

LEGISLATIVE FEDERAL ECONOMIC STIMULUS PROGRAM OVERSIGHT COMMISSION
ACT 150, SESSION LAWS OF HAWAII 2009

DBEDT – STRATEGIC INDUSTRIES DIVISION (SID) RESPONSE

DE-EE0000216 ARRA State Energy Program (SEP) Projects

1. For each group/category or program/project for which American Reinvestment & Recovery Act (ARRA) funds have been obtained, please provide the following information:
 - (a) A brief summary of the program/project, including goals;
 - (1) ***ARRA State Energy Program (SEP) (\$25,930,000) – This initiative will implement the SEP Strategic Plan whereby the following objectives are achieved:***
 - ❖ ***Increase energy efficiency to reduce energy costs and consumption for consumers, businesses, and government;***
 - ❖ ***Reduce reliance on imported energy;***
 - ❖ ***Improve the reliability of electricity and fuel, and delivery of energy services; and***
 - ❖ ***Reduce the impacts of energy production and use on the environment.***
 - (2) ***To achieve the above objectives the program activities will focus on the following goals:***
 - ❖ ***Targeting strategic market interventions that can cause permanent structural change.***
 - ❖ ***Identifying opportunities for better integration of SEP and state energy initiatives for energy efficiency and renewable energy technology deployment and market transformation activities.***
 - ❖ ***Promoting collaboration across public and private agencies.***
 - (3) ***ARRA SEP Energy Projects***
 - ❖ ***Renewable Energy***
 - Undersea Cable Support - Special Attorney General Contract (\$200,000) will aid DBEDT in the development of the interisland cable by advising DBEDT on legal, regulatory, business, financing, and strategic decisions. This funding will reduce risk for the state and consumer, and shorten the timeline for getting the undersea cable in place.
 - The Subject Matter Expert Contract (\$500,000) will aid DBEDT in the development of the interisland cable by advising DBEDT in financing and procurement issues for the project and providing advice based on experience in development of undersea power transmission cables. This funding will reduce risk for the state and consumer, and shorten the timeline for getting the undersea cable in place.

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- The Request for Information (RFI) Contract (\$50,000) will enable DBEDT and the Hawaiian Electric Company (HECO) to collect information regarding the financing and development of the interisland cable via a cable developers' conference. The results of the RFI will be used in the Request for Proposal (RFP) for the interisland cable. This will directly reduce ambiguity and cost for the cable.
- Request for Proposal (RFP) Contract (\$500,000): DBEDT/HECO will develop the financial, technical, regulatory, and environmental requirements for the interisland cable.
- The Environmental Impact Statement (EIS) Contract (\$3,690,000) will perform required environmental, cultural, and biological studies required for the development of the EIS for the interisland cable and the required grid upgrades on Oahu; support the drafting of required environmental assessment components; host stakeholder meetings on Molokai, Lanai, Maui, and Oahu. This will directly shorten the critical path for the deployment of the undersea cable.
- **\$375,000 of ARRA SEP funding** for an Online Permitting Systems, contracted with a local professional services provider to develop a coordinated, secure, on-line permitting portal for renewable energy projects. Successful examples exist in other states. Tasks include working with agencies in Federal, State and County government; developing front end and back end infrastructure; testing and implementation. This will provide a simple, easy to understand point of entry for renewable energy project developers, and shorten and simplify the permitting process for projects. Portal will provide an automated process for permit selection and coordination.
- **\$200,000 of ARRA SEP funding** allocated for initial funding of the Expedited Permitting Account to support the coordinated permitting process prior to the collection of developer fees. The funds will be used to cover up-front costs for expediting permitting projects including performing required engineering studies, data collection, and site assessments.

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- **\$1,135,000 of ARRA SEP funding** will be allocated to renewable energy project funding to accelerate the development of renewable energy projects by: 1) providing funding to “tip” renewable energy projects currently in the pipeline toward accelerated completion; and 2) documenting the projects, to provide information, guidance, and success stories to other project developers and the public.

❖ *Transportation Energy*

- **\$3,750,000 of ARRA SEP funding** allocated to transportation energy diversification program to work with government and industry partners to develop a plan for rapid transformation of the energy demands of Hawaii's transportation sector. Grants will be provided to early adopters of commercially available technologies, including vehicles and infrastructure. Act 156 of the 2009 Legislature authorizes such a grant program. Result: 625 vehicle grants (\$5,000 per grant) and chargers (estimated \$1,000 cost per charger) funded. This allocation between grants and charging stations may be adjusted based on the needs of the market in this highly dynamic time for electric and other advanced technology vehicles.
- **\$500,000 of ARRA SEP funding** allocated to alternative fuel vehicle and state infrastructure project will support State infrastructure and vehicle fleet demonstrations and transformation, providing funds for vehicles and infrastructure. Result: 25 vehicles (with \$19,000 per vehicle) and 25 charge stations (at an estimated \$1,000 per charging station) for the state.

❖ *Government and Residential Energy Efficiency Program*

- Office of Community Services/Weatherization Assistance Program Support (\$500,000): Home energy audits and the installation of solar water heaters, compact fluorescent lamps, and low flow shower heads.
- Kauai Island Utility Co-op Rebate Program (\$200,000): Assist KIUC with augmentation of its solar water heater rebate program and other efficiency rebates.
- Public Utilities Commission/Public Benefits Fund Administrator Rebate Program (\$6,200,000): Augmentation of the PBFA rebate programs for solar water heaters, CFLs, and home appliances.

