

Government Financing Programs Work Group
December 10, 2004, 9 a.m., HCDCH Board Room

Present: Marvin Awaya (Chair), Jack Mahan, Mike Flores, Gail Kaito, Stacy Sur, Darren Ueki, Craig Hirai, Jeanne Hamilton.

Identification of Problem:

1) Are we using all the available resources to their maximum capacity? There are quantifiable amounts of federal funds that Hawaii has access to but are not being used to their full potential. For example,

- Vacant units in government assisted housing need to be put back into service as rentals to increase the affordable housing inventory.
- Hawaii has not gone for the 20 units of Section 202 housing for Honolulu for the past two years. The program is challenging to use. Governmental agency cooperation is vital to finding ways to make use of the program.
- Kauai and HCDCH currently have Section 8 housing choice voucher utilization rates below 90%. The vouchers could be project-based for acquisition or development to support increasing the inventory.
- What other programs are not being used to their fullest? How do we plug the leaks?

2) Agencies need to work so that the developers are provided with a full deck of cards to make their projects work. Are there local decisions (state level, county level, local HUD interpretations) that impede affordable housing?

- HUD 202 program.
- The timings of the Notices of Funds Available (NOFA) are staggered across the year. USDA generally issues its NOFA at the beginning of the calendar year, with applications submitted 90 days later. HUD generally issues its NOFA between March and May, with applications submitted June – August. HCDCH issues its Consolidated Application for tax credits, Rental Housing Trust Fund, etc., in late October, with applications due in January. The City and County of Honolulu issues its RFP for HOME and CDBR in September with applications due in late October and budget approval the following June. Other counties issue RFPs in October/November with applications due in January.
- Which impediments can be resolved and what can we do? Need to identify those policies and take steps to resolve them.

Steps to be taken:

- 1) Joint application session – HCDCH, HUD, USDA, and possibly Counties – can conduct two workshop sessions per year with potential applicants to discuss agency programs and application processes.
- 2) HCDCH, HUD, and USDA are committed to meeting monthly to go through coordination issues with their programs, identify what is not working, determine if it is a statutory or other issue, and find ways to get programs working together.

- 3) HCDCH will obtain an Attorney General opinion about whether HCDCH can certify to HUD multifinance regulations. If not, HCDCH will need enabling legislation.

Steps to be considered:

- 1) Projects need to be worked throughout the year, not just during application periods. Addressing the coordination from the policy standpoint is a long-term process. Addressing coordination from a project standpoint may be more productive in the short-term. Two potential models from economic development efforts are Red Teams and Community Economic Revitalization Teams (CERTs). A third possible model may be the “housing expediter” position that Maui County is trying.

- Red Team: a project is identified that needs help. Member of the funding agencies, legislators, whomever, are assigned to meet to a red teams to meet on a project for a brief, designated amount of time. The object is not to show favoritism but to bring all the resources together on an issue.
- CERTs are designed to provide a single point of access to state and federal programs in rural areas. It becomes an institutionalized one-stop shop. Agencies work together to tweak programs to make particular projects viable. Information about the Washington State CERT program is available at www.oted.wa.gov/ed/wacert/home.asp.
- Maui County has designated a position to be a “housing expediter.”

To pursue a Red Team or CERT type of approach, criteria would need to be established so that projects are selected according to a public process or set of criteria. This may be through a county’s competitive RFP process, etc. Once the competitive bar has been established, then the resources can be brought together to work on the issue.

The Millennial Housing Commission report may provide some information or recommendations on federal coordination.

Working Group’s Next Steps

- 1) The working group will meet at 1:30 p.m. on Wednesday, December 15, in the PEO conference room of HCDCH to finalize recommendations to the Governor, legislature, or financing programs.