt Service:
 - i. Defined as scheduled regular and periodic principal and/or interest payments of project loan obligations made for its direct benefit, as evidenced by a note and loan agreement.
 - ii. The Applicant is required to support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets.
 - d. Underwriting Criteria and Requirements:
 - i. Applicants are required to use the following parameters and assumptions in the preparation of the project proforma:
 1. Annual Income Inflation Rate of 2.0% and Annual Expense Inflation Rate of 3.0% for the first 15 years or term of the first mortgage, whichever is greater.
 2. Annual Expense Inflation Rate of 2.0% and Annual Expenses Inflation Rate of 2.0% for the remaining term of affordability.
 3. Vacancy Rate of no less than 5.0%
 4. Annual Replacement Reserve Allocation of no less than \$300 per unit per year.

5. Phase I Environmental Site Assessment
All proposed multifamily (more than four housing units) HTF projects require a Phase I Environmental Site Assessment.

For acquisition/rehabilitation projects, the Phase I Environmental Assessment should address lead based paint and asbestos.

6. Developer Fee
 - i. New Construction – maximum developer fee of 15% of the total development costs or \$3,750,000 (whichever is less)
 - ii. Acquisition/Rehabilitation – maximum developer fee of 10% of the acquisition costs and 15% of the rehabilitation costs or \$3,750,000 (whichever is less).

VI. SELECTION CRITERIA

- a. Timeliness and Readiness to Proceed (Max. 30 pts.) – The proposed project is feasible and will meet the required timelines to commit and expend HTF funds. Applicants need to demonstrate project “readiness”. Factors to be considered are site control, financial commitments, environmental factors, zoning, utilities and site and neighborhood standards;
- b. Consolidated Plan Priorities (Max. 10 pts.) - The extent to which the project proposes accomplishments that will meet the rental housing objectives for both the HHFDC and the County. The HTF is primarily a production program meant to add units to the supply of affordable housing for extremely low-income households. Merits of the application in meeting the priority housing needs of the County where the project is located such as accessible to transit or employment centers, housing that includes green building and sustainable development features or housing that serves special needs populations;
- c. Developer Experience and Financial Capacity (Max. 25 pts.) - Applicant’s ability to obligate HTF dollars and undertake funded activities in a timely manner. Need to review evidence of experience in developing and managing projects of similar type and scope, staff qualifications, and fiscal soundness. In addition, applicants who have received federal funds in the past will be evaluated on the basis of their past performance. Qualifications of the proposed project team, personnel and /or contractors to carry out the proposed project including proven record of experience with comparable projects;
- d. Financially Feasible Project (Max. 25 pts.) – Project pro forma to cover a minimum 30 year HTF affordability period and include rents that are affordable to extremely low-income households. Priority to be given for projects with extended affordability periods and project based rental assistance;
- e. Use of Non-Federal Funding Sources (Max. 10 pts.) – Given the 30% AMI income targeting requirements, viable projects will require other funding sources compatible with HTF. Priority consideration to the extent project will use non-federal funding sources.

A minimum score of 50 points (out of the 100 total points) must be scored in order to be recommended for the award of HTF funds.

Successful Recipient(s) will receive a Notice of Award, which will state that the Subgrantees intent to award HTF funds is subject to approval of the applicable HTF Allocation Plan/Action Plan by the County Council/Approving Authority, HHFDC and HUD.

VII. MAXIMUM PER-UNIT DEVELOPMENT SUBSIDY LIMITS

Each year, HHFDC must establish maximum limitations on the total amount of HTF funds that may be invested per-unit for development of non-luxury rental housing projects. The following table reflects the maximum per unit subsidy limits by bedroom size for housing assisted with HTF within the State of Hawaii, for PY 2016.

Bedrooms	Proposed PY2016 HTF Maximum Per-Unit Subsidy Limit
0	\$137,361.60
1	\$157,466.40
2	\$191,476.80
3	\$247,708.80
4+	\$271,908.00

EXHIBIT B

Citizen Participation Notice of Public Comment

NOTICE OF PUBLIC COMMENT
on a Draft Substantial Amendment to the State of Hawaii's
Consolidated Plan for Program Years 2015 through 2019
and
on the Draft Annual Action Plan for Program Year 2016

Pursuant to 24 CFR Part 91, the Hawaii Housing Finance and Development Corporation (HHFDC), Department of Business, Economic Development and Tourism, State of Hawaii, gives notice: 1) of a proposed amendment to the State of Hawaii's Consolidated Plan for Program Years 2015 – 2019 dated May 15, 2015 (5-Year CP), and 2) that a draft Annual Action Plan (AAP) for program year July 1, 2016 – June 30, 2017 (PY2016) has been prepared. The HHFDC is making both documents available for review and comment.