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❖ ***High Performance Buildings Program***

- LEED Training/Tech Assistance (\$300,000): Accelerate adoption of highly energy-efficient buildings. Includes technical assistance and training to bring buildings up to Leadership in energy and Environmental Design (LEED) standards
- Technical Assistance (\$367,000): Includes “benchmarking” using the EPA’s Energy Star applications to assist building owners, developers, design professionals, and county building officials ensure that new and renovated buildings are designed and built with high efficiency.

❖ ***Hospitality Energy Efficiency Program***

- Waikiki and Statewide Hotels Energy Star Retrofits (\$125,000): Develop an assessment to attract financing for energy retrofits in the Hawaii hospitality sector.
- Hospitality Energy Efficiency: Sea Water Air Conditioning Finance Assessment (\$200,000): Develop an assessment to attract financing for a sea water air conditioning chilled water loop system for Waikiki area hotels.

- (b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis:

The ARRA SEP funding was awarded by formula to the DBEDT Strategic Industries Division.

- (c) Whether matching funds are required, and, if so:

- (i) Are they available;
- (ii) Have they been secured;
- (iii) If they have not been secured, why not; and
- (iv) Will the State be required to continue that match or provide increased/full funding in the future?

Matching funds were not required for the ARRA SEP.

- (d) If there are additional requirements to receive funds, what are they?

DBEDT has received 100 percent of the \$25,930,000 ARRA SEP.

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- (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010): The amount of funds awarded are as follows:

ARRA State Energy Program: \$25,930,000

The ARRA SEP funds must be expended from April 21, 2009 to April 30, 2012.

- (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them:

The programs for which ARRA funds have been obtained are considered priorities based on the stated energy objectives set forth in Chapter 226-18, HRS; and are consistent with stated energy planning and policy activities set forth in Chapter 196, HRS.

- (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies:

SID is coordinating with other agencies where appropriate to apply for funds and to conduct projects in-line with priorities set forth in 1.(f). Monitoring of expenditures is in compliance with federal reporting requirements, and through consolidated reporting to the Governor's Office by state agencies.

In addition specific attention was paid to the U.S. Department of Energy's and national laboratories' annual operating plans to ensure that the state's spending plan complemented, but did not duplicate intended federal expenditures. Potential technical support from the national laboratories was also factored in.

- (h) The criteria used to select activities for the program/project:

Activities which support and contribute to Hawaii's energy objectives, stated energy planning and policy activities, Hawaii's Clean Energy Initiative (HCEI) and related activities and projects provide the overarching policy and implementation framework for program/project selection, inclusion, and planning of expenditures using ARRA energy funding.

- (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why:

Efforts have been made to provide public notice through a public informational meeting, responding to telephone inquiries, posting information on an interim DBEDT website, and reporting through the Governor's Office and website.

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Also, in February 2009 and continuing through July 2009, meetings were held with energy sector stakeholders to request input on priorities and to build awareness of the spending plans. The plan also received input and guidance from HCEI Working Groups' recommendations and from HCEI partner projects.

- (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner:

All bidding/awards follow the state's procurement process to provide for awards on a fair, reasonable, transparent basis via a deliberate merit based process which is justifiably time managed.

- (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse:

Fiscal controls, project management oversight, and third-party audits are employed to monitor the use of funds for authorized purposes and prevent cost overruns, fraud, waste, error, and abuse.

- (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed:

ARRA State Energy Program:

- ❖ Percentage of awarded funds that have been obtained: **100%**
- ❖ Percentage of awarded funds encumbered: 0%
- ❖ Percentage of awarded funds expended: 0.01% (\$3,335.91)
- ❖ What part(s) of program/project have been completed: 0%

- (m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project:

State Energy Program:

- ❖ Actual or anticipated economic impact to the State of the program/project:

This program will accelerate the development of renewable energy projects by providing funding to "tip" major transmission projects currently in the pipeline toward accelerated completion; and establishing a sustained basis for additional renewable energy projects to be developed and completed. The anticipated economic impact is that local expertise will be required to operate and maintain these projects, thereby creating jobs and reducing the export of funds for fossil fuels.

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- ❖ Number of jobs saved/created:

It is anticipated that at least 282 jobs would be created under the grant. Eighteen of these positions are ARRA energy positions, in which eight personnel have been hired to date.

- ❖ Long-term public benefits of the program/project:

The long-term public benefit to the state is the energy system transformation to clean energy sources, which will reduce the state's exposure to fossil fuel disruption and price volatility; decrease the generation of greenhouse gases; and provide for a local source of energy supply.

2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied:

SID teamed with or endorsed through letters of support industry initiatives for obtaining competitive funding. If an application was denied, such as the Clean Cities proposal; the denial was due to non-selection.

3. Please describe:

- (a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements:

Compliance with federal award requirements from the funding authority is standard. However, special provisions have been attached to the ARRA awards, whereby several federal agencies provide jurisdictional guidance and oversight for the funds. This guidance provided through webinars and conference calls have necessitated clarification of a number of questions associated with compliance before proceeding with the planned projects approved under the awards.

