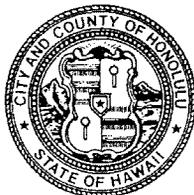


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANOUÉ
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

January 10, 2012

RECEIVED
CITY CLERK
C & C OF HONOLULU
2012 JAN 10 AM 9:25

The Honorable Ernest Y. Martin, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Martin and Councilmembers:

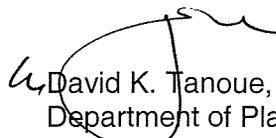
Subject: Resolution Requesting Transfer of Funds

Transmitted for your review and approval is a resolution to transfer \$100,000 from the FY 2012 Operating Budget, Ordinance No. 11-10, Section 10, Miscellaneous Provision for Grants and Partnerships to the Department of Planning and Permitting (DPP).

The DPP has applied for, and been awarded almost \$2.4 million from the United States Department of Housing and Urban Development to encourage and expand the inventory of affordable housing within the rail transit corridor (see Resolution 10-214, CD-1). Our department's budget does not reflect money to "front end" the federal grant money, which will be received on a reimbursement basis. Therefore, we are requesting that the City matching funds be made available through funds in the City's Provisional Fund Account.

Should you have any questions, please call me at 768-8000.

Very truly yours,


David K. Tanoue, Director
Department of Planning and Permitting

DKT:js

Attachments

APPROVED:


Douglas S. Chin
Managing Director



RESOLUTION

AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO APPLY FOR FUNDS FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) UNDER THE COMMUNITY CHALLENGE PLANNING GRANT PROGRAM AND TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH HUD FOR SAID FUNDS.

WHEREAS, Chapter 1, Article 8, Revised Ordinances of Honolulu 1990, requires that when carrying out the provisions of any intergovernmental agreement, all applications and/or amendments thereof, statistical data programs, reports or other official communications which support the application and which are required to be provided by the City and County of Honolulu or its component departments to any other governmental or quasi-governmental agency shall first be presented to the City Council for its review and approval prior to its transmittal; and

WHEREAS, the Department of Housing and Urban Development (HUD), through a Notice of Funding Availability, has announced funding opportunities through the Community Challenge Planning Grant Program; and

WHEREAS, the Department of Planning and Permitting currently conducts land use and community planning for the City and County of Honolulu; and

WHEREAS, the purpose of the Community Challenge Planning Grant Program are to support community planning efforts that integrate housing, land use, economic development, transportation, and infrastructure investments to empower communities to consider the challenges of economic competitiveness, social equity, climate change, and environmental impact; and

WHEREAS, the Department of Planning and Permitting desires to apply for grant funds through HUD's Community Challenge Planning Grant Program to assist with the planning and implementation of transit-orientated development and affordable housing along the transit corridor; and

WHEREAS, the Department of Planning and Permitting is currently working on the application, due August 23, 2010, and will satisfy the requirements set forth in the attached Exhibit A; and

WHEREAS, the Department of Planning and Permitting has agreed to forward a copy of the completed application to the City Council upon its completion; now, therefore,



RESOLUTION

BE IT RESOLVED by the Council of the City and County of Honolulu, State of Hawaii, that the Mayor or the Mayor's designee is hereby authorized to apply for funds from HUD under the Community Challenge Planning Grant Programs and to enter into an intergovernmental agreement with HUD for the receipt, use, and administration of said funds, and to enter into any other agreements in connection therewith, or amendments thereto, as may be reasonably required; and

BE IT FURTHER RESOLVED that the Department of Planning and Permitting will promptly forward to the City Council a copy of the completed HUD application upon its completion.

BE IT FINALLY RESOLVED that a copy of this Resolution be transmitted to the Mayor, Managing Director, and Director of Planning and Permitting.

INTRODUCED BY:

Todd Apo (BR)

DATE OF INTRODUCTION:

July 28, 2010
Honolulu, Hawaii

Councilmembers

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT

DEPARTMENT OF TRANSPORTATION

[Docket No. FR-5415-N-12]

Notice of Funding Availability for the
Department of Housing and Urban
Development's Community Challenge
Planning Grants and the Department of
Transportation's TIGER II Planning
Grants

AGENCY: Office of Sustainable Housing and Communities, Office of the Deputy Secretary, HUD; and Office of the Secretary, DOT.

ACTION: Notice of Funding Availability (NOFA).

SUMMARY: This notice announces the availability of funding and requests proposals for the Department of Housing and Urban Development's ("HUD's") Community Challenge Planning Grants ("Community Challenge Planning Grants") in conjunction with a portion of the Department of Transportation's ("DOT's") National Infrastructure Investments Grants that can be used for transportation planning grants.

On December 16, 2009, the President signed the Consolidated Appropriations Act, 2010 (Pub. L. 111-117) that provided \$40 million for HUD's Community Challenge Planning Grants and up to \$35 million for DOT's transportation planning grants to be awarded as part of the National Infrastructure Investments program. The National Infrastructure Investments program is similar, but not identical to, the Transportation Investment Generating Economic Recovery, or "TIGER Discretionary Grant Program." Because of the similarity in program structure, DOT is referring to the grants for National Infrastructure Investments under the FY 2010 Appropriations Act as "TIGER II Discretionary Grants" and the transportation planning grants as "TIGER II Planning Grants."

HUD's \$40 million Community Challenge Planning Grant Program will foster reform and reduce barriers to achieving affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes, either on a jurisdiction-wide basis or in a specific neighborhood, district, corridor, or sector to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes, and similar activities with the goal of promoting sustainability at the local or neighborhood level. HUD's Community

Challenge Planning Grant Program also supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances and other activities such as acquisition of land for affordable housing projects.

The Community Challenge Planning Grant Program differs from HUD's Sustainable Communities Regional Planning Grant Program, a \$100 million program also created in the FY2010 Appropriations Act. While the latter program is designed to support regional planning efforts, the Community Challenge Planning Grant Program focuses on individual jurisdictions and more localized planning. HUD will publish a separate NOFA for the Sustainable Communities Regional Planning Grant Program.

DOT is authorized to use up to \$35 million of the funds available for TIGER II Discretionary Grants for TIGER II Planning Grants to fund the planning, preparation, or design of surface transportation projects that would be eligible for funding under the TIGER II Discretionary Grant program.

DOT and HUD have decided to issue this NOFA jointly in order to better align transportation, housing, economic development, and land use planning and to improve linkages between DOT and HUD's programs. HUD's funding is designed to target housing, economic development, and land use planning strategies that will increase the efficiency and effectiveness of a related transportation project being planned. Therefore, DOT and HUD believe this joint effort has the potential to encourage and reward more holistic planning efforts that result in better projects being built with Federal dollars. The effort is also consistent with the Obama Administration's priority on removing artificial barriers between Federal programs and barriers to State and local governmental level innovation.

On April 26, 2010 (75 FR 21695), DOT published an interim notice announcing the availability of funding for TIGER II Discretionary Grants. Because the TIGER II Discretionary Grant program is a new program, the interim notice requested comments on the proposed selection criteria and guidance for awarding TIGER II Discretionary Grants. In the interim notice, DOT specifically requested comments on its intention to conduct a multi-agency evaluation and award process with HUD for the Community Challenge Planning Grants and the TIGER II Planning Grants. DOT indicated that this multi-agency approach for the planning grants would be consistent with DOT and HUD's

participation in the "Partnership for Sustainable Communities" with the U.S. Environmental Protection Agency ("EPA") to help American families in all communities—rural, suburban and urban—gain better access to affordable housing, more transportation options, lower transportation costs, and a cleaner environment. HUD and DOT have considered the comments that were submitted in accordance with the interim notice and decided to conduct a multi-agency evaluation and award process. The details of this multi-agency planning grant program, including information about eligibility, selection criteria, and pre-application and application requirements are included in this joint notice. The final notice for the TIGER II Discretionary Grant program (the "TIGER II Discretionary Grant NOFA") was published on June 1, 2010 (75 FR 30460). Interested parties are encouraged to review the TIGER II Discretionary Grant NOFA for more information about that program.

DATES: Pre-applications are due by July 26, 2010, at 5 p.m. EDT, and applications must be submitted by August 23, 2010, at 5 p.m. EDT. Only pre-applications received and applications received through Grants.gov will be deemed properly filed. Instructions for submitting pre-applications and applications are included in Section VI.

FOR FURTHER INFORMATION CONTACT: For further information concerning this notice please contact the TIGER II Discretionary Grant program manager via e-mail at TIGERIIGrants@dot.gov, or call Robert Mariner at 202-366-8914 (this is not a toll-free number). A TDD is available for individuals who are deaf or hearing-impaired, at 202-366-3993 (this is not a toll-free number). In addition, DOT will regularly post answers to questions and requests for clarifications on DOT's Web site at <http://www.dot.gov/recovery/ost/TIGERII>. Questions regarding HUD's Community Challenge Planning Grant Program should be directed to sustainablecommunities@hud.gov or may be submitted through the <http://www.hud.gov/sustainability> Web site. HUD's contact person is Zuleika K. Morales-Romero, Office of Sustainable Housing and Communities, 451 Seventh Street, SW., Washington, DC 20410-3000, telephone number 202-402-7683 (this is not a toll-free number) facsimile 202-708-0465, or e-mail: zuleika.k.morales@hud.gov. For the hearing- or speech-impaired, contact the above telephone number via TTY by dialing the toll-free Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

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- III. Eligibility Information
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Overview Information

A. *Federal Agency Name*: Office of Sustainable Housing and Communities, Office of the Deputy Secretary, HUD; and Office of the Secretary, DOT.

B. *Funding Opportunity Title*: Community Challenge and Transportation Planning Grants.

C. *Funding Opportunity Number*: The funding opportunity number is FR-5415-N-12. Community Challenge and Transportation Planning Grant. The OMB Approval Number is 2501-0025.

D. *Catalog of Federal Domestic Assistance (CFDA) Number*: The Catalog of Federal Domestic Assistance (CFDA) numbers for the HUD Community Challenge and DOT TIGER II Planning Grant are 14.704 and 20.933, respectively.

E. *Additional Overview Information*:

1. Background.

a. *TIGER II Planning Grants*.

On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-05) (Recovery Act), which appropriated \$1.5 billion of discretionary grant funds to be awarded by DOT for capital investments in surface transportation infrastructure. DOT refers to these grants as Grants for Transportation Investment Generating Economic Recovery or "TIGER Discretionary Grants." DOT solicited applications for TIGER Discretionary Grants through a notice of funding availability published in the Federal Register on June 17, 2009 (74 FR 28775) (an interim notice was published on May 18, 2009 (74 FR 23226)). Applications for TIGER Discretionary Grants were due on September 15, 2009, and DOT received more than 1,400 applications with funding requests totaling almost \$60 billion. Funding for 51 projects was announced on February 17, 2010.

On December 16, 2009, the President signed the Fiscal Year (FY) 2010 Consolidated Appropriations Act, which appropriated \$600 million to DOT for National Infrastructure Investments using language that is similar, but not identical to, the language in the Recovery Act authorizing the TIGER Discretionary

Grants. DOT is referring to the grants for National Infrastructure Investments as TIGER II Discretionary Grants. The FY 2010 Appropriations Act permits DOT to use up to \$35 million of the funds available for TIGER II Discretionary Grants for TIGER II Planning Grants. The TIGER II Discretionary Grant NOFA was published on June 1, 2010 (75 FR 30460), and awards will be announced at the same time as awards made under this NOFA.

b. *Community Challenge Planning Grants*.

The FY 2010 Appropriations Act also appropriated \$40 million to HUD to establish a Community Challenge Planning Grant Program "to foster reform and reduce barriers to achieve affordable, economically vital, and sustainable communities." The Community Challenge Planning Grant Program differs from HUD's Sustainable Communities Regional Planning Grant Program, a \$100 million program also created in the FY 2010 Appropriations Act. While the latter program is designed to support regional planning efforts, the Community Challenge Planning Grant Program focuses on individual jurisdictions and more localized planning. HUD will publish a separate NOFA for the Sustainable Communities Regional Planning Grant Program.

2. *Available Funds*. Up to \$75 million, including \$40 million for Community Challenge Planning Grants and up to \$35 million for TIGER II Planning Grants.

3. *Funding Categories*. Given the range of planning activities that potential applicants are trying to accomplish, DOT and HUD will support a variety of eligible activities spelled out in Section III.C.1.a-c.

4. *Authority*. The program was authorized by the Consolidated Appropriations Act, 2010 (Pub. L. 111-117, approved December 16, 2009).

5. *Application of HUD's General Section*. All applicants accessing resources available through HUD's Community Challenge Planning Grants are subject to the requirements of the General Section to HUD's FY 2010 NOFAs for discretionary programs. Applicants for such grants should carefully review the requirements described in this NOFA and HUD's General Section. HUD's General Section is not applicable to applicants accessing resources available through TIGER II Planning Grants.

Full Text Announcement

I. *Funding Opportunity Description*:

This notice announces DOT's and HUD's intention to offer funding

through a competition made available as a NOFA under its Community Challenge and TIGER II Planning Grants.

A. *The Partnership for Sustainable Communities*. This NOFA is being initiated in close coordination between DOT, HUD and the EPA, through the Partnership for Sustainable Communities (the Partnership).

