

**PUBLIC AND INDIAN HOUSING
NATIVE HAWAIIAN HOUSING BLOCK GRANTS
2018 Summary Statement and Initiatives
(Dollars in Thousands)**

NATIVE HAWAIIAN HOUSING BLOCK GRANTS	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2016 Appropriation	\$727	...	\$727	\$539	\$12,453
2017 Annualized CR	189	...	189	189	4,000
2018 Request	5,000
Change from 2017	-189	...	-189	-189	+1,000

1. Program Purpose and Fiscal Year 2018 Budget Overview

The Native Hawaiian Housing Block Grant program supports the construction, acquisition, or rehabilitation of affordable housing units and their related infrastructure on the Hawaiian home lands. In fiscal year 2018 the program's obligated balances of prior years' budget authority are sufficient to support these goals; therefore, the Department does not request any new appropriations.

2. Request

Section 802 of NAHASDA states that the NHHBG program's sole grant recipient, the (State) Department of Hawaiian Home Lands (DHHL), shall carry out affordable housing activities for low-income Native Hawaiian families who are eligible to reside on the Hawaiian home lands. Current and planned activities include the following:

- Infrastructure development to support future construction of new homeownership and rental housing units.
- Housing counseling and training services to assist families prepare for homeownership and to prevent foreclosure.
- Home rehabilitation to improve substandard units.

The NHHBG provides funding to DHHL to provide affordable housing activities on Hawaiian home lands to eligible Native Hawaiian families. The term, "Hawaiian home lands" means lands that have the status as Hawaiian home lands under section 204 of the

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Hawaiian Homes Commission Act, 1920 (42 Stat. 110); or are acquired pursuant to that Act. The term "Native Hawaiian" means any individual who is a citizen of the United States, and is a descendant of the aboriginal people, who, prior to 1778, occupied and exercised sovereignty in the area that currently constitutes the State of Hawaii, as evidenced by genealogical records; verification by kupuna (elders) or kama'aina (long-term community residents); or birth records of the State of Hawaii.

3. Justification

The Hawaiian home lands are located in various geographic areas of the islands, typically in rural areas, and some with terrain that is difficult and costly to develop. Under this program, DHHL is able to develop raw, vacant Hawaiian homelands, which are set aside for Native Hawaiian families, into master-planned communities. As a rule, these communities are not located in prime resort locations, and in fact, are often in less desirable areas, with steep terrain that is difficult to access and develop. The difficulties involved in developing this raw land add to the already high cost of providing housing. A significant amount of program funds is used to support site improvements and infrastructure for new construction of affordable housing. Project development is a lengthy process, and usually includes environmental reviews, procurement of construction contracts, compliance with local building permitting requirements, mass grading of raw land, installation of streets, drainage, water, sewer and utilities, and home construction. To prevent foreclosures and promote responsible homeownership, direct assistance is provided to qualified homeowners through counseling programs, down payment assistance, subsidies, low-interest rate loans, and matching funds for individual development accounts.

Program funds help relieve overcrowding and homelessness: there is significant need for affordable housing among the population the program serves, as evidenced by the following demographics:

- In the 2010 census, 290,000 people identified as Native Hawaiian and were living in Hawaii (about 21 percent of Hawaii's population). Of these, 30,858 lived on the home lands.
- Native Hawaiians have lower incomes, higher poverty rates, and lower educational attainment rates than other residents of Hawaii.
- Native Hawaiian households experience higher rates of overcrowding (15 percent) compared with other Hawaiian households (8 percent).
- Native Hawaiians are overrepresented in Hawaii's homeless population.

The recipient has provided housing services through the following eligible activities:

- Development. The acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, which may include real property acquisition, site improvement, development of utilities and utility services,

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conversion, demolition, financing, administration and planning, and other related activities. Over the life of the program, more than 80 percent of NHHBG funds have been spent on activities in this category.

- Housing Services and Model Activities. Funds used to provide housing counseling for rental or homeownership assistance, establishment and support of resident management organizations, energy auditing, supportive and self-sufficiency services, and other related services assisting owners, residents, contractors, and other entities participating or seeking to participate in eligible housing activities.
- Planning and Administration: Eligible administrative and planning expenses include, but are not limited to, administrative management, evaluation and monitoring, preparation of annual plans and reports required by HUD, and staff and overhead costs directly related to carrying out affordable housing activities. HUD authorizes DHHL to use up to 20 percent of its grant for planning and administrative purposes.

DHHL routinely leverages NHHBG funding to maximize its impact on the Native Hawaiian community. NHHBG carryover will be used for providing affordable housing opportunities to Native Hawaiian families. All the technical assistance set-aside carryover is expected to be used for training and technical assistance.

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Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2016 Budget Authority</u>	<u>2015 Carryover Into 2016</u>	<u>2016 Total Resources</u>	<u>2016 Obligations</u>	<u>2017 Annualized CR</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2018 Request</u>
Grants
Technical Assistance	\$727	\$727	\$539	...	\$189	\$189	...
Research and Technology (transfer)	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>	<u>...</u>
Total	727	727	539	...	189	189	...