- (b) The effect of those barriers/constraints:

Due to the need to understand or comply with federal guidance, a large number of states have requested clarification of federal guidance. Consequently, the contracting for and/or initiation of projects has been slower than normal to ensure correct interpretation and incorporation of the federal requirements. In some instances, awarded projects have needed to verify or seek exemption from various requirements. For the ARRA SEP grant, a Historic Preservation requirement was added to the third amendment of the Assistance Agreement, which now requires DBEDT to provide a letter of concurrence from the State Historic Preservation Officer that DBEDT will comply with requirements of Section 106 of the National Historic Preservation Act if it does any work on local historic buildings.

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(c) If and how they were mitigated:

The ARRA provisions were reviewed by the State’s Attorney General’s Office and incorporated within the “Special Conditions” for SID’s contracts; and letters of exception where applicable have been obtained to document exemption.

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DBEDT – STRATEGIC INDUSTRIES DIVISION (SID) RESPONSE

DE-EE0000811 ARRA Energy Efficiency & Conservation Block Grant (EECBG) Projects

1. For each group/category or program/project for which American Reinvestment & Recovery Act (ARRA) funds have been obtained, please provide the following information:

(a) A brief summary of the program/project, including goals;

(1) ARRA Energy Efficiency & Conservation Block Grant (EECBG) (\$9,593,500) – This grant promotes and supports environmental sustainability, increasing energy efficiency and energy conservation to reduce Hawaii’s high dependence on petroleum while meeting utility obligations to maintain just and reasonable rates and protecting the public. The objectives of this grant are to:

- ❖ Prioritize energy investments to take advantage of existing programs an increase energy efficiency to reduce energy costs and consumption for consumers, businesses, and government;***
- ❖ Expand initiatives where appropriate.***

(2) To achieve the above objectives the program activities will focus on the following goals:

- ❖ Targeting strategic market interventions that can cause permanent structural change.***
- ❖ Identifying opportunities for better integration of state energy initiatives for energy efficiency and renewable energy technology deployment and market transformation activities.***
- ❖ Promoting collaboration across public and private agencies.***

(3) ARRA EECBG Projects

- ❖ DBEDT “Energy Efficient Buildings Program for Government and Non-Profits Program” (\$3,500,000): Identify state and local government and nonprofit buildings for energy efficiency improvements. This program will ease the budgetary pressure on non-profit organizations, and state and local government agencies on a competitive basis.***
- ❖ Dept. of Hawaiian Home Lands “Ho‘omaluo Energy Policy” (\$3,000,000): Upgrade the energy efficiency of about 400 homestead homes with solar water heaters and compact fluorescent lamps. This will help reduce household electricity bills by about 30 percent per year, or 5 barrels of oil per year per household.***
- ❖ Dept. of Accounting and General Services “PV Installation Project” (\$3,000,000) plans to install photovoltaics on state buildings as part of its long-range, statewide energy savings performance contract. DAGS estimates that each 100 kW photovoltaic system will generate about 167,446 kWh of electricity, and a cumulative***

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reduction of green house gas emissions of at least 320,120 pounds in carbon dioxide equivalents per year.

- (b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis:

The EECBG funding was awarded by formula to the DBEDT Strategic Industries Division.

- (c) Whether matching funds are required, and, if so:

- (i) Are they available;
- (ii) Have they been secured;
- (iii) If they have not been secured, why not; and
- (iv) Will the State be required to continue that match or provide increased/full funding in the future?

Matching funds were not required.

- (d) If there are additional requirements to receive funds, what are they?

(1) Identification of specific “sub-awardees” is required prior to the release of funds.

- (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010): The amount of funds awarded are as follows:

EECBG: \$9,593,500

The EECBG funds must be expended during the period from September 24, 2009 to September 20, 2012.

- (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them:

The programs for which ARRA funds have been obtained are considered priorities based on the stated energy objectives set forth in Chapter 226-18, HRS; and are consistent with stated energy planning and policy activities set forth in Chapter 196, HRS.

- (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies:

SID is coordinating with other agencies where appropriate to apply for funds and to conduct projects in-line with priorities set forth in 1.(f). Monitoring of expenditures is in

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compliance with federal reporting requirements, and through consolidated reporting to the Governor's Office by state agencies.

- (h) The criteria used to select activities for the program/project:

Activities which support and contribute to Hawaii's energy objectives, stated energy planning and policy activities, and Hawaii's Clean Energy Initiative are the primary criteria for program/project selection/inclusion.

- (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why:

Efforts have been made to provide public notice through a public informational meeting, responding to telephone inquiries, posting information on an interim DBEDT website, and reporting through the Governor's Office and website.

- (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner:

All bidding/awards follow the state's procurement process to provide for awards on a fair, reasonable, transparent basis via a deliberate merit based process which is justifiably time managed.

- (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse:

Internal controls, project management oversight, and annual independent audits are employed to govern the use of funds for authorized purposes and prevent cost overruns, fraud, waste, error, and abuse.

- (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed:

ARRA EECBG:

- ❖ Percentage of awarded funds that have been obtained: **2.9% (\$276,474)**
- ❖ Percentage of awarded funds encumbered: 0%
- ❖ Percentage of awarded funds expended: 0%
- ❖ What part(s) of program/project have been completed: 0%

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(m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project:

EECBG:

❖ Actual or anticipated economic impact to the State of the program/project:

This program will accelerate the energy efficient building retrofit projects and installation of PV on the roof of state buildings, and establishing a sustained basis for additional retrofit and renewable energy projects to be developed. The anticipated economic impact is that local expertise will be required to operate and maintain these projects, thereby creating jobs and reducing the export of funds for fossil fuels.