The Partnership was conceived to coordinate Federal housing, transportation and environmental investments, protect public health and the environment, promote equitable development, and help address the challenges of climate change. Recognizing the fundamental role that public investment plays in achieving these outcomes, the Administration charged three agencies whose programs most directly impact the physical form of communities—HUD, DOT, and EPA—to lead the way in reshaping the role of the Federal government in helping communities obtain the capacity to embrace a more sustainable future.

One of the first acts of the Partnership was to agree to a set of six "Livability Principles" to govern the work of the Partnership and for each of the three agencies to strive to incorporate into their policies and funding programs to the degree possible. In addition, each agency has clear and defined roles: HUD will take the lead in funding, evaluating, and supporting integrated regional planning for sustainable development, and will invest in sustainable housing and community development efforts. DOT will focus on building the capacity of transportation agencies to integrate their planning and investments into broader plans and actions that promote sustainable development, and investing in transportation infrastructure that directly supports sustainable development and livable communities. EPA will provide technical assistance to communities and States to help them implement sustainable community strategies, and develop environmental sustainability metrics and practices. The three agencies have made a commitment to coordinate activities, integrate funding requirements, and adopt a common set of performance metrics for use by grantees.

B. *Program Goals*.

1. To better align Federal programs to support the building of projects that further the six Livability Principles (listed in rating factor 1 below).

2. To remove artificial or bureaucratic barriers among Federal programs and create a more coordinated point of contact for State and local governments building innovative projects that coordinate housing, economic

development, transportation, and environmental policies and goals.

II. Award Information

A. *Award Size.* For both Community Challenge Planning Grants and TIGER II Planning Grants, there is no minimum grant size, but the maximum grant size is \$3 million.

B. *Type of Awards.* All awards will be made in the form of Cooperative Agreements. HUD and DOT anticipate having substantial involvement in the work being conducted under this award to ensure the purposes of the grant program are being carried out and that entities are following through on their commitments. This includes making progress in meeting established performance metrics, and ensuring consistency in projects in participating jurisdictions that are funded through other HUD, DOT, and EPA programs so that they are implemented in a manner consistent with the Livability Principles.

C. *Period of Performance.* The period of performance shall not exceed 36 months from the date the funds are obligated. All funds awarded must be obligated by September 30, 2012.

D. *Statutory Distributional Requirements Only Applicable to TIGER II Funds.* This joint notice was developed and is being published in conjunction with the TIGER II Discretionary Grants NOFA. The selection process for TIGER II Planning Grants will be conducted in parallel with the selection process for TIGER II Discretionary Grants, and awards of TIGER II Planning Grants are subject to several distributional requirements under the FY 2010 Appropriations Act. These requirements do not apply to HUD Community Challenge Planning Grants. First, no more than 25 percent of the funds made available for TIGER II Discretionary Grants (or \$150 million), including any funding used for TIGER II Planning Grants, may be awarded to projects in a single State. Additionally, not less than \$140 million of the funds provided for TIGER II Discretionary Grants, including TIGER II Planning Grants, is to be used for projects located in rural areas. For purposes of this notice, DOT is generally defining "rural area" as any area not in an Urbanized Area, as such term is defined by the Census Bureau¹ and will consider a project to be in a

rural area if all or the majority of a project is located in a rural area. Finally, on awarding TIGER II Discretionary Grants, including TIGER II Planning Grants, DOT must take measures to ensure an equitable geographic distribution of grant funds, an appropriate balance in addressing the needs of urban and rural areas, and investment in a variety of transportation modes.

TIGER II Discretionary Grants, including TIGER II Planning Grants, may be used for up to 80 percent of the costs of a project; however, applications will be more competitive to the extent they include significant non-Federal financial contributions. The minimum and maximum grant sizes established by the FY 2010 Appropriations Act for TIGER II Discretionary Grants do not apply to TIGER II Planning Grants.

III. Eligibility Information

A. *Eligible Applicants.* State and local governments, including U.S. territories, tribal governments, transit agencies, port authorities, metropolitan planning organizations (MPOs), other political subdivisions of State or local governments, and multi-State or multijurisdictional groupings.

B. *Cost Sharing or Leveraging Resources.* For those seeking TIGER II Planning Grants, a 20 percent match is required. DOT will consider any non-Federal funds as a local match for purposes of this program, whether such funds are contributed by the public sector (State or local) or the private sector. However, DOT will not consider funds already expended as a local match. The 20 percent matching requirement does not apply to projects in rural areas. For those seeking HUD Community Challenge Planning Grants, applicants must provide 20 percent of the requested funding amount in leveraged resources in the form of cash and/or verified in-kind contributions or a combination of these sources. In-kind contributions may be in the form of staff time, donated materials, or services. All assistance provided to meet this requirement must be identified by their dollar equivalent based upon accepted salary or regional dollar values. Cash contributions may come from any combination of local, state and/or Federal funds, and/or private and philanthropic contributions dedicated to the express purposes of this proposal.

Applicants will receive credit for leveraging or matching resources greater than 20 percent of the requested amount as described in Rating Factor 4. If an applicant does not include the minimum 20 percent leveraged or matched resources with its appropriate

supporting documentation, that application will be considered ineligible.

C. Other Requirements.

1. *Eligible Activities.* In order to explain the variety of activities eligible for funding under this joint notice, the activities are described in three groupings:

a. *TIGER II Planning Grants:* Activities related to the planning, preparation, or design of surface transportation projects, including, but not limited to:

- (1) Highway or bridge projects eligible under Title 23, United States Code;
- (2) Public transportation projects eligible under Chapter 53 of Title 49, United States Code;
- (3) Passenger and freight rail transportation projects; and
- (4) Port infrastructure investments.

b. *Community Challenge Planning Grants:* Activities related to the following:

(1) Development of master plans or comprehensive plans that promote affordable housing co-located and/or well-connected with retail and business development and discourage development not aligned with sustainable transportation plans or disaster mitigation analyses;

(2) Development and implementation of local, corridor or district plans and strategies that promote livability and sustainability (see the Livability Principles in Section V);

(3) Revisions to zoning codes, ordinances, building standards, or other laws to remove barriers and promote sustainable and mixed-use development and to overcome the effects of impediments to fair housing choice in local zoning codes and other land use laws, including form-based codes and inclusionary zoning ordinances to promote accessible, permanently affordable housing that reduces racial and poverty housing concentration and expands fair housing choice for low-income minorities;

(4) Revisions to building codes to promote the energy-efficient rehabilitation of older structures in order to create affordable and healthy housing;

(5) Strategies for creating or preserving affordable housing for low-, very low-, and extremely low-income families or individuals in mixed-income, mixed-use neighborhoods along an existing or planned transit corridor;

(6) Strategies to bring additional affordable housing to areas that have few affordable housing opportunities and are close to suburban job clusters; and

¹ For the 2000 Census, the Census Bureau defined an Urbanized Area (UA) as an area that consists of densely settled territory that contains 50,000 or more people. Updated lists of UAs are available on the Census Bureau Web site. Urban Clusters (UCs) will be considered rural areas for purposes of this NOFA.

(7) Planning, establishing, and maintaining acquisition funds and/or land banks for development, redevelopment, and revitalization that reserve property for the development of affordable housing within the context of sustainable development

c. Combination of TIGER II Planning Grant and Community Challenge Planning Grant activities.

There are a variety of projects that may include eligible activities under both the TIGER II Planning Grants and the Community Challenge Planning Grants programs. Rather than have applicants proceed through two separate grant application procedures, this joint NOFA is intended to create one point of entry to Federal resources to support related components of a single project. To illustrate the possible combination of activities, please consider the following examples:

(1) Planning activities related to the development of a particular transportation corridor or regional transportation system, that promotes mixed-use, transit-oriented development with an affordable housing component.

(2) Planning activities related to the development of a freight corridor that seeks to reduce conflicts with residential areas and with passenger and non-motorized traffic. In this type of project, DOT might fund the transportation planning activities along the corridor, and HUD may fund changes in the zoning code to support appropriate siting of freight facilities and route the freight traffic around town centers, residential areas, and schools.

(3) Developing expanded public transportation options, including accessible public transportation and para-transit services for individuals with disabilities, to allow individuals to live in diverse, high opportunity neighborhoods and communities and to commute to areas with greater employment and educational opportunities.

DOT and HUD are expecting to award the TIGER II Planning Grants and the Community Challenge Planning Grants for planning activities that ultimately lead to the development of projects that integrate transportation, housing and economic development components.

DOT and HUD plan to make joint awards, where appropriate. However, we also expect DOT to make awards for TIGER II Planning Grant activities alone and for HUD to make awards for Community Challenge Planning Grants alone. Applicants may apply for funding from only TIGER II Planning Grants or from only Community Challenge Planning Grants. To the extent that an application has a project that has linked

activities and would benefit from funding and associated activities in both DOT and HUD's programs, applicants should indicate that in their application and the agencies may both award funding to the project, with DOT and HUD each awarding its funds for the eligible activities under its own respective program. However, only one application per project will be accepted (see Threshold Requirements, Section IV.C.).

IV. Threshold Requirements

Evaluation teams from DOT and HUD will review each pre-application that is received on or prior to the Pre-Application Deadline and will be responsible for analyzing whether the pre-application satisfies the following key threshold requirements:

A. The project and the applicant are eligible for funding under the TIGER II Planning Grant or Community Challenge Planning Grant program; and

B. Local leveraging, or matching funds are committed to support 20 percent or more of the costs of the transportation planning activities to be funded; this requirement is not applicable to transportation planning projects located in rural areas.

C. Only one application per project will be accepted for review. An applicant that submits more than one application per project may have some or all of the submissions deemed ineligible.

D. Resolution of Outstanding Civil Rights Matters for Applicants for HUD Funding. If you, the applicant:

1. Have received a charge from HUD concerning a systemic violation of the Fair Housing Act or a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination based on race, color, religion, sex, national origin, disability or familial status;

2. Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging a pattern or practice of discrimination pursuant to 42 U.S.C. 3614(a);

3. Have received a letter of findings identifying systemic noncompliance under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, or Section 109 of the Housing and Community Development Act of 1974;

4. Have received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law

proscribing discrimination in housing based on sexual orientation or gender identity; or

5. Have received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a state or local law proscribing discrimination in housing based on lawful source of income; and

a. The charge, cause determination, lawsuit, or letter of findings referenced in subparagraphs (1), (2), (3), (4), or (5) above has not been resolved to HUD's satisfaction before the application deadline, then you, the applicant, are ineligible for funding. HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the application deadline are sufficient to resolve the matter.

b. Examples of actions that would normally be considered sufficient to resolve the matter include, but are not limited to:

c. Current compliance with a voluntary compliance agreement signed by all the parties;

(1) Current compliance with a HUD-approved conciliation agreement signed by all the parties;

(2) Current compliance with a conciliation agreement signed by all the parties and approved by the State or local administrative agency with jurisdiction over the matter;

(3) Current compliance with a consent order or consent decree; or

(4) Current compliance with a final judicial ruling or administrative ruling or decision.

V. Application Review Information

A. Criteria.

1. *Rating Factor 1—Purpose and Outcomes (35 points):* An applicant's score on this rating factor will be based on a clear statement of the existing condition that the proposed project is intended to address and the proposed project's alignment with the six "Livability Principles." Applicants that demonstrate that their project aligns well with the Livability Principles and are consistent with any existing region wide plans that consider transportation, economic development, housing, water, and other infrastructure needs and investments will receive a higher score. The Livability Principles are as follows:

a. *Provide More Transportation Choices.* Develop safe, reliable and affordable transportation choices to decrease household transportation costs, reduce energy consumption and dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

b. *Promote equitable, affordable housing.* Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

c. *Enhance Economic Competitiveness.* Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.

d. *Support Existing Communities.* Target Federal funding toward existing communities—through strategies like transit oriented, mixed-use development, and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.

e. *Coordinate Policies and Leverage Investment.* Align Federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

f. *Value Communities and Neighborhoods.* Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

In order for points to be awarded, applicants shall also provide data to support outcomes of the proposed project claimed in the application. Based on the project being proposed, the applicant shall identify the Livability Principle(s) that will be addressed and detail how that success will be documented. For example, if the proposed program intends to expand the presence of equitable, affordable housing, the applicant should provide data to support this claim.

As there is a wide range of projects that can be supported through this notice, not every project is expected to address all six Livability Principles. Points will be awarded based on the extent to which the proposed project furthers the specifically identified principles supported with data.

The applicant is required to clearly identify the benefits or outcomes of its proposed program. Because this application seeks support to develop a plan for a specific project, all of the outcomes will not be realized during the duration of the grant period. Rather, applicants will be evaluated on their ability to identify the outcomes they seek to achieve, the clarity with which

they articulate the elements of their plan that will help achieve those outcomes, and the specificity of the benchmarks that they establish to measure progress toward a completed product that guides all of the necessary work.

Applicants that receive awards will be expected to report on the progress of the project and outcomes realized at the mid-way point and at the end of the term of the grant. Where outcomes have been realized, they should be detailed and backed with data. For projects that must go to construction for many benefits to be realized, benchmarks will focus more on the progress of plan development, any changes in the scope of the work that occur during the planning process, and how those changes might impact the anticipated outcomes.