The purpose of the Consolidated Plan and the AAP is to ensure that jurisdictions receiving federal assistance plan for the housing and related needs of low- and moderate-income families in a way that improves the availability and affordability of decent, safe, and sanitary housing in suitable living environments. To receive funding under certain U. S. Department of Housing and Urban Development (HUD) programs, the State must have a housing strategy that has been approved by HUD.

Substantial Amendment to the 5-Year CP

The HHFDC administers HUD's HOME Investment Partnerships (HOME) program, and prepared the 5-Year CP to prepare for proposed projects and programs supported with HOME funds. The 5-Year CP is available for review at regional libraries and may be accessed from HHFDC's website at <http://dbedt.hawaii.gov/hhfdc/files/2015/07/CONSOLIDATED-PLAN-PY-2015-2019.pdf>. To provide additional affordable housing opportunities, HHFDC proposes to amend the 5-Year CP to include the National Housing Trust Fund (HTF) program, as provided by 24 CFR, Part 93, Interim Rule. The HTF is a new federal affordable housing production program that will complement existing federal, state and local efforts to increase and preserve the supply of decent, safe and sanitary affordable housing for extremely low-income and very low-income households, including homeless families. HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. HHFDC's HTF allocation plan is incorporated into the proposed *Substantial Amendment to the State of Hawaii's Consolidated Plan for Program Years 2015-2019*.

Draft PY2016 AAP

The proposed PY2016 AAP consists of 1) a strategic plan for the provision of affordable and special needs housing, and prevention of homelessness; and 2) an action plan including available resources and description of the State's method for disbursing funds to local governments and non-profit organizations to carry out activities to address the priority of needs.

The proposed *Substantial Amendment to the State of Hawaii's Consolidated Plan for Program Years 2015-2019* and the draft *Annual Action Plan for Program Year 2016* are available for public review at regional libraries and are posted on HHFDC's website at <http://hawaii.gov/dbedt/hhfdc>. Interested persons may call Medy Esmena at 587-0634; Neighbor Island residents may call toll free at the numbers listed below, to be mailed copies:

From Kauai: 274-3141, ext. 70634
From Maui: 984-2400, ext. 70634

From Hawaii: 974-4000, ext. 70634
From Molokai/Lanai: 1-800-468-4644, ext. 70634

Copies are also available at the following offices from 7:45 a.m. to 4:30 p.m.:

- County of Hawaii, Office of Housing and Community Development
50 Wailuku Drive, Hilo, Hawaii
- County of Maui, Department of Housing and Human Concerns
35 Lunalilo Street, Suite 102, Wailuku, Maui
- County of Kauai, Kauai County Housing Agency
4444 Rice Street, Suite 330, Lihue, Kauai
- Department of Human Services, Homeless Programs Office
820 Mililani Street, Suite 606, Honolulu, Oahu
- State of Hawaii, HHFDC
677 Queen Street, Suite 300, Honolulu, Oahu
- City and County of Honolulu, Department of Community Services
715 S. King Street, #200, Honolulu, Oahu

Interested persons are invited to provide written comments on the proposed *Substantial Amendment to the State of Hawaii's Consolidated Plan for Program Years 2015-2019* and the draft *Action Plan for PY2016* to HHFDC at the aforementioned address by April 16, 2016 at 4:00 p.m. Written comments may also be submitted via fax to (808) 587-0600 or emailed to hhfdc.consolidatedplan@hawaii.gov by 4:00 p.m. on April 16, 2016. All written comments will be considered in preparing the final *Substantial Amendment to the State of Hawaii's Consolidated Plan for Program Years 2015-2019* and *Annual Action Plan for PY2016*.

If access or communication assistance and/or services (e.g., large print or taped materials) are required, please contact HHFDC's Personnel Office at 587-0610, by written request, or by email to anna.k.snellgrove@hawaii.gov by March 24, 2016. Prompt requests help to ensure the availability of appropriate accommodations. Persons on the neighbor islands may call the following toll free numbers:

From Kauai, 274-3141, ext. 70610 From Hawaii, 974-4000, ext. 70610
From Maui, 984-2400, ext. 70610 From Molokai & Lanai, 1-800-468-4644, ext. 70610

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.

Craig K. Hirai, HHFDC Executive Director

March 17, 2017



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