❖ Number of jobs saved/created:

It is anticipated that at least 104 jobs would be created under the grant.

❖ Long-term public benefits of the program/project:

The long-term public benefit to the state is the energy system transformation to clean energy sources, which will reduce the state's exposure to fossil fuel disruption and price volatility; decrease the generation of greenhouse gases; and provide for a local source of energy supply.

2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied:

SID teamed with or endorsed through letters of support industry initiatives for obtaining competitive funding. If an application was denied, such as the Clean Cities proposal; the denial was due to non-selection.

3. Please describe:

(a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements:

Compliance with federal award requirements from the funding authority is standard. However, special provisions have been attached to the ARRA awards, whereby several federal agencies provide jurisdictional guidance and oversight for the funds. This guidance provided through webinars and conference calls have necessitated clarification of a number of questions associated with compliance before proceeding with the planned projects approved under the awards.

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(b) The effect of those barriers/constraints:

Due to the need to understand or comply with federal guidance a large number of states have requested clarification of federal guidance. Consequently, the contracting for and/or initiation of projects has been slower than normal to ensure correct interpretation and incorporation of the federal requirements. In some instances, awarded projects have needed to verify or seek exemption from various requirements; i.e., NEPA, Historic Preservation, Davis-Bacon, and Buy American.

(c) If and how they were mitigated:

The ARRA provisions were reviewed by the State’s Attorney General’s Office and incorporated within the “Special Conditions” for SID’s contracts; and on-going discussions with the USDOE project officer are focused on resolving the outstanding issues.

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DE-OE0000110 ARRA Energy Assurance Planning Project

1. For each group/category or program/project for which American Reinvestment & Recovery Act (ARRA) funds have been obtained, please provide the following information:

- (a) A brief summary of the program/project, including goals;

This project will assist Hawaii develop a standardized energy assurance and resiliency plans that it can rely on during energy emergencies and supply disruptions. Hawaii will address energy supply disruption risks and vulnerabilities in its plans to lessen the devastating impact that such incidents have on the economy and the health and safety of citizens. This project focuses on developing new, or refining existing, plans to integrate new energy portfolios (renewables, biofuels, etc) and new applications, such as Smart Grid technology, into energy assurance and emergency preparedness plans. Better planning efforts will help contribute to the resiliency of the energy sector, including the electricity grid, by focusing on the entire energy supply system. The objectives of this project are to:

- ❖ *Strengthen and expand State and local government energy assurance planning and resiliency efforts by incorporating response actions for new energy portfolios and Smart Grid applications;*
- ❖ *Create jobs, and*
- ❖ *Build in-house State and local government energy assurance expertise.*

- (b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis:

Funds were awarded as a Department of Energy formula grant to the Strategic Industries Division – State Energy Program, Award No: DE-OE0000110.

- (c) Whether matching funds are required, and, if so:

- (i) Are they available;
- (ii) Have they been secured;
- (iii) If they have not been secured, why not; and
- (iv) Will the State be required to continue that match or provide increased/full funding in the future;

Matching funds are not required.

- (d) If there are additional requirements to receive funds, what are they:

None.

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- (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010): The amount of funds awarded are as follows:

State Energy Assurance Program: \$318,196

The funding opportunity is funded with ARRA funds, which must be expended during the period from August 14, 2009 to August 14, 2012.

- (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them:

The programs for which ARRA funds have been obtained are considered priorities based on the stated energy objectives set forth in Chapter 226-18, HRS; and are consistent with stated energy planning and policy activities set forth in Chapter 196, HRS.

- (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies:

SID has undertaken to coordinate with other agencies where appropriate to apply for funds and to conduct projects in-line with priorities set forth in 1.(f). Monitoring of expenditures are in compliance with federal reporting requirements, and through consolidated reporting to the Governor's Office by state agencies.

- (h) The criteria used to select activities for the program/project:

Activities which support and contribute to Hawaii's energy objectives, stated energy planning and policy activities, and Hawaii's Clean Energy Initiative are the primary criteria for program/project selection/inclusion.

- (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why:

Efforts have been made to provide public notice through a public informational meeting, responding to telephone inquiries, posting information on an interim DBEDT website, and reporting through the Governor's Office and website.

- (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner:

All bidding/awards follow the state's procurement process to provide for awards on a fair, reasonable, transparent basis via a deliberate merit based process which is justifiably time managed.

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- (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse:

Internal controls, project management oversight, and annual independent audits are employed to govern the use of funds for authorized purposes and prevent cost overruns, fraud, waste, error, and abuse.

- (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed:

- ❖ *Percentage of awarded funds that have been obtained: 100%*
- ❖ *Percentage of awarded funds encumbered: 0%*
- ❖ *Percentage of awarded funds expended: 0%*
- ❖ *What part(s) of program/project have been completed: 0%*

- (m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project:

- ❖ Actual or anticipated economic impact to the State of the program/project:
The project assists the State to have well-developed, standardized energy assurance and resiliency plans that they can rely on during energy emergencies and supply disruptions. The State will address energy supply disruption risks and vulnerabilities in its plans to lessen the devastating impact that such incidents have on the economy and the health and safety of citizens.
- ❖ Number of jobs saved/created:
It is anticipated that at least 3 jobs would be created under the grant.
- ❖ Long-term public benefits of the program/project:
The long-term public benefit of the program will be to improve Hawaii's energy assurance and resiliency during energy emergencies and supply disruptions by lessening vulnerabilities, deterring threats, and minimizing possible consequences to Hawaii's energy system.