For projects that must go to construction for benefits to be realized, benchmarks will focus more on the progress of plan development, any changes in scope that occur, and how those changes might impact the anticipated outcomes.

DOT and HUD recognize that each project is unique. As such, the agencies are allowing significant latitude to the applicant to set the desired outcomes that will result from implementation of the project. DOT and HUD have identified six possible outcomes, listed below, from which each applicant must select a minimum of two outcomes that it must pursue and report on during its period of performance.

a. Travel changes, such as changes in mode share or vehicle miles traveled per capita.

b. Impact on affordability and accessibility, including the supply of affordable housing units, household transportation costs, or proportion of low- and very-low income households within a 30-minute transit commute of major employment centers.

c. Economic development, including infill development or recycled parcels of land or private sector investment along a project or corridor.

d. Improvement to the state of repair of infrastructure.

e. Environmental benefits, such as greenhouse gas or criteria pollutants emissions, oil consumption and recreational areas or open space preserved.

f. Increased participation and decision-making in developing and implementing a plan, code, development strategy, or project by populations traditionally marginalized in public planning processes.

2. *Rating Factor 2—Work Plan (35 points):* An applicant's score on this rating factor will be based on how well

the application addresses the quality and cost effectiveness of the proposed work plan. Applicants must develop a work plan that includes specific deliverables, and measurable, time-phased objectives for each major activity.

This factor also addresses the performance metrics that will be used to measure the success of the proposed activities. For a proposed project to achieve results, expected outcomes and outputs must be clearly defined, and evaluation must take place to ensure that those outcomes and outputs are met. Outcomes are the ultimate objectives of a project, and outputs are the interim activities or products that lead to the achievement of those objectives. To track progress toward the outputs and outcomes, a project must be evaluated based upon performance measures. Performance measures should be objectively quantifiable, and allow one to assess the degree of actual achievement against the expected outputs and outcomes. Applications that demonstrate how outputs and outcomes are fully defined and easily measured will receive a higher score.

The applicant's budget proposal should thoroughly estimate all applicable costs (direct, indirect, and administrative), and be presented in a clear and coherent format. The applicant must thoroughly document and justify all budget categories, costs, and all major tasks, for the applicant, sub-recipients, joint venture participants, or other contributing resources to the project.

3. *Rating Factor 3—Leveraging and Collaboration (15 points):* An applicant's score on this rating factor will be based on how well the application demonstrates the project's ability to obtain other community, local, State, private, and Federal support, as applicable, and resources that can be combined with DOT and HUD program resources to achieve program objectives. Resources may include cash or in-kind contributions of services, equipment, or supplies allocated to the proposed program. In evaluating this factor, HUD and DOT will consider the extent to which the applicant has established working partnerships with other entities to get additional resources or commitments to increase the effectiveness of the proposed program activities.

When evaluating this factor, HUD and DOT will take into account two considerations: the amount of resources leveraged or matched that exceeds the required 20 percent, and per capita income in the applicable jurisdiction relative to the metropolitan average.

Data must be provided for the indicator when responding to this rating factor. The 20 percent of leveraged or matched resources that are a threshold requirement will not count as points toward this rating factor. To score points in this rating factor, resources may be provided by governmental entities, public or private organizations, and other entities. Other resources from the private sector or other sources committed to the program that exceed the required 20 percent leveraged or matched resources will be given extra weight for this rating factor. The applicant should provide supporting documentation of all committed funds. Please refer to Section VI., Application and Submission, for more details.

4. Rating Factor 4—Capacity (15 points): An applicant's score on this rating factor will be based on how well the application demonstrates the applicant's capacity to successfully implement the proposed activities in a timely manner. The applicant will provide specific examples of previous projects similar to the proposed effort that demonstrate its capacity to implement the proposed work plan. DOT and HUD will give priority to applications that demonstrate the prior experience to bring this type of project(s) that is the subject of the planning activities to completion. Priority will also be given to applications that demonstrate strong collaboration among a broad range of participants, including public, private and nonprofit entities.

The applicant shall designate the staff that is anticipated to manage the proposed project, as well as other staff anticipated to contribute to the project's completion. Ratings under this factor are based on the capacity of the applicant's organization, and its team, as applicable, and should include an assessment of the capacity of sub-contractors, consultants, sub-recipients, community-based organizations, and any other entities that are part of the project application, as applicable.

Applicants should be prepared to initiate eligible activities within 120 days of the effective date of the grant award. DOT and HUD reserve the right to terminate the grant if sufficient personnel or qualified experts are not retained within these 120 days. In rating this factor, DOT and HUD will consider, among other factors, the extent to which the application demonstrates that the applicant has an adequate number of key staff or the ability to procure individuals with the knowledge and recent experience in the proposed activity.

All applicants for HUD funding are subject to the requirements to Affirmatively Further Fair Housing. HUD will award additional points to applicants that prioritize additional measures to advance civil rights, such as Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations; and Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency.

Applicants should indicate if, and describe how, the following policy priorities will be addressed: (1) Capacity Building and Knowledge Sharing and (2) Expand Cross-Cutting Policy Knowledge. One point will be awarded for each policy priority. Identify specific activities, outputs and outcomes that further these policy priorities over the period of performance.

a. Capacity Building and Knowledge Sharing.

HUD recognizes that successful program implementation can only occur in partnership with effectively prepared grantees. It is therefore critical to strengthen the capacity of each consortium by developing partnerships that will advance the objectives of proposed programs. HUD's Strategic Plan emphasizes the importance of strengthening the capacity of state and local partners to implement HUD programs, participate in decision-making and planning processes, and coordinate on cross-programmatic, place-based approaches through grant making and technical assistance. To receive policy priority points, applicants are expected to describe how they will achieve the following outcomes:

(1) Increase the skills and technical expertise of partner organizations to manage Federal awards, provide solid financial management, and perform program performance assessment and evaluation. The applicant must describe the methods that will be used to achieve this outcome. Examples include in-service trainings, online information provision (*e.g.*, webinars, podcasts, *etc.*), and structured observation of best practices. According to the proposed methods, the applicant should identify the anticipated outputs (*e.g.*, number of people trained, number of training events, volume of easily accessible training materials for targeted capacities, *etc.*) during the 3-year period of performance.

(2) Share knowledge among partners so that key personnel responsible for grant implementation coordinate cross-programmatic, place-based approaches. The applicant must

describe the outreach methods that will be used to achieve this outcome. Examples include establishing regular partner dialogues, and structured peer exchange. According to the proposed methods, the applicant should establish and specify the anticipated outputs (*e.g.*, number of meetings, Web postings, number of participating partners, total staff exposed to new learning and promising practice, number of briefings, issuance of monthly fact sheets, *etc.*) during the 3-year period of performance. HUD will work with grantees to support knowledge sharing and innovation by disseminating best practices, encouraging peer learning, publishing data analysis and research, and helping to incubate and test new ideas.

b. Expand Cross-Cutting Policy Knowledge.

Broadening the use of successful models to other communities requires definitive evidence of which policies work and how, and a plan for public dissemination of this information.

To achieve full points, the applicant must indicate what data they and/or partner organizations will collect on outcomes for the defined target area (*e.g.*, changes in commuting time, improved health outcomes, VMT measures, *etc.*). The grantee must document a plan to engage credible policy researchers to assist in the analysis of that data in order to measure policy impact, and clarify the extent of data that will be made available to those researchers through a data-sharing agreement.

(1) For household-level data, this may be an agreement with a university or other policy research group that regularly produces peer-reviewed research publications.

(2) For parcel-related data, this agreement may be with a regional planning, non-profit, or government agency that provides consolidated local data on a regular basis to the public for free.

The applicant should specifically describe how they intend to disseminate policy lessons learned during the planning process to a diverse range of potential audiences, including policymakers, other regional consortia, and interested community leadership. The collection method and specific data elements will not be prescribed by HUD, but may be determined by the applicant.

The applicant must establish and provide the anticipated outputs within the period of performance. Examples include the number of policy publications, number of research studies, anticipated distribution of findings, *etc.*

B. Evaluation and Selection Process.

1. Rating and Ranking.

Evaluation teams made up of a representative from DOT, HUD, and EPA initially will evaluate each application as to how well it scores against the "Rating Factors" identified below, and will assign it a score on a scale of 1–100. The scoring system will not determine the specific projects that will be selected for funding; rather, the scoring system will be used to generate a list of highly recommended projects. The highly recommended projects will then be forwarded to a senior-level review team for review, and the senior-level review team will make funding recommendations to the Secretaries of DOT and HUD, based on how the project performed under the four rating factors, how each project addresses the Program Goals identified in Section I.B, and statutory distributional considerations required in the National Infrastructure Investments provision of the FY 2010 Consolidated Appropriations Act for the DOT Planning Grants. The review teams will include senior-level representatives from the three Partnership for Sustainable Communities agencies: DOT, HUD, and EPA.

VI. Application and Submission Information

A. Address To Request Application Package. Applications are available on the Federal Web site www.Grants.gov. To find this funding opportunity at Grants.gov, go to http://www.grants.gov/applicants/find_grant_opportunities.jsp at the www.Grants.gov Web site, where you can search by agency and/or perform a Basic Search. Additional information on applying through Grants.gov is available at <http://www.grants.gov>.

B. Content and Form of Application Submission. Applicants eligible to apply under this NOFA are to follow the submission requirements described below:

1. **Pre-Application.** Unless otherwise indicated in this joint notice, applicants should submit pre-applications and applications in accordance with the procedures specified in the TIGER II Discretionary Grant NOFA. To submit an application, please access <http://www.dot.gov/recovery/ost/tigerii/index.html> or <http://www.hud.gov/sustainability>. Pre-applications must be submitted by the Pre-Application Deadline, which is July 26, 2010, at 5 p.m. EDT. The pre-application system will be hosted by DOT, on behalf of DOT and HUD, and will open no later than June 23, 2010, to allow prospective applicants to submit pre-applications. Final applications must be submitted

through Grants.gov by the Application Deadline, which is August 23, 2010, at 5 p.m. EDT. The Grants.gov "Apply" function will open on July 30, 2010, allowing applicants to submit applications. While applicants are encouraged to submit pre-applications in advance of the Pre-Application Deadline, pre-applications will not be reviewed until after the Pre-Application Deadline. Similarly, while applicants are encouraged to submit applications in advance of the Application Deadline, applications will not be evaluated until after the Application Deadline. Awards will not be made until after September 15, 2010.

To apply for funding through Grants.gov, applicants must be properly registered. Complete instructions on how to register and submit applications can be found at www.grants.gov. Please be aware that the registration process usually takes 2–4 weeks and must be completed before an application can be submitted. If interested parties experience difficulties at any point during the registration or application process, please call the toll free Grants.gov Customer Support Hotline at 1–800–518–4726, Monday to Friday from 7 a.m. to 9 p.m. EDT.

Applicants must submit a pre-application as Stage 1, which qualifies applicants to submit an application in Stage 2. An application submitted during Stage 2 that does not correlate with a properly completed Stage 1 pre-application will not be considered.

2. **Contents of Pre-Applications.** An applicant for a TIGER II Planning Grant or a Community Challenge Planning Grant should provide in its pre-application form, all of the information requested below in its pre-application form. DOT and HUD reserve the right to ask any applicant to supplement the data in its pre-application but expect pre-applications to be complete upon submission. Applicants must complete the pre-application form and submit it electronically on or prior to the Pre-Application Deadline, in accordance with the instructions specified at <http://www.dot.gov/recovery/ost/TIGERII>. The pre-application form must include the following information:

- a. Name of applicant (if the application is to be submitted by more than one entity, a lead applicant must be identified);
- b. Applicant's DUNS (Data Universal Numbering System) number;
- c. Type of applicant (State government, local government, U.S. territory, Tribal government, transit agency, port authority, metropolitan planning organization, or other unit of government);

- d. State(s) where the project is located;
- e. County(s) where the project is located;
- f. City(s) where the project is located;
- g. Zip code(s) where the project is located;
- h. Project title (descriptive);
- i. Project type: specify eligible activities proposed for funding, such as transportation planning activity, site area plan, corridor plan, land assembly or acquisition, etc.;
- j. Project description: describe the project in plain English terms that would be generally understood by the public, using no more than 50 words; this should be purely descriptive, not a discussion of the project's benefits, background, or alignment with the selection criteria in this description;
- k. Total cost of the project;
- l. Total amount of TIGER II Planning Grant and Community Challenge Planning Grant funds requested;
- m. Contact name, telephone number, email address, and physical address of the applicant;

n. Type of jurisdiction where the project is located (urban or rural); and

o. An assurance that local matching funds are committed to support 20 percent or more of any transportation planning activities to be funded. (This requirement does not apply to projects located in rural areas).

