



RESOLUTION

APPROVING THE CITY AND COUNTY OF HONOLULU'S PROPOSED AMENDED CONSOLIDATED PLAN FOR PROGRAM YEARS 2011 – 2015 IN COMPLIANCE WITH CHAPTER 1, ARTICLE 8.3(a), REVISED ORDINANCES OF HONOLULU

WHEREAS, Section 1-8.3(a) of the Revised Ordinances of Honolulu 1990, as amended (Revised Ordinances), requires that Council of the City and County of Honolulu review and approve, by resolution, any Consolidated Plan, or any amendments thereto, relating to Community Planning and Development (CPD) programs of the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the City and County of Honolulu (City) wishes to amend its Final Consolidated Plan for Program Years 2011 – 2015 (Consolidated Plan); and

WHEREAS, recent experience has demonstrated that in order to meet HUD requirements for the timely expenditure of CDBG monies and to promptly spend down HOME monies, the City requires the flexibility to: (1) set aside funds for administrative purposes; (2) reserve portions of the funding for delayed projects carried forward from prior-year Action Plan(s); and (3) have available expeditious but fair alternative selection processes in the event all alternative projects for funding selected by the selection committee have been exhausted; and

WHEREAS, the Consolidated Plan of the City currently includes Housing and Special Needs Housing goals, which the City wishes to make a few technical changes to, to allow more flexibility in making certain loans and grants; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Consolidated Plan is amended by amending Section I. Executive Summary, subsection III. Action Plan Process to read as follows

"III. ACTION PLAN PROCESS

As a requirement to continuing to receive funds from HUD, the City must submit annually a one-year action plan which details the housing and community development activities that it intends to carry out using monies from HUD entitlement programs (i.e. CDBG, HOME, HOPWA, ESG). In recent years, the City has allocated close to \$20 million in HUD funds. For fiscal year 2010, the City allocated over \$19 million to HUD programs including \$14 million for CDBG and \$4.5 million for HOME. The ESG and HOPWA programs each distributed a little more than \$400,000.



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The City solicits projects for funding through a Request for Proposal process and may reserve portions of the funding for City-Sponsored Initiatives and for delayed projects carried forward from prior-year Action Plan(s), provided that such projects are reviewed and approved by the City Council. Proposals from qualified non-profits are solicited annually for CDBG and HOME projects and every two years for HOPWA and ESG.

Funding decisions for the annual action plan are based on the needs and strategies identified in the current Consolidated Plan. A selection committee comprised of community members nominated by the City Council and the Mayor reviews proposals and recommends funding for both the CDBG and HOME programs. ESG and HOPWA funding recommendations are made by selection committees composed of City staff members.

All funding recommendations are presented to the public for comment and the City Council for approval before being submitted to HUD.

For the CDBG and HOME programs, the City will include a list of alternate projects each year in the Annual Action Plan. If funds become available from program income or because a funded project is delayed, canceled, performed at a lower cost than the budgeted amount, or proves not feasible for funding, the Administration may, subject to review and approval by the City Council, select an alternate project from the current Annual Action Plan.

In the event that the alternate list is exhausted and/or it is determined that the projects on the alternate list are not feasible for funding in a timely manner or other issues are encountered, which will jeopardize current and/or future HUD entitlement programs funding, the Administration may, subject to review and approval by the City Council, and in accordance with any applicable ordinance requirements or budget procedures, re-direct funds to any of the following activities, in any order:

- Increased funding for projects selected under the current-year Action Plan or previously selected under a prior-year Action Plan, where the funds can be spent within twelve (12) months after contract amendment;
- Capital Improvement Projects undertaken by the City that: (1) fulfill the CDBG National Objective of principally benefiting low and moderate income persons; and (2) are identified in the City budget;
- Property acquisition projects by the City or non-profit subrecipients that fulfill either the CDBG National Objective of principally benefiting low and moderate income persons or HOME program eligibility requirements;



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- Capital Improvement or Acquisition Projects on prior year Alternate Lists or delayed projects carried forward from prior-year Action Plan(s) that have secured the necessary financial resources and completed the pre-construction activities necessary so that CDBG funds can be spent within twelve (12) months upon contract execution;
- Other Projects which have previously completed a Competitive Selection process, within the last two years, conducted by the City and County of Honolulu that that have the requisite approvals and permits in place and are ready for construction so that CDBG funds can be spent within twelve (12) months upon contract execution; and

Prior to the funding of any projects, including the funding of any alternate projects, not selected in the annual action plan:

1. The administration shall provide the City Council with a list of proposed projects to be funded with redirected funds; and
2. The City Council shall choose the project or projects to be funded with the redirected funds."

BE IT FURTHER RESOLVED that Section III. Housing and Special Needs Housing is amended by amending subsection I. A. to read as follows:

"I. GOALS

A. Housing and Special Need Housing Goals

For the five-year period covered by this plan, the City anticipates using CDBG, HOME and HOPWA funds to meet the following goals:

- 200 low- and moderate-income families will build assets through homeownership
- 150 low- and moderate-income families will correct conditions in deteriorated homes and/or improve energy efficiency
- 250 affordable housing or special needs housing units will be constructed or preserved
- 20 beds will remain in service due to the renovation or replacement of affordable housing or special needs housing units



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- 100 persons per year with HIV/AIDS will be able to maintain housing and avoid homelessness

In addition, the City is pursuing the sale or lease of its rental housing inventory. For properties assisted with CDBG, HOME or matching funds, the City will require that units remain affordable and obtain concurrence from HUD prior to completing the sale or lease.

Chart 1, following, details the activities the City intends to undertake to meet its Housing goals."

BE IT FURTHER RESOLVED that Section III. Housing and Special Needs Housing is amended by amending Chart 1: Housing and Special Needs Housing Goals, Object Code HO2, Activity, to add the following:

"Provide low-interest loans and grants to low and moderate income homeowners to correct conditions in deteriorated homes and/or improve energy efficiency."

BE IT FURTHER RESOLVED that Section III. Housing and Special Needs Housing is amended by amending Chart 1: Housing and Special Needs Housing Goals, Object Code HO2, Community Benefit Indicators, to add the following:

"Preservation of housing stock and neighborhoods.

Increase energy efficiency.

Support NRSA revitalization efforts."

BE IT FURTHER RESOLVED that Section III. Housing and Special Needs Housing is amended by amending Chart 1: Housing and Special Needs Housing Goals, Object Code RH1, Activity, to add the following:

"Provide funds as gap/equity financing to develop new and preserve existing affordable and special needs rental housing.

Provide low-interest loans and grants to landlords renting rehabilitated units to low and moderate income households."

BE IT FURTHER RESOLVED that Section III. Housing and Special Needs Housing is amended by amending Chart 1: Housing and Special Needs Housing Goals, Object Code RH1, Community Benefit Indicators, to add the following:



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"Low- and moderate-income families will have increased opportunity to live in affordable rental housing.

Support NRSA revitalization efforts."

BE IT FURTHER RESOLVED that by the Council of the City and County of Honolulu that the proposed Amended Consolidated Plan for Program Years 2011 – 2015, attached hereto as Exhibit A, is hereby approved; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Department of Community Services and the Department of Budget and Fiscal Services.

INTRODUCED BY:

Ikaika Anderson (br)

DATE OF INTRODUCTION:

October 17, 2013
Honolulu, Hawaii

Councilmembers