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2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied:

SID teamed with or endorsed through letters of support industry initiatives for obtaining competitive funding. If an application was denied, such as the Clean Cities proposal; the denial was due to non-selection.

3. Please describe:

- (a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements:

Compliance with federal award requirements from the funding authority is standard. However, special provisions have been attached to the ARRA awards, whereby several federal agencies provide jurisdictional guidance and oversight for the funds. This guidance provided through webinars and conference calls have necessitated clarification of a number of questions associated with compliance before proceeding with the planned projects approved under the awards.

- (b) The effect of those barriers/constraints:

Due to the need to understand or comply with federal guidance a large number of states have requested clarification of federal guidance. Consequently, the contracting for and/or initiation of projects has been slower than normal to ensure correct interpretation and incorporation of the federal requirements. In some instances, awarded projects have needed to verify or seek exemption from various requirements; i.e., NEPA, Historic Preservation, Davis-Bacon, and Buy American.

- (c) If and how they were mitigated:

The ARRA provisions were reviewed by the State's Attorney General's Office and incorporated within the "Special Conditions" for SID's contracts; and letters of exception where applicable have been obtained to document exemption; e.g., exception from NEPA requirements.

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LEGISLATIVE FEDERAL ECONOMIC STIMULUS PROGRAM OVERSIGHT COMMISSION
ACT 150, SESSION LAWS OF HAWAII 2009

DBEDT – STRATEGIC INDUSTRIES DIVISION (SID) RESPONSE

DE-EE001587 STATE ENERGY EFFICIENT APPLIANCE REBATE PROGRAM

1. For each group/category or program/project for which American Reinvestment & Recovery Act (ARRA) funds have been obtained, please provide the following information:

(a) A brief summary of the program/project, including goals;

(1) State Energy Efficient Appliance Program - This initiative targets the replacement of less efficient appliances with Energy Star qualified appliances. The program encourages consumers to retire and recycle working but older and less efficient products. The implementation objectives are to:

- ❖ Save energy by encouraging appliance replacement through consumer rebates;*
- ❖ Make rebates available to consumers;*
- ❖ Enhance existing rebate programs by leveraging Energy Star national partner relationships and local program infrastructure;*
- ❖ Keep administrative costs low while adhering to monitoring and evaluation requirements;*
- ❖ Promote state and national tracking and accountability; and*
- ❖ Use existing Energy Star consumer education and outreach materials.*

The broad goal of the program is to reduce energy consumption, carbon dioxide emissions, dependence on fossil fuels, and to stimulate Hawaii's economy.

(b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis:

The State Energy Efficient Appliance Rebate funds were awarded as formula or block grants to the DBEDT Strategic Industries Division – State Energy Program—by the U.S. Department of Energy.

(c) Whether matching funds are required, and, if so:

- (i) Are they available;--*Yes, from subcontractors*
- (ii) Have they been secured; *Yes*
- (iii) If they have not been secured, why not; and
- (iv) Will the State be required to continue that match or provide increased/full funding in the future; *No*

Part of the grant requirements were that administrative costs (all costs excluding rebate amounts) be matched at a 50% level to encourage larger amounts of funding for consumer rebates.

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- (d) If there are additional requirements to receive funds, what are they:

One pre-condition to receiving the total award of formula funds has been the requirement of federal approval of state program plans. To aid the states in this planning a partial award were provided for planning and administration with the balance of funds to be received upon the completion and formal approval of these plans.

- (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010): The amount of funds awarded are as follows:

(1) State Energy Efficient Appliance Program: \$1,236,000

This funding opportunity is funded with ARRA funds, which must be expended during the period from August 24, 2009 to February 17, 2012.

- (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them:

The programs for which ARRA funds have been obtained are considered priorities based on the stated energy objectives set forth in Chapter 226-18, HRS; and are consistent with stated energy planning and policy activities set forth in Chapter 196, HRS.

- (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies:

SID has undertaken to coordinate with other agencies where appropriate to apply for funds and to conduct projects in-line with priorities set forth in 1.(f). Monitoring of expenditures is in compliance with federal reporting requirements, and through consolidated reporting to the Governor's Office by state agencies.

- (h) The criteria used to select activities for the program/project:

Activities which support and contribute to Hawaii's energy objectives, stated energy planning and policy activities, and Hawaii's Clean Energy Initiative are the primary criteria for program/project selection/inclusion.

- (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why:

The planned roll out of the Rebate program is in April 2010, after the program has been approved by the US Department of Energy. Meanwhile, efforts have been made to

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provide public notice through responding to telephone and media inquiries, posting information on the DBEDT website, and reporting through the Governor’s Office and website. No official public notice is planned until the program is in place.

- (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner:

All bidding/awards follow the state’s procurement process to provide for awards on a fair, reasonable, transparent basis via a deliberate merit based process which is justifiably time managed.

- (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse:

Fiscal controls, project management oversight, and third-party audits are employed to monitor the use of funds for authorized purposes and prevent cost overruns, fraud, waste, error, and abuse.