3. **Applications.** An application for a TIGER II Planning Grant or a Community Challenge Planning Grant should include all of the information requested below. DOT and HUD reserve the right to ask any applicant to supplement the data in its application, but expect applications to be complete upon submission.

a. **Standard Form SF-424, Application for Federal Assistance.** Please see www07.grants.gov/assets/SF424Instructions.pdf for instructions on how to complete the SF-424, which is part of the standard Grants.gov submission. Additional clarifying guidance and Frequently Asked Questions (FAQs) to assist applicants in completing the SF-424 will be available at <http://www.dot.gov/recovery/ost/TIGERII> by July 30, 2010, when the "Apply" function within Grants.gov opens to accept applications under this notice.

b. **In Responding to the First and Second Rating Factor.** (Attachment to SF-424). A TIGER II Planning Grant and HUD Community Challenge Grant application must include information required for DOT and HUD to assess each of the rating factors specified in Section III (Application Review and Rating Factors). Applicants are

encouraged to demonstrate the responsiveness of a project to any and all of the rating factors with the most relevant information that applicants can provide, regardless of whether such information has been specifically requested, or identified, in this notice.

In order to fulfill the requirements of the first rating factor, an applicant must:

(1) Submit a narrative describing how the applicant will use the funding sought to achieve its desired outcomes and how the desired outcomes support the six Livability Principles. The narrative should also state the problems or barriers the project seeks to address, why they are an impediment to promoting a more sustainable future for the applicant community, and the outcomes the project seeks to achieve.

(2) Submit data supporting any assertions made about the expected outcomes, as well as the nature and the extent of the problems or barriers the project seeks to remove.

In responding to the second rating factor, applicants must provide a narrative to discuss their project outcomes, outputs, and performance measures. Applicants should also identify important milestones (e.g., the end of specific phases in a multiphase project), which should also be clearly indicated in the proposal timeline. Applicants should also identify potential obstacles in meeting outcomes and outputs and related performance measures and discuss steps they would take to respond to these obstacles. Finally, applicants should describe how project evaluation information will be obtained, documented, and reported.

Applicants should submit a work plan that includes the following:

(1) **Proposed Activities.** Briefly describe the overall activity you propose to undertake, including any coordinated components that will not be directly funded under the TIGER II Planning Grant Program or the Community Challenge Planning Grant Program. Describe the regional or local significance of the project and whether it is a part of a comprehensive regional plan. Include public outreach and participation activities, including minority and disadvantaged populations.

(2) **Uses of Funds/Budget.** Indicate how you will use the grant funds you are seeking by providing a list or table showing the amount of funds budgeted for each activity you will undertake to achieve your desired result. Indicate the entity responsible for each use and activity, including any elected bodies or bodies appointed by elected officials. Specify administrative costs.

(3) **Project Completion Schedule.** Briefly describe the project completion schedule, including milestones in each month for the critical management actions for you and any other entity whose cooperation or assistance is necessary to achieve your desired result, including the end dates of each required action and your expected metrics and results.

(4) **Performance Measures.** List the performance measures you will use to evaluate the success of your project or activity, as well as the benchmarks you expect to reach during the term of the grant and a timeline for reaching them.

c. *In Responding to the Third Rating Factor.* Applicants will not receive full points if they do not submit evidence of a firm commitment and the appropriate use of leveraged or matched resources under the grant program. Such evidence must be provided in the form of letters of firm commitment, memoranda of understanding, or other signed agreements to participate from those entities identified as partners in the application. Each letter of commitment, memorandum of understanding, or agreement to participate should include the organization's name, the proposed level of commitment, and the organization's responsibilities as they relate to the proposed project. The commitment must be signed and dated by an official of the organization legally able to make commitments on behalf of the organization. Applicants should describe how they will ensure that commitments to sub-grantees will be honored and executed, contingent upon an award from DOT or HUD.

(1) Applicants must support each source of contributions, cash or in-kind, both for the required minimum and additional amounts, by a letter of commitment from the contributing entity, whether a public or private source. The letter must describe the contributed resources that you will use in the program and their designated purpose. Staff in-kind contributions should be given a monetary value based on the local market value of the staff skills. If you do not provide letters from contributors specifying details and the amount of the actual contributions, those contributions will not be counted.

d. *In Responding to the Fourth Rating Factor.* DOT and HUD will consider how the applicant entity is organized and how it will function in implementing the grant. The application should include a description of the leadership responsibilities and procedures for allocating resources, setting goals, and settling disputes. It should also include an explanation of the capacity and relevant, recent

experience of the applicant entity. The application should also include a description of the applicant's experience in outreach efforts involving low-income persons, particularly those living in revitalization areas where funds are proposed to be used, residents of public housing, minorities, socially and economically disadvantaged individuals, non-English speaking persons, and persons with disabilities.

Applicants should demonstrate that they either have sufficient personnel or the ability to procure qualified experts or professionals, with the knowledge, skills, and abilities with relevant experience to carry out the proposed activity.

Contact information is requested as part of the SF-424. This information will be used in order to inform parties of the selection of projects for funding, as well as to contact parties in the event additional information is needed.

e. *Page Limit.* Applications should be limited to a total of 15 pages. HUD and DOT will not refer to Web sites for information pertinent to the narrative response. All applications should include a detailed description of the proposed project and geospatial data for the project, including a map of the area to be planned and where other work will occur.

C. *Submission Dates and Times.* All pre-applications must be submitted in accordance with the instructions specified at <http://www.dot.gov/recovery/ost/TIGERII>. The pre-application system will be hosted by DOT, on behalf of DOT and HUD. Final applications must be submitted electronically through Grants.gov. Pre-applications are due by July 26, 2010, at 5 p.m. EDT, and applications must be submitted by August 23, 2010, at 5 p.m. EDT.

D. *Funding Restrictions.* Applicants should also be aware that DOT is accepting applications for capital expenditures associated with surface transportation projects in the TIGER II Discretionary Grant notice (Docket No. DOT-OST-2010-0076). As part of that program, applicants may request planning funds associated with their capital request. If DOT awards planning funding to an applicant to the TIGER II Discretionary Grant program, the funding available through this notice will be lessened by that amount. Further, DOT has the option to use less than the \$35 million permitted in the statute and may do so based on distributional requirements or the need to fund highly recommended capital grant applications.

VII. Award Administration Information

A. Award Notices.

1. Applicants Selected for Award.

Projects selected for a TIGER II Planning Grant will be administered by one of DOT's modal administrations, pursuant to a grant agreement between the TIGER II Planning Grant recipient and the DOT modal administration.

HUD awardees will be required to negotiate a final statement of work and will enter into a Cooperative Agreement with HUD. The Cooperative Agreement will also contain an agreed upon Logic Model identifying specific activities and performance criteria to be reported against over a period of time. HUD grantees must meet the requirements contained in the General Section to HUD's FY 2010 Funding Notices.

2. *Adjustment of Funding.* DOT and HUD reserve the right to fund less than the full amount requested in an application based on the availability of funds, geographic diversity, and to ensure that the maximum number of grants may be made.

3. HUD grant recipients must comply with applicable Federal requirements, including compliance with the Fair Housing and Civil Rights Laws applicable to all Federal awards.

B. Administrative and National Policy Requirements.

1. *Environmental Requirements.* All applicants that are proposing to use grant funds for land acquisition must comply with HUD's environmental procedures. In accordance with 24 CFR 50.19(b)(1), (9), and (16), all other eligible activities assisted by HUD funds under this NOFA are categorically excluded from environmental review under the National Environmental Policy Act of 1969 and are not subject to environmental review under the related laws and authorities. For applicants requesting grant funds for transportation planning, NEPA is not typically triggered (and even if triggered, categorical exclusions typically exist). However, if any projects planned with funding under this NOFA move to the construction phase and Federal funds are later sought for construction, all appropriate NEPA analyses will need to be completed prior to any Federal expenditures.

Under HUD's environmental procedures, for those applications involving land acquisition activities requiring environmental review, the notification of award to a selected applicant will constitute a preliminary approval by HUD, subject to the completion of an environmental review of the proposed site(s), and the execution by HUD and the recipient of

a Grant Agreement. Selection for participation (preliminary approval) does not constitute approval of the proposed site(s). Each proposal will be subject to a HUD environmental review, in accordance with 24 CFR part 50, and the proposal may be modified or the proposed sites rejected as a result of that review.

Submission of an application involving a project requiring an environmental review will constitute an assurance that the applicant shall assist HUD in complying with 24 CFR part 50 and shall:

(1) Supply HUD with all available, relevant information necessary for HUD to perform for each property any environmental review required by 24 CFR part 50;

(2) Carry out mitigating measures required by HUD or select alternate eligible property; and

(3) Not acquire, rehabilitate, demolish, convert, lease, repair, or construct property, nor commit or expend HUD or local funds for these program activities with respect to any eligible property, until HUD approval of the property is received.

For assistance, contact the HUD Environmental Review Officer in the HUD Field Office serving your area.

Contact information is requested as part of the SF-424. DOT will use this information to inform parties of DOT's decision regarding selection of projects, as well as to contact parties in the event that DOT needs additional information about an application.

2. *Administrative and Indirect Cost Requirements.* For reference to the Administrative Cost requirements and Indirect cost requirements, please see OMB Circulars A-21, A-87, and A-122, as applicable.

3. *Reporting Requirements.* HUD Award Agreements will include the terms and conditions of the award including the reporting requirements.

1. Final Work Plan and Logic Model. Final work plan and completed Logic Model are due 60 days after the effective date of the grant agreement. See the General Section for detailed information on the use of the "Master" eLogic Model.

2. Successful applicants will be required to submit bi-annual and final program reports according to the requirements of the award agreement. Your bi-annual and final report must include a completed Logic Model, form HUD-96010, *approved and incorporated into your award agreement*, showing specific outputs and outcome results against those proposed and accepted as part of your approved grant agreement.

3. Financial reporting requirements include, but are not limited to, the submission of the financial status report, SF-425, bi-annually.

VIII. Other Information

A. Compliance with Fair Housing and Civil Rights Laws and Affirmatively Furthering Fair Housing for Community Challenge Planning Grant Applicants

Fair Housing and Civil Rights Laws:

1. With the exception of Federally recognized Indian tribes and their instrumentalities, applicants and their sub-recipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105 (a), including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Rehabilitation Act of 1973.

2. If you are a federally recognized Indian tribe, you must comply with the nondiscrimination provisions enumerated at 24 CFR 1000.12, as applicable. See the General Section for further instructions on this requirement.

3. *Affirmatively Furthering Fair Housing:* Section 808(e)(5) of the Fair Housing Act imposes a duty on HUD to affirmatively further the purposes of the Fair Housing Act in its housing and urban development programs. This obligation further applies generally to recipients of HUD funds, including those awarded and announced under HUD's FY 2010 funding notices. Your application must include a discussion on how your proposed plans affirmatively further fair housing; applications that include specific activities and outcomes that address this requirement will be rated higher. Applicants for Community Challenge Planning Grants that are tribal governments are not subject to the affirmatively furthering fair housing submission requirement in the General Section.

B. *Additional Environmental Requirements.* A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the FONSI must

be scheduled by calling the Regulations
Division at 202-708-3055 (this is not a
toll-free number).

Dated: June 18, 2010.
Ray LaHood,
Secretary, Department of Transportation.
Shaun Donovan,
*Secretary, Department of Housing and Urban
Development.*
[FR Doc. 2010-15353 Filed 6-21-10; 4:15 pm]
BILLING CODE 4210-67-P

Application for Federal Assistance SF-424

Version 02

* 1. Type of Submission:

- Preapplication
- Application
- Changed/Corrected Application

* 2. Type of Application:

- New
- Continuation
- Revision

* If Revision, select appropriate letter(s):

* Other (Specify)

* 3. Date Received:

Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

* 5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):

* c. Organizational DUNS:

d. Address:

* Street1:

Street2:

* City:

County:

* State:

Province:

* Country:

USA: UNITED STATES

* Zip / Postal Code:

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

* First Name:

Middle Name:

* Last Name:

Suffix:

Title:

Organizational Affiliation:

* Telephone Number:

Fax Number:

* Email:

Application for Federal Assistance SF-424

Version 02

9. Type of Applicant 1: Select Applicant Type:

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

* 12. Funding Opportunity Number:

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

* 15. Descriptive Title of Applicant's Project:

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

- * a. Federal
- * b. Applicant
- * c. State
- * d. Local
- * e. Other
- * f. Program Income
- * g. TOTAL

* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

Application for Federal Assistance SF-424

Version 02

* Applicant Federal Debt Delinquency Explanation

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

[Empty text input area for Applicant Federal Debt Delinquency Explanation]

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 10-214, CD1

Introduced: 07/28/10 By: TODD APO (BR)

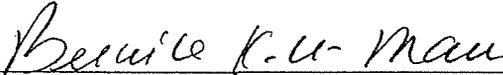
Committee: BUDGET

Title: RESOLUTION AUTHORIZING THE MAYOR OR THE MAYOR'S DESIGNEE TO APPLY FOR FUNDS FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) UNDER THE COMMUNITY CHALLENGE PLANNING GRANT PROGRAM AND TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH HUD FOR SAID FUNDS.

Links: [RES10-214](#)
[RES10-214, CD1](#)
[CR-247](#)

BUDGET	08/04/10	CR-247 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION AS AMENDED IN <u>CD1</u> FORM.							
COUNCIL	08/18/10	CR-247 AND RESOLUTION 10-214, CD1 WERE ADOPTED.							
ANDERSON	Y	APO	Y	CACHOLA	Y	DELA CRUZ	Y	DONOHUE	Y
GARCIA	Y	KOBAYASHI	Y	OKINO	Y	TAM	Y		

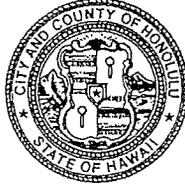
I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.


