

LINDA LINGLE  
GOVERNOR  
STATE OF HAWAII



KAULANA H. R. PARK  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

ANITA S. WONG  
DEPUTY TO THE CHAIRMAN

ROBERT J. HALL  
EXECUTIVE ASSISTANT

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879  
HONOLULU, HAWAII 96805

August 2, 2010

Ms. Kate Stanley, Chair  
Legislative Federal Economic Stimulus  
Program Oversight Commission  
Hawaii State Capitol  
415 S. Beretania Street, Room 206  
Honolulu Hawaii 96813

**RE: Request for ARRA Project Updates**

Dear Ms. Stanley,

Per your request, we respectfully submit the following ARRA Project Updates:

Background

Pursuant to the American Recovery and Reinvestment Act (ARRA), \$510,000,000 in ARRA funds were made available under Title I of the Native American Housing and Self-Determination Act of 1996, as amended (NAHASDA). Of this amount, 2% (\$10,200,000) was made available for the "housing entity eligible to receive funding under Title VIII of NAHASDA".

The Department of Hawaiian Home Lands (DHHL) is the sole entity eligible to receive funds through Title VIII of NAHASDA through the Native Hawaiian Housing Block Grant (NHHBG) as administered by the U.S. Department of Housing and Urban Development's (HUD) Office of Native American Programs (ONAP). All NHHBG funds must be used in accordance with the annual Native Hawaiian Housing Plan (NHHP) and must benefit persons eligible to reside on Hawaiian Home Lands with a total household income at or below 80% of the Area Median Income levels.

On May 7, 2009, \$10,200,000.00 in ARRA funds was made available to DHHL in accordance with the 2008 NHHP and the 2008 NHHP ARRA Amendment. The activities identified by DHHL and approved by HUD for ARRA project use are as follows:

- Kaupuni Village – Infrastructure Development – Site Improvements for 18 lots
- East Kapolei II B & C – Infrastructure Development – Site Improvements for 47 lots
- Kaupuni Village – House Construction – Construction of 8 homes

1.a. Brief Project Descriptions

DHHL's NHHBG ARRA projects are focused on infrastructure development and house construction, specifically hard costs as per the ARRA regulations, in two different single-family residential subdivisions' on O'ahu. The first project is Kaupuni Village, an 18 unit development on the Leeward coast of O'ahu of which all 18 units will be reserved for NAHASDA eligible households. A portion of both the infrastructure and house construction costs are

being covered with ARRA funds. The infrastructure was partially paid with Trust funds (previously) and the balance with ARRA funds. The house construction costs are being funded with both NHHBG and ARRA funds, prorated accordingly. DHHL initially estimated the use of ARRA funds for 8 of the 18 homes in Kaupuni based on anticipated house construction contract estimates. However, the actual house construction contract for Kaupuni resulted in 13 homes being funded with ARRA and 5 homes being funded with NHHBG funds.

The second project is East Kapolei II, a 1,000 unit master planned community located in the Ewa Plains of O'ahu. Approximately 20% of the 1,000 East Kapolei II units, or 200 units, will be reserved for NAHASDA eligible households. East Kapolei II is a multi-year, multi-increment development project and the ARRA funds will be focused on infrastructure improvements for East Kapolei II, increments B & C.

#### Project Status

Kaupuni Village (infrastructure) - includes grading and drainage, construction of roadway, sewer system, etc. This project is approximately 99% completed, final inspection was June 28, 2010 and we are now awaiting the final acceptance letter from the City and County of Honolulu.

- Contractor: Royal Contracting Co., Ltd.
- Amount of contract: \$2,565,943.48
- Amount expended as of 6/30/2010: \$2,544,348.39
- Balance due as of 6/30/2010: \$21,595.09

Kaupuni Village (house construction) - NTP was given on 5/17/2010 and construction is currently underway. The homes are expected to be completed by the end of the year or first quarter 2011.

- Contractor: Hunt Building Co., Ltd.
- Amount of contract: \$3,558,320.02
- Amount expended as of 6/30/2010: \$580,545.00
- Balance due as of 6/30/2010: \$2,977,775.02

East Kapolei II (infrastructure) – focused on infrastructure improvements (mass grading) for East Kapolei II, increments B & C. NTP was given on 4/5/2010. Work is currently underway and is expected to be completed by July 2011.

- Contractor: Delta Construction Co.
- Amount of contract: \$4,075,736.50
- Amount expended as of 6/30/2010: \$83,685.50
- Balance due as of 6/30/2010: \$3,992,051.00

#### 1.b. Funds Obligated and Expended

DHHL is required to comply with the following obligation and expenditure deadlines:

- Obligate 100% of grant funds by May 6, 2010
- Expend 50% of grant funds by May 6, 2011
- Expend 100% of grant funds by May 6, 2012

As of May 6, 2010, 100% of the \$10,200,000.00 in ARRA funds received by DHHL was obligated. As of June 30, 2010, approximately 31.5% (\$3,208,578.89) of the ARRA funds received by DHHL were expended. DHHL does not anticipate any problems in meeting the expenditure deadline set for the above.

1.c. Competitive Grants - DHHL was not required to compete for the \$10,200,000 in NHHBG ARRA funds.

#### 1.d. Funds Returned to the Federal Government

To date, no funds have been returned to the federal government.

2. State ARRA Website - DHHL's plans for ARRA funded projects are on the State's ARRA website.

3. Problems Satisfying Reporting Requirements -To date, DHHL has not had any problems satisfying reporting requirements.

Should you or your staff require any additional information, please feel free to contact Scottina Malia Ruis at 620-9513 or via email at [scottina.ruis@hawaii.gov](mailto:scottina.ruis@hawaii.gov). Please note that reporting requirements for ARRA funds received by DHHL through the Department of Business, Economic Development, and Tourism will be handled by DBEDT. Any inquiries in this regard should be directed to Dean Masai at 587-3804 or via email at [dmasai@dbedt.hawaii.gov](mailto:dmasai@dbedt.hawaii.gov).

Aloha and mahalo,

A handwritten signature in black ink, appearing to read "Kaulana H.R. Park". The signature is fluid and cursive, with a large initial "K" and "P".

Kaulana H.R. Park, Chairman  
Hawaiian Homes Commission