- (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed:

(1) State Energy Efficient Appliance Program:

- ❖ Percentage of awarded funds that have been obtained: ***10% (\$123,600)***
- ❖ Percentage of awarded funds encumbered: ***0%***
- ❖ Percentage of awarded funds expended: ***0%***
- ❖ What part(s) of program/project have been completed: ***0%***

- (m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project:

(1) State Energy Efficient Appliance Program:

- ❖ Actual or anticipated economic impact to the State of the program/project:
The program provides for \$1,112,375 in direct incentives to residential customers, which will stimulate the weakening county and state economy.
- ❖ Number of jobs saved/created:
It is anticipated that at least 13 jobs would be created under the grant.

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- ❖ Long-term public benefits of the program/project:

The long-term public benefit is the savings in energy by encouraging consumers to replace inefficient appliances. It will provide for expected annual energy savings of 1,557,478 kilowatt-hours, and the reduction of 1,322 metric tons per year in carbon dioxide emissions.

2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied:

SID teamed with or endorsed through letters of support industry initiatives for obtaining competitive funding. If an application was denied, such as the Clean Cities proposal; the denial was due to non-selection.

3. Please describe:

- (a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements:

Compliance with federal award requirements from the funding authority is standard. However, special provisions have been attached to the ARRA awards, whereby several federal agencies provide jurisdictional guidance and oversight for the funds. This guidance provided through webinars and conference calls have necessitated clarification of a number of questions associated with compliance before proceeding with the planned projects approved under the awards.

- (b) The effect of those barriers/constraints:

Due to the need to understand or comply with federal guidance a large number of states have requested clarification of federal guidance. Consequently, the contracting for and/or initiation of projects has been slower than normal to ensure correct interpretation and incorporation of the federal requirements. In some instances, awarded projects have needed to verify or seek exemption from various requirements; i.e., NEPA, Historic Preservation, Davis-Bacon, and Buy American.

- (c) If and how they were mitigated:

The ARRA provisions were reviewed by the State's Attorney General's Office and incorporated within the "Special Conditions" for SID's contracts; and letters of exception where applicable have been obtained to document exemption; e.g., exception from NEPA requirements.

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DBEDT – STRATEGIC MARKETING & SUPPORT DIVISION (SMSD) RESPONSE

90SN0030 COMMUNITY BASED ECONOMIC DEVELOPMENT PROGRAM

DEPARTMENT/AGENCY QUESTIONNAIRE

1. For each group/category or program/project for which ARRA funds have been obtained, please provide the following information:

(a) A brief summary of the program/project, including goals;

The purpose of this grant program is to build the capacity of government offices (and their designees) to assist nonprofit organizations in addressing the broad economic recovery issues present in their communities, including helping low-income individuals secure and retain employment, earn higher wages, obtain better-quality jobs, and gain greater access to state and federal benefits and tax credits.

Program grantees will use the funds in the following three areas:

- Conducting outreach and education aimed at increasing the involvement of nonprofit organizations in the economic recovery.
- Providing training and technical assistance aimed at building the capacity of nonprofit organizations to address the broad economic recovery issues present in their communities.
- Building the capacity of their State, local or Native American/Tribal government office or designee to better involve nonprofit organizations in the economic recovery.

(b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis;

Federal Department of Health and Human Services grant funds were awarded on a competitive basis.

(c) Whether matching funds are required, and, if so:

- (i) Are they available; **Yes.**
- (ii) Have they been secured; **Yes.**

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- (iii) If they have not been secured, why not; and
- (iv) Will the State be required to continue that match or provide increased/full funding in the future; **No.**

- (d) If there are additional requirements to receive funds, what are they; **N/A**

- (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010);

Federal: \$250,000 (FY 2010 & FY 2011)
State: 62,500 (FY 2010: \$31,250; FY 2011 \$31,250)

- (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them;

This predominantly residential area has the following characteristics as compared to the state average: Leeward people are younger with larger households: median age in 2000 was 28.5 years compared to 36.2 years for the state; with 3.97 persons per household compared with 2.92 for the state. The majority of people on the Leeward Coast are Native Hawaiian and other Pacific Islanders: 62.2% as compared with 23.3% for the state. The poverty level for Leeward Coast individuals is high: 21.0% compared with 10% for state in 2000. The average education level is lower than the state average: 77.9% of the Leeward Coast population 25 years or older had a high school diploma as compared with 84.6% for the state.

Most of the work force on the Leeward Coast worked elsewhere: 88% worked outside of their home community in 2000. Most jobs are in Honolulu or Waikiki which is at least an hour's drive or much longer in rush hour.

In addition, the Leeward Coast has a higher proportion of homeless individuals and families and more shelter beds than any other community on Oahu. Rates of substance abuse, domestic violence, property crimes are higher than other parts of Oahu.

In recognition of this constellation of problems, Leeward Coast faith-based and community-based non-profits have dedicated resources and effort in a community-wide drive to assist Leeward families. However, with state and foundation grants shrinking in the wake of the worst economic conditions in over thirty years, non-profits are attempting to take on bigger problems with fewer dollars. These dedicated organizations need help in finding resources and using them more efficiently than before.