BERNICE K. N. MAU, CITY CLERK


TODD K. APO, CHAIR AND PRESIDING OFFICER

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
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KIRK W. CALDWELL
ACTING MAYOR

DAVID K. TANOUÉ
DIRECTOR

ROBERT M. SUMITOMO
DEPUTY DIRECTOR

(KS)

September 13, 2010

The Honorable Todd K. Apo, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RECEIVED
CITY CLERK
C & C OF HONOLULU
2010 SEP 13 PM 1:35

Dear Chair Apo and Councilmembers:

Subject: Resolution 10-214, CD1

Attached is a copy of the completed grant application authorized by the above Resolution. This application requests \$2,893,270 under the U.S. Department of Housing and Urban Development (HUD) Community Challenge Planning Grant Program. The application was submitted on August 20, 2010. We hope to hear from HUD within the next 45 days.

Should you have any questions, please call me at 768-8000.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue".

David K. Tanoue, Director
Department of Planning and Permitting

DKT:js

Attachment

APPROVED:

A handwritten signature in black ink, appearing to read "Kirk W. Caldwell".

Kirk W. Caldwell
Acting Mayor

DEPT. COM. 719

A Transit-Oriented Housing Strategy for Honolulu

Summary Information

Grant Program: HUD Community Challenge Planning Grant FY2010
Funding Opportunity Number: FR-5415-N-12

Submitted: August 20, 2010 via <http://www.grants.gov>

Applicant: Department of Planning and Permitting
City and County of Honolulu
650 S. King Street, 7th Floor, Honolulu, Hawaii 96813

Contact: Kathy Sokugawa, Planning Division Chief
Direct: (808) 768-8053, Fax: (808) 527-5041
Terrance Ware, TOD Administrator
Direct: (808) 768-8294

Total Project Cost: \$11,876,169
Funds requested: \$2,893,270
Cost share: \$8,982,899 (76%)

Project Period: November 1, 2010 through October 31, 2013

1.0 Project Summary

With a \$5.6 billion investment in a new 20-mile rail transit system in our urban core, the City and County of Honolulu has a once-in-a-lifetime opportunity to maintain and promote transit-oriented housing for low and moderate income families. To leverage nearly \$9 million from public, private and nonprofit sources committed to this project, the City is seeking \$2.9 million in USDOT and HUD funding to develop and implement a Transit-Oriented Housing Strategy for Honolulu.

The project addresses a growing crisis—Honolulu is one of the most expensive places to live in the United States and the 3rd most expensive homeownership market in the country. Wages provided by a service-sector economy reliant on tourism have not kept pace with the cost of housing—forcing residents to live far from their jobs. As a result, 64% of Honolulu residents spend over 45% of their income on housing and transportation expenses combined.

Directly aligned with the Livability Principles of the Partnership for Sustainable Communities, this strategy will employ a multi-prong approach that includes (1) coordination among all the entities involved in affordable and workforce housing in Honolulu, (2) policy changes to preserve existing affordable and workforce housing and encourage the construction of new units, and (3) a catalytic demonstration project to pilot these policy tools and create a new model for public-private partnerships. Once complete, the project will provide “truly affordable” housing, broaden access to economic opportunity and

alleviate gentrification pressures.

Now is the time to capitalize on our investment in rail—before land values rise around the rail alignment and while we have the excitement of experienced and passionate leaders in the local housing community. These stakeholders are engaged and ready to partner with the City and the State of Hawaii to create lasting programmatic and structural changes that result in measurable improvements in housing affordability near rail.

2.0 The Need for a Transit-Oriented Housing Strategy for Honolulu

2.1 Honolulu's housing affordability crisis is among the most serious in the nation

Nearly 2,500 miles from the mainland United States, Honolulu is Hawaii's largest urban area and the epicenter of the state's housing crisis. Though renowned for its natural beauty and tropical climate, its full-time residents struggle everyday with extraordinary costs of living compared to families in the continental states. Honolulu is the 3rd most expensive urban area in the United States, trailing only the New York City boroughs of Manhattan and Brooklyn in affordability.¹ The City and County of Honolulu squeezes over 900,000 residents onto the Island of Oahu—an area less than half the size of Rhode Island.

Driving Honolulu's high cost of living is the cost of housing. In 2009, it ranked as the 3rd most expensive homeownership market and 2nd most expensive rental market in the country.² According to a 2009 study by the Center for Housing Policy, the median home price in Honolulu was \$450,000, yet the median annual salary earned in Honolulu was only \$54,540. To qualify for homeownership, the average household needed to earn over \$134,000 a year—246% of the area median income (AMI). At these levels, the high cost of housing severely affects not only low income households but also workforce households, defined in Honolulu as those earning less than 140% of AMI.

With a service-sector economy dominated by tourism, Honolulu's household incomes make housing affordability unobtainable for all but its wealthiest residents. Although the "visitor" industry brings over four million people to each year to Honolulu, it offers comparatively low wages for full-time residents that have not kept pace with increasing housing prices. Between 2000 and 2008, housing prices increased 38% nationally while Honolulu's median single-family home price rose 112% and the median condominium price rose 160%. During the same period, household incomes in Hawaii only rose 38%.³

High housing prices have real effects on Honolulu's families. Most commonly, households are forced to accept lengthy commutes in traffic with the worst travel-time loss in the country—with peak-period automobile trips in Honolulu taking an average of 47% longer due to traffic congestion.⁴ While 53% of Honolulu households spend over 30% of their income on housing, 64% spend over 45% of their income on housing and transportation expenses, the true measure of affordability.⁵ This gap reveals that roughly 15% of households with seemingly affordable housing have transportation costs that push them out of the affordable range.

2.2 Rail presents a narrow but powerful opportunity for Honolulu to act

Conceptualized in the 1960s, the Honolulu High-Capacity Transit Corridor Project moved closer to reality when the State authorized Honolulu to levy a surcharge on the general excise tax to fund the rail project in 2005. In 2008, voters approved steel-on-steel rail as the transit project technology. With \$1.55 billion in financial support from the Federal Transit Administration, the total \$5.6 billion investment in transit will create a rail corridor extending 20 miles from western side of the island to its urban core. It is anticipated to be completed by 2019. By 2030, 69% of the Honolulu's population and 83% of its jobs are expected to be located within the rail corridor.⁶

¹ The Council for Community and Economic Research's ACCRA Cost of Living Index. First quarter of 2010.

² The Center for Housing Policy's 2009 Paycheck to Paycheck Report: Wages and the Cost of Housing in America.

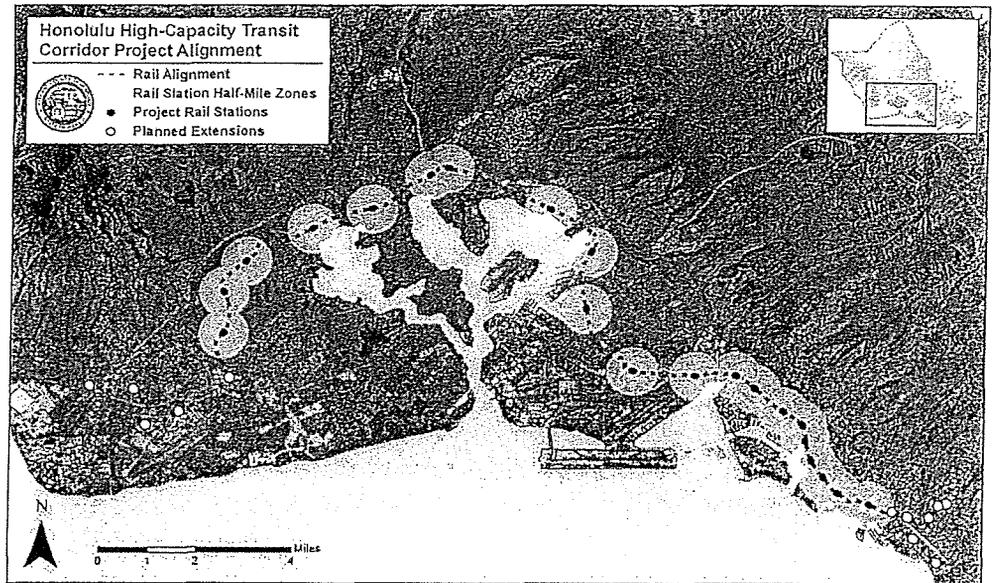
³ U.S. Census Bureau and Honolulu Board of Realtors

⁴ Honolulu High-Capacity Transit Corridor Project Environmental Impact Statement, INRIX 2008.

⁵ The Center for Transit-Oriented Development and the Center for Neighborhood Technology.

⁶ Honolulu High-Capacity Transit Corridor Project Final Environmental Impact Statement, 2010.

Rail will not only mitigate future congestion pressures and reduce automobile dependence but can also promote more livable and sustainable communities along its alignment. Embracing transit-oriented development (TOD) as part of the rail project, Honolulu established a special TOD district framework in 2008 to concentrate future growth into the rail corridor, and community-based neighborhood TOD planning is underway for nearly all future stations in the rail corridor.



By combining affordable housing with access to high-quality transit, Honolulu can provide “truly affordable” housing by reducing housing and transportation costs and broaden access to opportunity by better connecting workers to jobs and businesses to employees. While transit-oriented housing holds promise for affordability, it also presents time-sensitive challenges. Land values are expected to rise along the rail corridor, which can benefit neighborhoods in need of revitalization but can also displace families from established neighborhoods as the demand for housing near transit grows. This gentrification pressure, coupled with the already high cost of constructing new housing, means units along the rail corridor could become even farther out of reach for those who could most benefit from living near high-quality public transportation.

3.0 Key Barriers and Project Outcomes

3.1 Key Barriers and Actions

The challenges to affordable housing in Honolulu are daunting. Highly unionized construction trades, the need to import nearly all building materials and the extremely limited availability of developable land (less than 1%) result in housing units aimed to the high-end of the market and virtually no new supply at the middle-to-low market segments. Exacerbating these cost factors is the high cost of upgrading limited capacity infrastructure systems, which is borne almost entirely by new development. Adding to the lack of supply are conversions of existing rental units into condominiums marketed as investment properties for off-shore buyers and vacationers. Given the complexity of these challenges, this project will address three key barriers of transit-oriented housing that we expect to have the most success in overcoming.

3.1.1 State and local entities involved in affordable and workforce housing are not coordinated in a manner that prioritizes projects near transit

While the State of Hawaii and the City and County of Honolulu now recognize the need to promote affordable housing near transit, they have yet to coordinate their various activities externally between jurisdictions and internally between different agencies. Additionally, state and local entitlement and regulatory processes complicate many development projects—affordable and workforce housing are no exception. Given the opportunity presented by rail to provide truly affordable housing, now is the time for these various agencies to align their programs and policies and revise entitlement processes to encourage this type of development.

Project Focus #1: This project will implement a comprehensive governance and partnership building program that will remove barriers to coordinating housing and transportation policy and promote collaboration between the public and private sectors. Partnership building will include an **Executive Task Force** modeled on the Partnership for Sustainable Communities that will include the state and local agencies necessary to effectively implement a coordinated transit-oriented housing strategy. The project will also create a **Steering Committee** composed of other important affordable and workforce housing interests. All stakeholders will work towards better coordination of existing and new policies and programs.

3.1.2 Honolulu cannot produce as many affordable and workforce housing units as it loses

From 2007 to 2011, Honolulu's affordable and workforce households—defined locally as those earning less than 140% of AMI—were projected to need an average 2,923 new units per year to meet demand.⁷ Yet, from 2007 to 2009, Honolulu produced an average of only 1,661 new units, the vast majority mostly aimed at higher-income households. Households dependant on rental housing were particularly hurt. During the same period, Hawaii lost 3,159 rental units to condominium conversion⁸—a dynamic that will only worsen in Honolulu as land values along the rail corridor increase. Existing affordable rental housing near transit will undoubtedly be pressured to charge higher rents or convert to condos, forcing these households to move farther from transit and the access it provides to job centers and important services. Without government assistance and encouragement, developers will respond primarily to demand for housing near transit from the highest-income segments and will construct any new affordable and workforce housing far from job centers and transit where land is cheapest.

Project Focus #2: The project will conduct a strategic plan to guide **revision of existing and creation of new policy tools** focused on: (1) financial tools to help overcome the challenges of land, labor and construction material costs of housing near transit and (2) the entitlement, code and permitting processes to encourage preservation of existing affordable and workforce housing units near transit and development of new units where possible.

3.1.3 The complexity of transit-oriented housing development increases risk for Honolulu's developers

The market for TOD—and especially transit-oriented affordable and workforce housing—is unproven in Honolulu. TOD often requires land assembly and rezoning, which can lead to lengthy acquisition and complicated entitlement processes. Adding low and moderate income housing to a site only complicates the equation. As does the challenge of aggregating multiple finance sources with often conflicting requirements and timing and the unfamiliarity of local banks with mixed-use projects. Developers are understandably reluctant to assume “first mover” risks without assurance that a project can succeed. Multiple stakeholders have stressed the need for the City to prove its capacity to engage in public-private partnerships and demonstrate the feasibility of transit-oriented affordable and workforce housing in Honolulu.