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- (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies; **N/A**
- (h) The criteria used to select activities for the program/project;

The project approach is based upon information published in the *Preliminary Report on the Leeward Coast Initiative*, by the Leeward Coast Initiative Policy and Working Groups. Their work clearly states that the Leeward Coast community envisions its economy as follows:

- An independent community and economy with the capacity to educate, train, employ, and serve the needs of its own community members.
- An array of employers and industries who hire from within the Leeward community.
- Appropriate technology in the Leeward economy, reflecting a balance between high-tech and high-touch with focus on smaller locally-owned and operated businesses.
- A group of business and economic development leaders who work with the community and are responsive to its plans, priorities, and preferences.

Through the provision of an outreach education media campaign, training and technical assistance workshops, and a user friendly web site to access resources, Leeward Coast nonprofit organizations will be involved in the economic transformation of their communities, realize their vision and compete in the 21st century.

- (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why; **N/A**
- (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner; **To be determined.**
- (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse;

CBED staff, additional SMSD staff, and staff from Creative Industries have agreed to work together to administer the Federal grant and project.

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- (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed; and

SMSD/CBED is in process of completing paperwork to access Federal grant funds.

- (m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project.

RESULTS OR BENEFITS EXPECTED

Anticipated changes to target nonprofits:

- Increased awareness of government services and resources
- Decreased dependence on government grants
- Increased sustainability of the organization
- Sustain and create jobs
- Expand existing businesses/organizations
- Create new small businesses
- Increased ability to form partnerships between themselves and other community/nonprofit organizations and government agencies
- Increased ability to assist members and residents in meaningful participation in improving the State's economy in a manner that respects their community vision and is tailored to the community's strengths and priorities.

Anticipated changes for the Authorized Entity:

- Increased capacity to coordinate collaborative activities between government agencies and nonprofits.
- Increased visibility as a community resource, particularly to rural nonprofits on Neighbor Islands.
- Increase communication and shorten response time to community nonprofits.
- Speed the grant and loan application process for qualified nonprofits.
- Increase the ability to provide technical assistance in the form of information and recommendations to nonprofit organizations.

2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied. **N/A**

3. Please describe: **N/A**

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- (a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements; N/A
- (b) The effect of those barriers/constraints; and
- (c) If and how they were mitigated.

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DEPARTMENT/AGENCY QUESTIONNAIRE

1. For each group/category or program/project for which ARRA funds have been obtained, please provide the following information:

(a) A brief summary of the program/project, including goals;

The Tax Credit Assistance Program (“TCAP”) provides funds for capital investments in stalled Low-Income Housing Tax Credit (“LIHTC”) projects. The goal is to complete construction of qualified rental housing projects.

(b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis;

The U.S. Department of Housing and Urban Development (“HUD”) allocates TCAP funds by formula to state housing credit agencies, such as the Hawaii Housing Finance and Development Corporation (“HHFDC”).

(c) Whether matching funds are required, and, if so:

(i) Are they available;

(ii) Have they been secured;

(iii) If they have not been secured, why not; and

(iv) Will the State be required to continue that match or provide increased/full funding in the future;

Matching funds are not required.

(d) If there are additional requirements to receive funds, what are they;

HHFDC was required to submit a TCAP Submission Packet to HUD within 30 days of the publication of the TCAP Notice (i.e., June 4, 2009). The TCAP Submission Packet included: (A) a statement of intent to accept TCAP funds; (B) a description of the competitive selection criteria; (C) a description of procedures that will be used to ensure commitment and expenditure deadlines and, if applicable, for the redistribution of funds; (D) information about how HHFDC is meeting the Recovery Act accountability and transparency requirements; and (E) the Standard Form 424 application for funds and other identifying data elements.

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- (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010);

The amount of the TCAP award is \$9,861,610.00. Funds must be expended by February 16, 2012 (SFY2011-2012).

- (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them;

HUD's Recovery Act funds support three criteria or themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs. TCAP meets these priority themes as the expected benefits of TCAP are to increase quality and longevity of housing stock, produce tens of thousands of affordable housing units, and unlock private lending. In addition, TCAP is expected to meet HUD's overriding goal of creating and preserving jobs.

- (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies;

Only state housing credit agencies were eligible to apply for TCAP funds. As such, except for HUD, HHFDC did not coordinate the application for funds with other federal, state and county agencies. However, HHFDC will coordinate the expenditure of TCAP funds with county agencies that are also providing funding for TCAP projects to ensure that the short deadlines to obligate and expend TCAP funds are met.

- (h) The criteria used to select activities for the program/project;

TCAP funds were competitively awarded to eligible projects pursuant to HHFDC's 2009/2010 Qualified Allocation Plan ("QAP"). (The QAP sets forth (1) the criteria to evaluate and allocate low income housing tax credits to rental projects which best meet the housing needs of the State and preferences required by Section 42 IRC, and (2) the procedure to monitor for compliance with the provisions of the LIHTC Program.) "Eligible projects" must have received an award of Federal LIHTC between October 1, 2006

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and September 30, 2009. The 2009/2010 QAP may be viewed at the following link - <http://hawaii.gov/dbedt/hhfdc/developers/liqap2010.pdf>.