Project Focus #3: The City and County of Honolulu will partner with local developers, nonprofits, and financial institutions to create a **catalytic demonstration project** that proves the feasibility of transit-oriented housing projects by reducing the time and cost of such development in Honolulu. This catalytic project might include the rehabilitation of an existing residential rental building, acquisition of an existing vacant office or industrial building for adaptable reuse, or the donation of land from one of Hawaii's private institution's or endowments' for land banking or development.

3.2 Project Outcomes and Livability Principles

The project seeks to maintain housing affordability near transit through three key outcomes that are directly aligned with the Partnership for Sustainable Communities' Livability Principles.

3.2.1 Maintain “truly affordable” housing

By pairing lower housing costs with lower transportation costs, the project seeks to provide true affordability for Honolulu's households. Locating affordable and workforce housing near transit ensures that the benefits of lower-cost housing are not offset by higher transportation costs—especially for households affected the most. Specifically, the project's long-term goal is to maintain and reduce the percentage of Honolulu households who expend more than 45% of household income on housing and transportation.

⁷ Hawaii Housing Policy Study, SMS, 2006

⁸ Hawaii State Data Book, DBEDT, 2009

Livability Principles addressed: Promote equitable, affordable housing; Provide more transportation choices; Coordinate and leverage federal policies and investment

3.2.2 Broaden access to opportunity

By better connecting workers to jobs and its businesses to the workforce, the project seeks to improve Honolulu's economic competitiveness. When households can access to major employment centers with transit, they have more job opportunities, and productivity is less likely to suffer as a result of traffic delays. Specifically, the project's long-term goal is to maintain and increase the number of households at 140% of AMI and below that have access to high-quality rail transit.

Livability Principles addressed: Provide more transportation choices; Enhance economic competitiveness

3.2.3 Alleviate gentrification pressures

By mitigating the pressures that would otherwise displace existing affordable and workforce households from neighborhoods along the rail corridor, the project will ensure housing with access to transit is inclusive and accessible to a broad cross-section of the community. Maintaining mixed-income neighborhoods produces better social and economic outcomes. It also promotes neighborhood stability and keeps the households that will benefit most near transit. Specifically, the project's long-term goal is to ensure there is no net loss of affordable or workforce housing units along the rail corridor.

Livability Principles addressed: Promote equitable, affordable housing; Value communities and neighborhoods; Support existing communities

4.0 Work Plan

4.1 Proposed Activities

4.1.1 Governance and Partnership Building

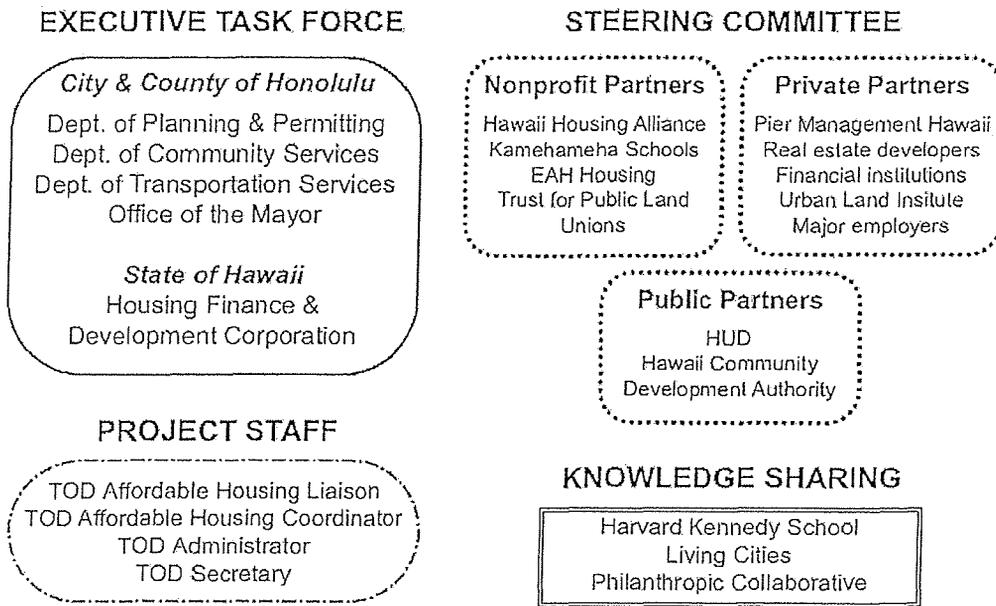
The first activity, which will carry forth throughout the duration of the project, is to build an internal governance structure and engage the relevant stakeholders needed to implement the project. These internal and external relationships are shown on the organizational chart on the following page.

To build the internal governance structure, the City will **dedicate two full-time and two half-time TOD staff positions** in the Department of Planning and Permitting to this project, plus provide additional commitments at the executive and staff levels. The dedicated full-time positions will be (1) TOD Affordable Housing Liaison, who will be charged with project oversight and high-level dealings with development partners, and (2) TOD Affordable Housing Coordinator, who will ensure a timely entitlements and public financing process by closely tracking and following up on project applications, program amendments and legislation. The existing TOD Administrator and a clerical Secretary would be devoted half-time to this project.

To provide executive level participation, the City will convene an interagency **Executive Task Force** modeled after the federal Partnership for Sustainable Communities to make decisions regarding Honolulu's transit-oriented housing strategy. The Executive Task Force will be composed of the local and state agencies charged with implementing transportation, housing, and land use policy: DPP, Department of Transportation Services (DTS), Department of Community Services (DCS) and the Mayor's Office of Housing, and the State of Hawaii Housing Finance and Development Corporation (HHFDC). This Task Force will meet six times per year throughout the duration of the project.

To engage the relevant stakeholders, the City will establish a **Steering Committee** composed of private and nonprofit affordable housing developers, major employers, unions, community organizations, financial institutions and relevant public agencies. The Steering Committee will provide outside guidance to the agencies implementing the Honolulu’s transit-oriented housing strategy, inform policy strategies, and participate in the catalytic demonstration project (both indirectly as subject matter experts and directly as development partners). Subcommittees may be formed to provide more specialized advice on such topics as policy changes, project financing, outreach, and community involvement. The Steering Committee will meet eight times per year throughout the duration of the project.

- Milestone: January 2011, two full-time dedicated project staff positions will be hired.
- Milestone: November 2010, Executive Task Force will hold first meeting.
- Milestone: December 2010, Steering Committee will hold first meeting.



4.1.2 Implementation of Policy Tools

The second set of project activities is the implementation of policy tools to encourage affordable and workforce housing near transit. We anticipate the tools will generally be grouped into two categories: (1) financial tools to help overcome the challenges of land, labor and construction materials costs in Hawaii and (2) entitlement process strategies to encourage the preservation of affordable and workforce housing units that address the challenges expressed by the development community in navigating the permitting and code compliance process.

The City and County of Honolulu will work closely with a specialized consultant (such as the Hawaii Community Reinvestment Corporation or the Hawaii Housing Alliance) to **create a strategic policy plan** that guides this set of activities. This study will evaluate the effectiveness in Honolulu of existing financial and entitlement policy tools, as well as ways in which they can be revised to maintain housing affordability along the rail corridor. This effort will also evaluate new tools to support this goal—in particular, the consultant will **study the need, feasibility, and mechanisms for creating a TOD housing fund**, which would leverage a new dedicated public revenue source (e.g., surcharge on the excise, sales or conveyance tax) to generate matching private, public and nonprofit contributions. Modeled on similar local government programs encouraging housing near transit, the fund could serve as a financial tool for land acquisition or supplemental development financing for affordable or workforce housing rehabilitation and/or development within ½ mile of rail transit stations.

Dependant on the conclusions of the strategic planning process, some policy tools will prove to be feasible and others not, especially during the timeline of the project. The tools identified in the strategic plan will be evaluated by both the Executive Task Force and the Steering Committee. Although dependant on the strategic plan, potential policy tools are as follows:

Potential Financial Tools	
City and County of Honolulu Rehabilitation Loan Program	Give high priority to projects within the transit corridor
Community Development Block Grants (CDBG) and HOME Investment Partnership Act Funds	Give high priority to projects within the transit corridor
City and County of Honolulu Affordable Housing Fund (<50% AMI)	Expand eligibility of funds for workforce housing (80-140% AMI) and give high priority to projects within the transit corridor
Tax Increment Financing (TIF)	Advocate for a state constitutional amendment to allow TIF in the transit corridor to capture the anticipated increase in real property taxes for TOD projects and TOD-related infrastructure
CRA Funds	Encourage financial institutions to give high priority to affordable and workforce housing projects within the transit corridor
HHFDC Rental Housing Trust Fund, Rental Assistance Revolving Fund and Hula Mae Multi-Family Tax-Exempt Bond Program	Give high priority to projects within the transit corridor and re-introduce a bill to the State Legislature that would use the programs to guarantee loans for affordable and workforce housing projects in the transit corridor
HHFDC Low-Income Housing Tax Credit Program	Increase the tax credit for affordable and workforce housing within the transit corridor
City and County of Honolulu Capital Improvement Program (CIP)	Prioritize projects to address critical infrastructure deficiencies necessary for affordable and workforce housing projects near transit in the City's CIP
Potential Entitlement Tools	
City and County of Honolulu Land Use Ordinance (LUO) – Nonconformities	Amend the LUO, our zoning code, to relax nonconformity provisions to encourage rehabilitation of existing housing units in the transit corridor, including provisions relating to use, lot size, lot coverage, setbacks/yards, and parking
Third Party Ministerial Permit Review	Re-introduce a bill to the State Legislature to adopt tax incentives or grants to Third Party Review companies who expedite ministerial permits
Self-Certification of Code Compliance	Allow developers and landowners to self-certify compliance with county codes, an effort that was piloted previously with qualified architects and engineers
LUO – Parking, Development Rights, Inclusionary Zoning, and Real Property Tax Assessments	Amend the LUO to reduce parking standards for TOD since parking is not only expensive but also difficult to provide on small infill lots. Amend the LUO to increase development rights (most likely through height bonuses) to offset the costs of delivering new workforce housing. Amend the LUO to require a certain percentage of housing built in the transit corridor to fall within the workforce housing range (80-140% AMI), a recommendation that emerged from the Waipahu Neighborhood TOD Planning process. Amend the LUO and the process for assessing real properties to create more incentives for lot consolidation since small lots prevail throughout the transit corridor, making redevelopment difficult
Site Review Requirements – Traffic Impacts	Allow a reduction in the estimated trip generation rates for projects within the transit corridor to reduce impact fees and reflect the travel patterns of development near transit
City and County of Honolulu Affordable Housing Credits	Amend the Unilateral Agreement Rules for residential upzonings to give more credits to affordable units added within the transit corridor (current rules allow 50% credit increase for affordable housing units in TOD areas)

Most of these policy changes will require amendment to the Revised Ordinances of Honolulu and approval of the City Council and/or the State Legislature. To this end, for every policy tool that requires legislative approval and modification of the Revised Ordinances for implementation, the dedicated project staff and others will **draft and submit the requisite bills and resolutions** to the appropriate entity with input from the Executive Task Force and Steering Committee.

- **Milestone:** March 2011, strategic plan consultant will be selected.
- **Milestone:** January 2011, bills and resolutions for policy changes requiring state legislative approval will be submitted (State Legislature meets from January through May each year).
- **Milestone:** August 2011, strategic plan to evaluate policy tools aimed at maintaining housing affordability near transit and the need, feasibility and mechanism for creating a TOD housing fund will be completed.
- **Milestone:** November 2011, bills and resolutions for all policy changes requiring City Council approval will be submitted.

- Milestone: January 2012, bills and resolutions for all policy changes requiring state legislative approval that were not submitted or passed during the last legislative session will be re-submitted.
- Milestone: May 2012, amendments to Land Use Ordinance, Building Code and permitting rules will be completed.

4.1.3 Catalytic Demonstration Project

Given the yet unproven market for transit-oriented housing in Honolulu, discussions with multiple public and private stakeholders determined the need for the City, in partnership with local nonprofit organizations and developers, to lead a catalytic demonstration project. The purpose of the project is to prove the feasibility of transit-oriented housing, test the newly-implemented policy tools and demonstrate the City’s willingness to engage in public-private partnerships to accomplish TOD projects.

In light of the continued loss of affordable and workforce housing units near transit, the high costs of developing new units for replacement, and the inability of many low and moderate-income households to afford home ownership, the project will focus its demonstration efforts on protecting existing multi-family rental units near transit. This effort will look at a variety of models – land trust or rehabilitation loans, perhaps in exchange for their preservation at affordable levels for up to 30 years. Existing commercial or industrial buildings may also be converted to affordable or workforce residences under this effort.

To identify preservation opportunities, the City will use the guidance of the Executive Task Force and project Steering Committee to engage a local real estate consultant to **conduct a study that inventories existing affordable and workforce housing units along the rail corridor** that are under threat from rising property values. The consultant will also **inventory vacant properties in the rail corridor that are suitable for development of new housing units and existing buildings that could be converted to residential use** with a substantial portion dedicated to those making 80-140% AMI.