Applicants were also scored on additional criteria to evaluate the project's ability to expend all TCAP funds by February 16, 2012. The additional criteria are as follows:

1) **Expenditure of TCAP Funds Preference:**

- Commit to expend 100% of TCAP funds by February 16, 2012 (2 points)
- Commit to expend 100% of TCAP funds by February 16, 2011 (5 points)

2) **Environmental Assessment Preference:**

- Satisfaction of Federal Environmental Review (5 points)
- Satisfaction of State Environmental Assessment (5 points)

3) **Construction Readiness Preference:**

- Project receipt of zoning approvals (201H) or evidence of compliance with existing zoning (3 points)
- Project receipt of subdivision approval or evidence that subdivision approval is not needed (3 points)
- Evidence that construction work does not require foundation permit (2 points)
- Evidence that construction work does not require building permit (3 points)
- Project receipt of foundation permit (2 points)
- Project receipt of building permit (3 points)

4) **Developer Experience with Federal Funds Preference:**

- Evidence experience with working with requirements for Federal Funds; i.e., "cross cutting" requirements including Davis Bacon, Federal Environmental Review, lead based paint, etc. (3 points)

- (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why;

Pursuant to HUD Notice CPD-09-03 issued on May 4, 2009, HHFDC posted a "Notice of Public Comment" on our website to inform the public of our intent to request TCAP funding and solicit public comment on the selection process and criteria and weightings assigned for the competitive award of

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TCAP funds. The comment period ran for the required 7 days, from May 14 to 20, 2009.

- (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner;

Upon HUD’s approval of HHFDC’s application for TCAP funds, we posted the TCAP application process, timetable, and scoring criteria on our website. The HHFDC Board of Directors approved the award of TCAP funds for three projects at its regular meeting on August 13, 2009. The meeting agenda was filed with the Office of the Lieutenant Governor and posted on HHFDC’s website. The HHFDC staff report recommending the TCAP awards included a summary of applicant scoring.

- (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse;

TCAP funds were competitively awarded and in a manner consistent with HHFDC’s Qualified Allocation Plan. HHFDC and the TCAP awardees will enter into legally binding written agreements which set forth the TCAP and cross cutting federal grant requirements. Additionally, the agreements will be made enforceable with the recordation of a declaration of restrictive covenants that will bind all owners and successors.

- (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed; and

As of December 1, 2009, TCAP funds have been conditionally awarded to three eligible rental housing projects:

Project/Type	Location	# units	TCAP award
Hale Wai Vista I (Family)	Waianae, Oahu	84	\$1,780,000
Ainakea Senior Residences	Kapaau, Hawaii	30	3,300,000
Kukui Gardens (Family)	Liliha, Oahu	389	4,781,610
		503	\$9,861,610

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HHFDC has not yet encumbered or expended TCAP funds. Release of TCAP funds is subject to satisfactory completion of the environmental review process under the National Environmental Policy Act. The projects are at various stages of environmental review.

Hale Wai Vista I – On October 28, 2009, a combined Notice of Finding of No Significant Impact (“FONSI”) and Notice of Intent to Request Release of Funds (“NOI/RROF”) was published in the Honolulu Star-Bulletin and posted on HHFDC’s website. No public comments were received. On November 13, 2009, HHFDC sent HUD a “Request for Release of Funds (“RROF”). HUD may approve the release of funds and remove the environmental grant conditions governing the use of TCAP following a 15-day objection period which ended on November 29, 2009.

Ainakea Senior Residences – On November 4, 2009, a combined FONSI and NOI/RROF was published in the Hawaii Tribune Herald and posted on HHFDC’s website. No public comments were received. On November 20, 2009, HHFDC sent HUD a RROF. HUD may approve the release of funds and remove the environmental grant conditions governing the use of TCAP following a 15-day objection period which will end on December 6, 2009.

Kukui Gardens – HHFDC anticipates that the HUD funded rehabilitation of the multifamily residential buildings is categorically excluded per 24 CFR §58.35(a). Upon completion of the required “Statutory Worksheet”, the NOI/RROF will be published in the Honolulu Star-Bulletin and posted on HHFDC’s website for a 7-day comment period. Barring objections to the determination, HHFDC anticipates seeking HUD’s approval of the RROF in late December 2009.

- (m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project.

TCAP will bring to fruition three stalled rental housing projects; namely, Hale Wai Vista I (84 family units), Ainakea Senior Residences (30 elderly units), and Kukui Gardens (389 family units). These projects will provide affordable rental housing opportunities primarily for households earning 60 percent and below the HUD area median income over the long-term. We are pending guidance from HUD to estimate short-term job retention/creation.

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2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied.

Not applicable.

3. Please describe:

- (a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements;

An operational constraint was that federal guidance on TCAP was a “work in progress”.

Additionally, TCAP provides funds for capital investment in stalled LIHTC projects. TCAP funding is not only subject to the LIHTC program rules (including rent, income and use restrictions), but also a new asset management requirement and cross cutting federal requirements (e.g., NEPA environmental review, Davis-Bacon, Section 504, Fair Housing).

- (b) The effect of those barriers/constraints; and

The operational barriers described above present a challenge for effective implementation and administration of the TCAP. It was particularly challenging to formulate a program, including the selection process and criteria, within 30 days of issuance of the HUD Notice which set forth the eligible uses of funds and program requirements for TCAP.

- (c) If and how they were mitigated.

HHFDC sought information on TCAP from the local HUD office; National Council of State Housing Agencies, of which we are a member; other housing finance agencies; and other information sources. This was particularly helpful in formulating our TCAP program. HHFDC also obtained HUD training on meeting cross cutting federal requirements, as well as consulted with our county counterparts which have experience in administering federal grants.