After being identified, **potential projects will be prioritized** by the Steering Committee based on an agreed upon set of criteria that will likely include: Proximity to rail transit station; Expiration of deed restriction; Cooperation of landowner or potential purchaser; Number of units to be preserved; Condition of property. This strategy will mitigate the negative effects of gentrification anticipated in older communities like Waipahu and Aiea-Pearl City, which will be served by the first two phases of rail construction.

Once a property, or several smaller properties, have been selected for the demonstration project, the City will work with the appropriate private, nonprofit and/or institutional partners to **couple the per unit subsidy with other available financing and entitlement tools**, such as the City’s Rehabilitation Loan Program and the State’s Low-Income Housing Tax Credits. This project will allow **pilot implementation of changes to the policy toolkit**.

Based on its specific needs, the project will then proceed through the following phases, where applicable: Acquisition; Pre-development planning, Financing; Entitlements/permitting; Construction; Inspection; and Operations and maintenance. Construction management will be conducted by the private or nonprofit partner.

- Milestone: February 2011, property inventory study consultant will be selected.
- Milestone: August 2011, property inventory study will be completed.
- Milestone: August 2011, criteria for prioritizing demonstration project opportunities will be created and agreed to by Executive Task Force and Steering Committee.
- Milestone: October 2011, potential projects will be prioritized based on established criteria.
- Milestone: December 2011, catalytic demonstration project(s) will be selected.
- Milestone: November 2012, financing package will be in place for catalytic demonstration project(s).
- Milestone: November 2013, construction will be completed on rehabilitation project(s).

4.1.4 Knowledge sharing and reporting

Given the innovative approach of this project—marrying transit and affordable housing policies—it is important to carefully document the process and share these details, along with its effectiveness in producing the desired outcomes with other interested parties locally and nationally. The City and County of Honolulu will partner with the Hawaii Housing Alliance, the Living Cities Philanthropic Collaborative, and the Ash Center for Democratic Governance and Innovation at the Harvard Kennedy School to document and disseminate this information. Further details on this process are described on page 15 of

this application. The products of this task include quarterly fact sheets on project activities during years 2 and 3 of the grant and a policy report evaluating Honolulu's transit-oriented housing strategy.

- Milestone: November 2011, first quarterly fact sheet will be distributed to compiled recipient list.
- Milestone: November 2013, policy report evaluating Honolulu's transit-oriented housing strategy will be completed.

4.2 Project Budget

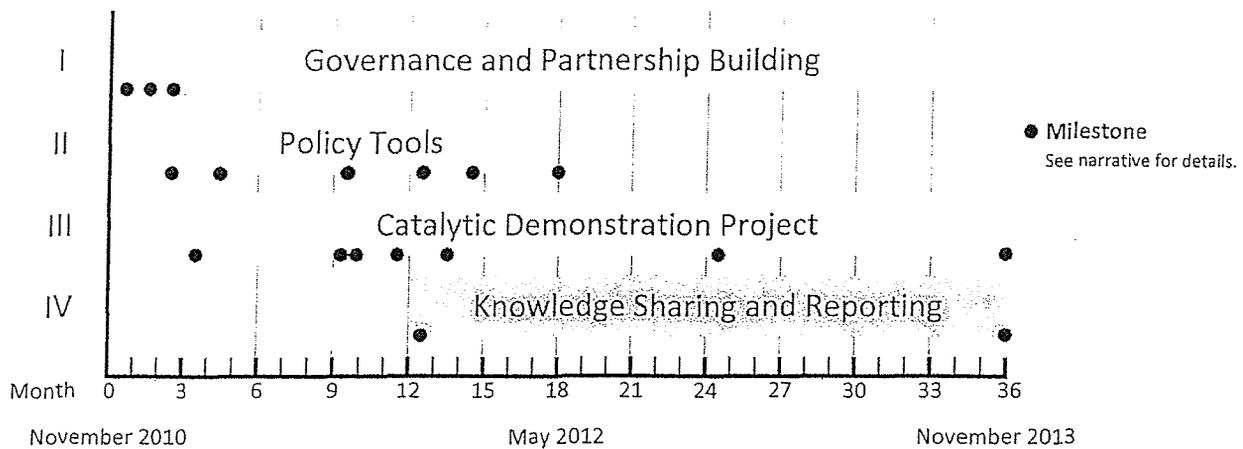
4.2.1 Budget Overview

	Total Federal Funding Requested			Total Cost Share			Total	Total	Total	Grand Total
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Years 1-3
Personnel										
Salary	\$0	\$0	\$0	\$280,483	\$320,733	\$320,733	\$280,483	\$320,733	\$320,733	\$921,949
Fringe Benefits	\$0	\$0	\$0	\$110,218	\$125,366	\$125,366	\$110,218	\$125,366	\$125,366	\$360,950
Contractual Costs	\$325,000	\$0	\$0	\$120,000	\$80,000	\$0	\$445,000	\$80,000	\$0	\$525,000
Other Direct Costs	\$0	\$2,250,000	\$0	\$0	\$7,500,000	\$0	\$0	\$9,750,000	\$0	\$9,750,000
Indirect Costs	\$40,170	\$278,100	\$0	\$0	\$0	\$0	\$40,170	\$278,100	\$0	\$318,270
Total Costs	\$365,170	\$2,528,100	\$0	\$510,701	\$8,026,099	\$446,099	\$875,871	\$10,554,199	\$446,099	\$11,876,169

4.2.2 Detailed Budget

	HUD Grant	Applicant
Personnel - City & State Agencies		
Department of Planning & Permitting	\$0	\$716,050
Department of Community Services	\$0	\$40,050
Department of Transportation Services	\$0	\$18,000
Office of the Mayor	\$0	\$60,550
Hawaii Housing Finance & Development Corporation	\$0	\$33,300
	\$0	\$867,950
Fringe on City & State Personnel		
County of Honolulu rate of 39.83%	\$0	\$332,441
State of Hawaii rate of 36.96%	\$0	\$12,308
	\$0	\$344,749
Personnel - Steering Committee		
Steering Committee meetings	\$0	\$36,000
Catalyst project advisors	\$0	\$18,000
	\$0	\$54,000
Fringe on Steering Committee Personnel		
30% basis used for Hawaii job market	\$0	\$16,200
Contractual Costs		
Land Use Ordinance Amendment Study	\$0	\$200,000
Strategic Policy Plan Study	\$175,000	\$0
Property Inventory Study	\$150,000	\$0
	\$325,000	\$200,000
Other Direct Costs		
HUD project contribution (e.g., 45 units @\$50,000 subsidy each)	\$2,250,000	\$0
Pier Management project contribution (e.g., 100 units @\$50,000 subsidy each)	\$0	\$5,000,000
Kamehameha Schools property contribution	\$0	\$2,500,000
	\$2,250,000	\$7,500,000
Indirect Costs		
DPP indirect rate of 12.36% for FY2011 on HUD requested funds	\$318,270	\$0
TOTAL BUDGET	\$2,893,270	\$8,982,899
Contribution to Total Project Budget	24%	76%

4.3 Project Completion Schedule



4.4 Outputs, Outcomes, and Performance Measures

4.4.1 Expected Outputs

- Two full-time dedicated project staff positions will be hired by January 2011
- One interagency Executive Task Force will be created by November 2010
- One project Steering Committee will be created by December 2010
- One strategic plan evaluating policy tools and the need, feasibility and mechanism for creating a TOD housing fund will be completed by August 2011
- Two package of bills and resolutions implementing policy changes submitted for state legislative approval by January 2012
- One package of bills and resolutions implementing policy changes submitted for City Council approval by November 2011
- One set of amendments to Land Use Ordinance, Building Code and permitting rules completed by May 2012
- One property inventory study completed by August 2011
- 145 housing units within the rail corridor created or preserved at affordable and workforce levels for up to 30 years by November 2013
- Three online training sessions on federal award financial management and program performance assessment
- Eight quarterly fact sheets summarizing project activities distributed to local and national entities interested in coordinating housing and transportation policy
- One policy report evaluating Honolulu's transit-oriented housing strategy

4.4.2 Expected Outcomes

Short-Term

- Improved housing and transportation policy coordination and improved government collaboration with private and nonprofit stakeholders
- Enhanced, tested policy tools that maintain and promote transit-oriented affordable and workforce housing
- Increased acceptance and credibility of transit-oriented housing among private and nonprofit stakeholders

Long-Term

- Increased truly affordable housing that reduces both household housing and transportation costs
- Broadened access to opportunity that connects employees to employers
- Alleviation of gentrification pressures so existing low and mid-income households are not displaced from rail station communities

4.4.3 Performance Measures

Short-Term

- Percentage change in time to complete entitlement and permitting process per project
- Number of times a newly-created or modified policy tool is used in a transit-oriented affordable or workforce housing development or rehabilitation project
- Number of affordable and workforce housing units within the rail corridor proposed for development or rehabilitation and preservation

Long-Term

- Percentage change in households spending more than 45% of income on housing and transportation combined
- Percentage change in households at 140% AMI and below with access to rail transit
- Net change in affordable or workforce housing units within the rail corridor

DOT and HUD Required Outcomes

- Household transportation costs and the proportion of low- and very-low income households within a 30-minute commute of major employment centers
- Number of infill developments along the rail corridor and dollar amount of private investment along the rail corridor

5.0 Leveraging and Collaboration

To make the most of HUD's contribution, the City and County of Honolulu and its partners will provide a match of up to \$8,982,899 towards this important and timely project. Additionally, the City's \$5.6 billion transit project, of which the federal government is contributing \$1.55 billion, is the most substantial match being placed on the table for this effort to coordinate housing and transportation policy in Honolulu.

5.1 DPP Match

As the primary coordinator of this project, DPP will commit \$1,202,613 to the project over a period of 3 years.

5.1.1 Staff Commitment

7.5% DPP Executive Task Force Member (\$118k) for 3 years = \$26,550
2 TOD staff positions (\$45k and \$80k) for 2.75 years = \$343,750
50% TOD Administrator (\$120k) for 3 years = \$180,000
50% TOD Secretary (\$35k) for 3 years = \$52,500
15% Planning Division Chief (\$90k) for 3 years = \$40,500
10% Planning Branch Chiefs (2 @ \$80k) for 3 years = \$48,000
15% Planner VI (\$55k) for 3 years = \$24,750
plus fringe benefits on above personnel (County rate of 39.83%) = \$285,203

5.1.2 DPP Studies

Land Use Ordinance Amendment for TOD (FY2010 funding) = \$200,000

5.2 DCS Match

See attached letter of support from DCS pledging participation in the project and modification of existing programs. Primarily, DCS will work to establish a special priority for transit-oriented workforce housing projects in its annual Request for Proposals for the Community Development Block Grant and HOME Investment Partnership Act programs and/or its Section 8 project-based voucher program. DCS has already committed \$2,000,000 in HOME funds for a 308-unit rental housing project within mere blocks of the East Kapolei rail transit station. In-kind service contributions, which total \$56,078 over a period of 3 years, also include:

7.5% DCS Executive Task Force Member (\$118k) for 3 years = \$26,550
10% DCS Assistant (\$45k) for 3 years = \$13,500
plus fringe benefits on above personnel (County rate of 39.83%) = \$15,952

5.3 DTS Match

See attached letter of support from DTS committing to participate in the project and ensure multi-modal connectivity between affordable/workforce housing in the rail corridor and rail stations. In-kind service contributions, which total \$25,203 over a period of 3 years, also include:

- 5% DTS Executive Task Force Member (\$118k) for 3 years = \$11,250
- 5% DTS Assistant (\$45k) for 3 years = \$6,750
- plus fringe benefits on above personnel (County rate of 39.83%) = \$7,169

5.4 Office of the Mayor Match

See attached letter of support from the Acting Mayor committing staff from the new Office of Housing to participation in the project. In-kind service contributions, which total \$84,782 over a period of 3 years, also include:

- 15% Mayor's Office Task Force Member (\$79k) for 3 years = \$33,550
- 20% Mayor's Office Assistant (\$45k) for 3 years = \$27,000
- plus fringe benefits on above personnel (County rate of 39.83%) = \$24,117

5.5 HHFDC Match

See attached letter of support from HHFDC committing to participation in the project and leverage of existing programs and activities to make this effort more effective. These include evaluation of low income housing tax credits, tax-exempt revenue bonds, and interim construction and equity gap financing programs. In-kind service contributions, which total \$45,607 over a period of 3 years, also include:

- 7.5% HHFDC Task Force Member (\$88k) for 3 years = \$19,800
- 10% HHFDC Assistant (\$45k) for 3 years = \$13,500
- plus fringe benefits on above personnel (State rate of 36.96%) = \$12,308

5.6 Steering Committee Match – The project Steering Committee has been consulted and convened in the planning of this project and the preparation of this grant application. Initial membership, which may be expanded to include unrepresented interests, includes:

- Hawaii Housing Alliance
- Kamehameha Schools
- Private real estate development/investment firms
- Nonprofit housing developers
- The Trust for Public Land and Oahu Land Trust
- Community representatives
- Local financial institutions
- Urban Land Institute
- Commercial real estate brokerage firm
- U.S. Department of Housing and Urban Development (local office)
- Hawaii Community Development Authority

All members support the goals of this project and are committed to guiding its execution. See attached letters of support sample expressions of commitment. Should the City be awarded the HUD grant, some members have also expressed interest in public-private partnerships with the City for the acquisition, rehabilitation and/or development of affordable or workforce housing in the transit corridor. Exclusive of these potential partnerships, in-kind service contributions total \$62,400:

- 15 members @ 24-2 hour meetings = 720 person-hours @ \$50 per hour = \$36,000
- 5 members advising catalyst project 3 hours per month during years 2 and 3 = \$18,000
- plus fringe benefits on above personnel (30% basis used for Hawaii job market) = \$16,200

More specific commitments include that of Pier Management Hawaii, a local housing developer and asset/property manager, which, in addition to offering its full services, has pledged up to \$5M of project equity to this project should the

City be awarded the HUD grant. See attached letter of support from CEO Charles Wathen, who is so confident of the success of this project that he is willing to offer his company's own money to broaden its scope and impact.

Additionally, Kamehameha Schools, the largest private land owner in Hawaii and the organization charged with creating educational opportunities for people of Hawaiian ancestry, has committed to initiate a demonstration project on property it owns near one of several rail stations for the purpose of this project—a conservative estimated land/building value of \$2.5M—should the City be awarded the HUD grant. See attached letter of support for additional information.

TOTAL MATCH = up to \$8,982,899

\$1,482,899 in in-kind contributions plus up to \$7,500,000 for the catalytic demonstration project(s) that are only available for this effort should the City be awarded the HUD Community Planning Challenge Grant.

Rating Factor 3 – Per Capita Income: To evaluate an applicant's score on the leveraging and collaboration rating factor, HUD and DOT take into account the per capita income in the applicable jurisdiction relative to the metropolitan area. This measurement presents challenges for a community like Honolulu, where the jurisdiction (the City and County of Honolulu) is conterminous with the metropolitan area (the Island of Oahu). To provide data for this requirement, we calculated using 2000 U.S. Census data the per capita income for communities along the rail corridor. While the City and County of Honolulu has a per capita income of \$21,998, the communities along the rail corridor have a per capita income of \$19,305. Some of the older communities the rail system will serve are particularly needy, such as Waipahu and Kalihi which respectively have per capita incomes of \$14,538 and \$13,349.⁹

6.0 Capacity

6.1 Participating Agencies, Organizations and Staff

The Project will be led by the agencies responsible for planning, transportation, and housing policy within the City and County of Honolulu.

As the primary grant applicant, the **Department of Planning and Permitting** will coordinate the project activities with its fellow Executive Task Force agencies. DPP is the agency responsible for strategic planning on the island of Oahu and enforcement of the current zoning and building codes. This Department enforces the City's affordable housing requirements and also spearheads the Neighborhood TOD Planning in each of the rail station areas. **Kathy Sokugawa**, Chief Planner, will be closely involved in all project activities. She brings unparalleled institutional knowledge of government programs to this effort and is the author of numerous local and state legislative bills on TOD.

Terrance Ware, Administrator of DPP's TOD Division, will be the primary project manager. His division is charged with forming public-private partnerships to implement the concepts that emerge from the Neighborhood TOD Plans and to spread awareness of the City's TOD program. He has more than 29 years of community revitalization experience in both the public and private sectors and was head of the Denver Department of Housing and Neighborhood Development prior to coming to Honolulu. An experienced organizational leader and manager, Ware has extensive local and national experience with redevelopment efforts, mixed-use urban infill projects, mass transit corridors, transportation-oriented developments, neighborhood planning, and community development.

The **Department of Community Services (DCS)** will also be closely involved in the project and serve on the Executive Task Force. DCS administers many of the City's housing services, including home ownership programs, rental subsidy programs and the City's Fair Housing Program. DCS supports the development of affordable housing and public facilities through the Community Development Block Grant and HOME Investment Partnerships programs. The Department administers grants to nonprofit organizations, provides community-based economic development assistance, and administers several loan programs, including the Residential Rehabilitation Loan Program, the Honolulu Solar Roof Initiative Loan Program, the American Dream Down Payment Initiative Loan Program, and the Adult Residential Care Home Loan Program. DCS has

⁹ Community Profiles: By Development Plan Subareas, Honolulu Department of Planning and Permitting, 2006

successfully partnered with other agencies to fund, construct and operate more than 800 affordable housing units since 1990 and administers leases of City-owned properties to nonprofit entities to provide more than 1,000 affordable rental units and 550 elderly rental units.

The **Department of Transportation Services (DTS)** will be involved in coordinating the location of potential project sites near future transit stations and providing guidance on all transportation-related project issues. DTS is the City department responsible for all city streets and performing citywide transportation planning. DTS also coordinates federal highway and transit funding, administers traffic calming projects, conducts traffic safety public education media campaigns, updates the Oahu Bike Plan, and oversees the contractor operating Honolulu's existing public transit system, TheBus. The Rapid Transit Division within the Department is responsible for administering project oversight for the Honolulu High-Capacity Transit Corridor Project.

The **Hawaii Housing Finance and Development Corporation (HHFDC)** will participate. It is the primary agency charged with overseeing affordable housing finance and development in Hawaii. HHFDC administers low income housing tax credit, tax-exempt revenue bond and interim construction and equity gap financing programs, in addition to homeowner assistance programs. HHFDC is led by a nine-member board and executive director, **Karen Seddon**. Her work includes forging collaborative relationships with affordable housing developers and financiers, expanding the State's capacity to construct and maintain affordable housing units, as well as developing and implementing the HHFDC's strategic goals.

Sample of project Steering Committee members – private, nonprofit, public, community

Pier Management Hawaii is a privately-held residential real estate property management company with over 100 employees based in the state. Its CEO, **Charles Wathen**, has over 30 years of experience in developing, rehabilitating and managing housing projects across several states. He has sat on several local task forces and committees and recently completed his term as a board member of the State's Hawaii Housing and Finance Development Corporation. He is also a founder of the Hawaii Housing Alliance, a nonprofit dedicated to making affordable homes a reality for the workers and families of Hawaii.

Kamehameha Schools was founded by the will of Bernice Pauahi Bishop, a descendant of Hawaiian royalty and the great-granddaughter of King Kamehameha I. Its mission is to educate Hawaiian children and operates several school campuses statewide. It is the largest private landowner in the state of Hawai'i. Income generated from its residential, commercial and resort leases, as well as diverse investments, fund the schools' maintenance and operations. The Schools' endowment has experienced dramatic growth over the past few years, resulting in a total portfolio value of \$7.66 billion as of June 30, 2006.

EAH Housing is a nonprofit corporation founded on the belief that attractive affordable housing is the cornerstone to solving many social justice issues. With a staff of over 375, EAH develops low-income housing, manages 81 properties in California and Hawaii, and plays a leadership role in local, regional and national housing advocacy efforts. EAH has a local Honolulu office run by Vice President **Kevin Carney** and takes an active role in affordable housing policy discussions in addition to working directly on affordable housing projects. Mr. Carney is currently responsible for the management of 1,445 rental apartments on the island of Oahu and the expansion of EAH's portfolio throughout the Islands.

The **Hawaii Community Development Authority** is in charge of redeveloping two key areas of Oahu—Kakaako and Kalaeloa. For the 600-acre in-town area of Kakaako, HCDA's goal is to recreate a "live, work, visit, learn and play" neighborhood and has influenced the development of about 1,300 affordable housing units since 1976.

6.2 Capacity to Manage Grants and Meet Reporting Requirements

The City Department of Budget and Fiscal Services (BFS), which manages all of the City's grant funds, has been awarded the Certificate for Excellence in Financial Reporting from the Government Finance Officers Association for the last 21 years. BFS develops and oversees the grant financial management system that includes adhering to federal and state budget management requirements, completing all financial reporting, and conducting monitoring of sub-recipient agreements. BFS works closely with the City's administrative staff to facilitate proper procurement requirements and to control program expenditures. Additionally, the City's administrative staff has established and maintains an expenditure tracking system that

monitors daily expenditures, which is utilized to develop a program budget and cost allocation plan that explains how operational cost (e.g., rent) is allocated to all programs.

6.3 Capacity Building and Knowledge Sharing

The project will increase the capacity of partner organizations to manage federal grants through a series of online information provisions, including webinars and podcasts, for project staff, Executive Task Force members (DPP, DCS, DTS and HHFDC) and select Steering Committee members. Given Hawaii's geographic isolation, this strategy is preferred over in-service trainings. These online tools will allow a master trainer familiar with the federal grant process to build local capacity related to the techniques necessary for solid financial management and skills required to perform program performance assessment and evaluation. The goal is to train 12 public agency staff members and eight Steering Committee members through three online training sessions during the three-year period.

Additionally, the structure of the project—involving collaboration between multiple agencies and private and nonprofit partners through the creation of an interagency Executive Task Force and the project Steering Committee—lends itself to sharing knowledge regarding cross-programmatic coordination and implementation of the grant. In addition to Task Force and Committee meetings, the project staff will produce quarterly fact sheets on the activities of the project for distribution to other interested parties, around the state and the nation, on best practices on the intersection of planning, housing, and transportation policy during the second and third year of the grant. The Hawaii Housing Alliance and the Living Cities Philanthropic Collaborative will help compile a master recipient list of at least 50 individuals and organizations and assist with the dissemination of this information.

To broaden the use of successful models to other communities, the project will engage the Ash Center for Democratic Governance and Innovation at the Harvard Kennedy School to produce a policy report evaluating Honolulu's transit-oriented housing strategy. This document will compile information included in the activity fact sheets and analyze collected data on the projects outcomes: the change in households spending over 45 percent of their income on housing and transportation combined, the change in households below 140% of AMI that have access to rail transit, and the number of existing affordable and workhouse housing units within the rail corridor preserved. All data collected during the duration of the project, including any additional data obtained by the City and County of Honolulu, will be made available for Ash Center to evaluate the success of Honolulu's transit-oriented housing strategy. The Ash Center will engage several second-year Harvard Kennedy School Master of Public Policy graduate students who are required to complete a Policy Analysis Exercise to graduate—the end product of which is a detailed, 40-50 page evaluation of a specific policy topic. Once complete, this report will be published via the Ash Center and the City and County of Honolulu's website and a copy provided to all project participants, recipients of the quarterly fact sheets, members of the Honolulu City Council, and Hawaii State officials engaged in housing and transportation policy. The Ash Center will also conduct one in-person presentation to all project participants and City and County of Honolulu officials.

7.0 List of Attachments

1. Support letter from the Office of the Mayor
2. Support letter from Department of Community Services
3. Support letter from Hawaii Housing Finance and Development Corporation
4. Support letter from Pier Management Hawaii
5. Support letter from Kamehameha Schools
6. Support letter from Bank of Hawaii
7. Support letter from The Trust for Public Land
8. Support letter from EAH Housing

**Due to the 10-page limitation on attachments, letters of support from the Department of Transportation Services, Hawaii Housing Alliance, and The Resort Group were received but not submitted with this application. Similarly, the County of Honolulu federal indirect rate and Honolulu City Council Resolution 10-214 authorizing DPP to apply for the HUD Community Challenge Planning Grant were not submitted but are available by request.



RESOLUTION

RELATING TO THE TRANSFER OF FUNDS.

WHEREAS, Section 2-17.2(c)(1), Revised Ordinances of Honolulu 1990, as amended, requires that the Honolulu City Council approve by resolution any transfer of funds between activities whenever the cumulative amount of transfers from or to an activity totals in excess of the lesser of \$100,000 or 10 percent of the amount appropriated for that activity, whichever is less; and

WHEREAS, the Department of Planning and Permitting (DPP) was awarded a U.S. Department of Housing and Urban Development (HUD) grant to conduct a study on affordable housing in the transit corridor; and

WHEREAS, the grant provides \$2,383,423, but only on a reimbursable basis; and

WHEREAS, it is the intent to spend some of the grant funds on consultant services for which DPP will be invoiced on a monthly or similar basis, but no more than \$100,000 at a time; and

WHEREAS, the DPP's current Operating Budget does not provide for the advancing of City funds for this reimbursement grant; and

WHEREAS, the Provision for Grants and Partnerships activity in Section 10 of Ordinance 11-10 for fiscal year 2012 provides funding for grant advances to agencies that do not have funds budgeted for this purpose in the current operating Budget; and

WHEREAS, a transfer of \$100,000 for the City and County of Honolulu's grant is required to meet the grant program need of the DPP for purposes of "front ending" payments that will be reimbursed by HUD; now, therefore,

BE IT RESOLVED by the Honolulu City Council that \$100,000 in General Fund monies be transferred between the following activities:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Fund</u>
Provision for Grants and Partnerships (CE)	DPP Planning (CE)	\$100,000	General

and

DPPTrans.R12



RESOLUTION

BE IT FURTHER RESOLVED by the Council of the City and County of Honolulu that the Mayor of the City and County of Honolulu, or his designee, is hereby authorized to carry out the provisions of this Resolution; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Director of Planning and Permitting and the Director of Budget and Fiscal Services.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers