

**Grantee: American Samoa**

**Grant: B-08-SN-60-0001**

**October 1, 2012 thru December 31, 2012**

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**Grant Number:**

B-08-SN-60-0001

**Obligation Date:****Award Date:****Grantee Name:**

American Samoa

**Contract End Date:**

03/24/2013

**Review by HUD:**

Reviewed and Approved

**LOCCS Authorized Amount:**

\$100,000.00

**Grant Status:**

Active

**QPR Contact:**

Vivian Tauai

**Estimated P/RL Funds:**

\$1,211.00

**Total Budget:**

\$101,211.00

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Areas of Greatest Need:

THE NSP SUBSTANTIAL AMENDMENT Jurisdiction: Territory of American Samoa Lead Agency: Department of Commerce, American Samoa Government Jurisdiction Web Addresses: www.doc.as, www.dbas.org, and www.americansamoa.gov NSP Contact Person: Pat M. Galea'i, Single Point of Contact (SPOC) Address: P.O. Box 998168 Telephone: 684-633-5155 Fax: 684-633-4195 Email: patgaleai@yahoo.com; patgaleai@americansamoa.gov PROLOGUE This document is a substantial amendment to American Samoa's approved Consolidated (2005 to 2009) and FFY 2008 Annual Action Plans for the program year that started July 1, 2008. The PY 2008 Annual Action Plan is an update of the Territory's Consolidated Plan for PY 2005 through 2009. This amendment outlines the expected distribution and use of funds through the newly authorized Neighborhood Stabilization Program (NSP), which the U.S. Department of Housing and Urban Development (HUD) is providing to the Territory. The NSP funds were authorized by the Housing and Economic Recovery Act of 2008 (HERA) as an adjunct to the Community Development Block Grant (CDBG) Program. The Department of Commerce (DOC) will implement the planned use of NSP funds, and will work in close collaboration with the Development Bank of American Samoa (DBAS) in order to expeditiously deliver and effectively administer this program. DBAS provides essential services typical of lending institutions and housing counseling agencies that will assist in fulfilling the requirements of the NSP. Headed by Mr. Pat M. Galea'i, the Office of Federal Programs (OFP) will coordinate, oversee, and monitor the NSP program, just as it does all of American Samoa's Community Planning and Development (CPD) programs of HUD. The main purpose of the NSP funds is to address the negative ramifications of the housing crisis that occurred over the past several years primarily due to subprime mortgage lending which, nationally, resulted in significant numbers of homeowners entering into foreclosure and entire neighborhoods becoming vacant and abandoned. American Samoa has not exhibited anywhere near the level nor degree of housing foreclosures nationwide that has resulted in widespread foreclosures and abandoned homes. The Territory's much lower than average foreclosure problems can be attributed to: 1) The proactive approaches taken by the DOC, DBAS and the OFP in addressing affordable housing issues; and 2) The efficacy of territorial housing construction and rehabilitation programs such as the HOME, the CDBG's Affordable Homes for the Most Needy, and other financing/refinancing programs. While overall the foreclosure problems may not equal the relative size or gravity of the national housing crisis occurring in the rest of the United States, American Samoa nonetheless still has critical needs and housing problems pertaining to foreclosed and abandoned properties. American Samoa has over 922 home mortgage loans, some with double-digit interest rates, of which 10.95 percent are reportedly delinquent. Bank of Hawaii -- the other local commercial bank besides ANZ-Amerika Samoa Bank -- refused to release pertinent housing and foreclosure data. Thus, the number of foreclosures, mortgage delinquencies, and abandoned properties could in actuality be as much as 21% higher than reported.

### Distribution and and Uses of Funds:

I One (1) Person Household \$22,050 \$52,900 Two (2) Person Household \$25,200 \$60,500 Three(3)Person Household \$28,350 \$68,050 Four (4)Person Household \$31,500 \$75,600 Five (5) Person Household \$34,000 \$81,650 Six (6)Person Household \$36,550 \$87,700 Seven (7) Person Household \$39,050 \$93,750 Eight (8) Person Household \$41,600 \$99,800 However, comparing the figures in the above table with those in Table 2 below, which was reportedly taken from the most recent American Samoa Government Statistical Yearbook (2006), as prepared by DOC planning staff, there are stark discrepancies. The DOC-generated table below shows much lower income levels for a 6-person household. Although DOC stands by its income indicators as more accurate for American Samoa specifically, in deference to HUD, the Territory will utilize the HUD income limits for purposes of the Neighborhood Stabilization Program. Table 2 ? Median Income Categories



for American Samoa 6-Person Households (H/holds) Item Median Income 2000 % of Income Income (MI)Indicator H/holds H/holds Indicator Range 1 50% of MI 2,344 25.0% \$9,110 0-\$9,999 2 80% of MI 1,535 16.4% \$14,575 \$10,000-\$14,999 3 120% of MI 1,726 18.5% \$21,863 \$15,000-\$21,863\* 4 Adjustment of MI 353> 03.8%> ----- \$15,000-\$24,999> 5 >120% of MI 3,391 36.3% \$25,000 and above TERRITORY 9,349 100% \$18,219 ----- \* An adjustment was made to the census data to allow a ?Below 120%? figure to be created. NOTE: The 2000 census population count was 57,291. The current 2008 estimate is 69,300. American Samoa generally does not target specific geographic areas in its Five-Year Consolidated Plan. The allocation criteria are based on urgency of priority need and potential community good vis-a-vis number of eligible beneficiaries and community enhancement. Part of an archipelago of seven (six of which are inhabited) that covers a rather vast geographic area in the South Pacific, American Samoa's isolated islands--specifically Swains Island and the Manu'a islands of Ta'u, Ofu, and Olosega--add to the difficulty of developing and implementing projects addressing under-served needs across the the United States' only inhabited subequatorial territory. The geographic, climatic, and physical conditions of American Samoa, along with its isolation and remoteness, particularly of its outer islands, provide daunting obstacles to meeting under-served needs. The logistics and costs associated with decent, affordable housing projects are far greater on the Territory's outer islands than those faced on the main island of Tutuila and its off-shore satellite Aunu'u, where costs are generally much higher than anywhere else in the United States and its other insular areas. Besides financial and logistical obstacles, timelines are greatly affected by American Samoa's challenging environment. To be effective, decent and affordable housing programs need to be realistic and responsive. Appropriate design and construction techniques must be used in the very humid, highly corrosive (due to the propinquity of the ocean and concomitant salt air ubiquity) and windswept tropical environment to ensure the long-term sustainability of decent, affordable housing. The housing stock of American Samoa is diverse. Although the Territorial government osips

### Distribution and and Uses of Funds:

and enforce some residential building standards, existent data is inadequate to make a complete assessment f the quality of American Samoa's housing stock. Nonetheless, inferences can be made given the backdrop of historically lax enforcement of construction standards, American Samoa's tropical climate, and an aging housing inventory. Limited public resources have slowed housing rehabilitation and new home construction activities; consequently, deferred and major rehabilitation housing needs continue to grow. American Samoa considers housing to be in a "standard condition" that is of a typical construction and quality for its area, is capable of providing a suitable living environment throughout the year, and is free of conditions that are hazardous to the health and safety of its occupants. Housing is considered to be in a "substandard condition, but suitable for rehabilitation" if it fails to meet the criteria of a "standard condition", and rehabilitation activities can bring it to a "standard condition" within the cost effectiveness and regulatory constraints of the applicable funding program. With an average household of just over 6 persons, overcrowding is a problem in 55.8% of households in American Samoa. Out of 9,349 total households in the Territory, 5,214 live in overcrowded homes. (DBAS, 2005 Housing Analysis Report). Conditions continue to exist in American Samoa that present unique challenges to developers and providers of affordable housing. The Territory's four inhabited outer islands (i.e. the Manu'a islands of Ofu, Olosega, and Ta'u, along with Swains Island) contribute to many isolated communities with limited transportation conditions. In these areas, shipping is sporadic, and such transportation charges invariably lead to greatly increased construction costs. A recurring barrier to affordable housing is the gap in organizational capacity that exists between the population centers on the main island of Tutuila and the smaller, more isolated communities on Tutuila itself and the other islands. A small isolated village community generally will not have organizations with the ability to plan, develop, and operate affordable housing projects. It has to rely on establishments from the population centers in Tutuila. This capacity gap prevents certain communities from accessing affordable housing programs. Program requirements and the various conditions attached to the funding sources can often present great challenges for the organizations involved in the planning, development, and operation of affordable housing programs. Another impediment to decent, affordable housing is the Territory's restrictive land tenure system. American Samoa's restrictions against alienation of land statutes prohibit the sale or possession of land to or by anyone not meeting a 50% Samoan blood quantum. However, for the explicit purpose of making home financing accessible to persons not meeting the blood quantum requirement, the law allows for 55-year leaseholds with no requirement of ethnicity or nationality. This provision was enacted to serve those in the community with the desire and wherewithal to build homes but who fall short of the requisite native blood quantum. With over 80% of American Samoa's total land area communally-owned, outright ownership of most of the Territory's land is ordinarily beyond the reach of those ambitious individuals wanting to own land individually. The other two types of outright landownerhi a

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e freehold (fee simple) and individually-owned (requiring 50% Samoan blood quantum with an American Samoa lineage traceable back to 1900 A.D. or before). An issue related to communal land procedure is that lenders generally require that the clan chief or Sa'o sign 55-year lease agreements as security for a mortgage. A procedural problem arises in some cases when the Sa'o is not available or the chief's seat for the clan has been vacant for an extended period of time. The latter usually occurs with the death of the Sa'o and the inability of the clan to select a successor. This condition has a direct effect on leasehold or deed transference transactions as this requirement strictly pertains to ?land? or ?real estate?. It does not pertain to ?land separation agreements? -- a process whereby lending institutions are allowed to place a lien on the home structure itself, rather than the real property it sits on, for the purpose of collateral. According to the Territorial Registrar for the American Samoa Government, present legal provisions and processes related to lands and titles do not provide a remedy for family members who find themselves without a clan chief or Sa'o for extended periods of time. In cases where a clan chief title may be vacant for a prolonged period, the registrar and court system are limited to urging family/clan members to fill that vacancy as soon as possible. The total land area in American Samoa is a little over 76 square miles (about 48,767 acres), of which approximately two-thirds is steeply sloping and often virtually inaccessible. From a land use study of American Samoa conducted in 1977, about 34 percent of developed land (i.e. 7,831 acres) was for residential, commercial or industrial purposes. Another 24 percent for agricultural; 14 percent for government use; 12 percent each for transportation/communication and church use, and the remaining 4 percent used for educational and recreation. A total of 7,620 acres of land was registered with the Territorial Registrar's Office in 2000 (a slight increase of about 52 acres from



1999). Much of this increase in land registration is due to communal land use as registered by families and developers. The housing market in American Samoa, in general, is very responsive to the specific economic and social indices of the community. Unlike the United States, in American Samoa local cultural, economic and social standards and practices have a much more noticeable effect on housing stock availability, financing access, and disposition of the land tenure system. Although most of American Samoa households live at or below the median income level of \$18,219 (DOC statistic), over 70% of the entire housing stock is owner-occupied. According to 2000 Census figures, out of 10,052 housing units in the Territory, only 1,167, or 11.61% of the entire housing stock, were mortgaged homes. This low percentage of mortgaged housing can be attributed to the general inaccessibility to affordable loan opportunities which includes the lack of adequate financing mechanisms. The low percentage can also be imputed to the fact that there tends to be an aversion by the sa'o (communal land overseer and manager) of the family to place homes on communal land at risk to foreclosure and seizure. The financing devices available in American Samoa for home improvements or new home construction commonly utilize a 30% affordability standard. For low-income households in the

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ding such housing (including a proposed time schedule for commencement and completion). ? The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income. Response: While HUD waived the ?one-for-one? requirement to replace all housing units for low and moderate-income households that are lost due to demolition or modification of housing, the HUD Notice on NSP requires information about how such losses will be mitigated. American Samoa anticipates demolishing and converting buildings that would result in the loss of low- and moderate-income housing units with NSP funds. This section of the Action Plan offers a planning estimate on the use of the funds for demolition and number of units to be lost. This section also notes the efforts to mitigate the loss of such housing units using NSP and other funding sources. \*\*\*American Samoa will demolish or convert 4 dwelling units for low and moderate-income households, not to exceed 80 percent AMI, as a direct result of NSP-assisted activities. \*\*\*American Samoa expects to make available 6 affordable housing units for low, moderate and middle-income households, not to exceed 120 percent AMI. \*\*\*Within that total number of housing units, 2 units will be made available for low-income households, not to exceed 50 percent AMI. Time Schedule The Territory?s proposed time schedule anticipates that demolition and construction work on those units will begin March 2009, and the bulk of these units will be completed by October 2013. F. PUBLIC COMMENT Provide a summary of public comments received to the final revised NSP Substantial Amendment. Response: A public notice was published in the Samoa Post, a local newspaper of general circulation, informing the citizenry that the NSP Substantial Amendment to the Territory?s Consolidated (FFY 2005-2009) and PY 2008 Action Plans and supporting documentation were available for a 15-day public comment period and could be inspected on the following three websites: www.dbas.org, www.doc.as, and www.americansamoa.gov. The public was encouraged to submit written comments by the Thursday noon, January 8, 2009 deadline. Copies of the public notice and the actual newspaper clipping of said notice may be found at the end of this document as Appendix C1/2. Individuals who wished to comment on this amendment were instructed in the draft that was available for public review on the afore-mentioned three websites commencing December 23, 2008, to send written comments to any one of the following persons: 1. Mr. Pat M. Galea?i, Office of Federal Programs, American Samoa Government, A. P. Lutali Executive Office Bldg.-2nd Floor, Pago Pago, AS 96799 or patgaleai@yahoo.com. 2. Mr. Charles Seitz, Department of Commerce, American Samoa Government, A. P. Lutali Executive Office Bldg.-2nd Floor, Pago Pago, AS 96799 or charles.seitz@doc.as 3. Ms. Jilla Piroozmandi, Development Bank of American Samoa, P. O. Box 9, Pago Pago, AS 96799 or jilla@dbas.org Unfortunately, as of the deadline at 12 o?clock noon on Thursday, January 8, 2009, no written comments had been received.

### **Distribution and and Uses of Funds:**

Two abandoned homes are situated in Utulei and Satala, both villages in the Pago Harbor area. \*\*\*In the Western District, the villages of Nu?uuli and Taputimu are venues of an abandoned home. The foreclosed and abandoned properties of the two commercial banks are located primarily in private land areas in Tualauta County (Tafuna Plain) on the main island of Tutuila, where about one-third of the Territory?s entire housing stock is situated. DBAS has 401 home mortgages with no foreclosures and 7 abandoned homes. These homes are scattered around the Territory, mostly on the main island of Tutuila and by and large in communal native areas. These numbers are likely to rise as economic conditions worsen. The two commercial banks primarily provide mortgages for homes on freehold (fee simple) or individually-owned property. DBAS, on the other hand, mainly serves the lower income sector of the population, which is predominantly in communal land areas where the real property is under a ranking chief (sa?o) who controls land use and development on behalf of a clan or family. Although there have been instances whereby native lands have been alienated, for the most part, communal or native lands remain under the control of the sa?o, who assigns land parcels to blood relatives or others who serve the family. Land assignments are done traditionally or by means of separation agreements or leases. Leases are generally for 55 years. After the lease expires, the homeowner has the option of physically moving the house, renewing the lease, or giving/selling the house to the family. B. DISTRIBUTION AND USES OF FUNDS Provide a narrative describing how the distribution and uses of the grantee?s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantee?s narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories. Response: As afore-mentioned, an area of greatest need involves mortgaged homes on communal lands controlled by native chiefs or sa?os. In most cases, DBAS offers mortgages to homeowners situated on native or communal lands. The main reason for this is that DBAS serves lower income families and individuals who are unable to obtain loans from the commercial banks, need lower interest rates than those generally offered by the private banks to be able to afford decent homes of their own, and don?t own outright the lands their homes are on. The main need categories for American Samoa based on the objectives of the NSP are: 1. Need for funds by DBAS to move forward on their foreclosed or abandoned homes, demolish distressed structures, and replace them with decent affordable homes for low- to moderate-income households. 2. Need to use funds to restore and revitalize decrepit real property in order to bring in higher quality homes and neighborhood improvements thereby raising the overall quality of the



Territory's communities and neighborhoods. 3. Need to keep foreclosed homes by banks in good repair, encourage the purchase of these homes, and to protect the surrounding neighborhoods from blight and deterioration

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ion. Housing Counseling Having no entity approved by HUD as a housing counseling agency, American Samoa hereby requests an exception or waiver to the requirement that housing counseling must be provided to NSP-assisted persons by a HUD-approved organization. With a documented history spanning four decades of providing efficacious housing-related services including housing counseling to American Samoa residents, DBAS is well suited to fulfill the requirements of NSP Activity (E); CDBG Eligible Activity 24 CFR 570.201 (e) Public Services. The exception/waiver would permit DBAS to conduct the housing counseling required by NSP regulations. Costs of Administration With a Neighborhood Stabilization Program allocation of but \$100,000, American Samoa will utilize none of its NSP funds for administrative uses. Projected administrative expenses of \$20,000 will be cost shared among the DOC, DBAS, and the OFP. In this way, each and every NSP dollar will be spent for actual programming. Eligible Activities DOC can make NSP funds available for the following statutorily eligible activities. NSP funds are eligible to: A. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers. B. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. C. Establish land banks for homes that have been foreclosed upon. D. Demolish blighted structures. E. Redevelop demolished or vacant properties. HUD has established restrictions on these activities via its Notice on the allocation and application process for NSP funds. In particular, several of these activities are only eligible if the use of funds will address a foreclosed property. HUD has also waived the one-for-one replacement, but requires documentation on the number of units that will be produced. DOC will seek to provide NSP funds with the maximum authorized flexibility while adhering to HUD-mandated restrictions. DOC will also advise and provide technical assistance to all involved regarding these requirements. The eligible activities outlined in this Action Plan for NSP funds are subject to change based upon HUD's approval of this Action Plan, and/or changes issued to the NSP Notice or interpretation of the Notice as clarified on the HUD website for this program: <http://www.hud.gov/nsp>. C. DEFINITIONS AND DESCRIPTIONS (1) Definition of "blighted structure" in context of state or local law. Response: A blighted structure usually entails an abandoned structure that lacks basic bathroom and kitchen facilities. Often the edifice has been stripped before being abandoned. Standards are much lower here than in the rest of the United States. Contextually, American Samoa will use the following definition of "blighted structure": A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare (continuous and/or multiple code violations). The need is so great and the incomes so low that basic shelter is in great demand. Also, because of the tropical weather and traditionally large families, simple basic houses are adequate and overcrowding common ? an accepted. Building standards for

### **Distribution and and Uses of Funds:**

ow the Uniform Building Code. Many of the lower income homes are small simple structures that provide for basic shelter. (2) Definition of "affordable rents." Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program "specific requirements such as continued affordability. Response: NSP-assisted units will carry rent and occupancy restriction requirements. The rents will be set in order that individuals pay no more than 30 percent of their gross income for rent, including utilities or the applicable fair market rents for the area less any utility costs paid by the tenants, whichever is lower. Generally rents will be low, no more than \$300 per month excluding utilities, as the median household income in 2006 was only \$18,219 a year. On communal lands, a significant number of households in rental houses do not actually pay rent. As an integral part of Samoan communal living, instead of rental payments, the matai or sa'o receives financial or other support whenever there is an occurrence or need within the clan/family, such as a wedding, funeral, title investiture, or other urgent situation. There are no property taxes in American Samoa. (3) Describe how the grantee will ensure continued affordability for NSP assisted housing. Response: HUD requires that states and territories ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income (AMI). For NSP-assisted rental units and single family units, the required periods will be consistent with the requirements of the HUD HOME program. All homebuyer and rental units assisted must include provisions for long-term affordability restrictions meeting at least the following requirements: HOMEBUYER/RENTER UNITS AFFORDABILITY PERIODS & RESTRICTIONS Subsidy Amount (amount of NSP assistance provided Minimum to a qualified Affordability Minimum homebuyer) Period Restriction \$15,000 5 years Subsidy recapture, 20% forgiveness each year \$15,000-\$40,000 10 years Subsidy recapture, 10% forgiveness each year \$40,001 & over 15 years Subsidy recapture, 6.6% forgiveness each year Rehabilitation of rental housing 15 years Same as above New construction Subsidy recapture, of rental housing 20 years 5% forgiveness each year Proceeds from resale where subsidy recapture provision is used can be reinvested in eligible NSP activities within the first five program years. After that timeframe, proceeds ordinarily must be returned to the Federal Treasury in accordance with the HUD Notice for NSP. Rental Current HUD regulations state that all rental income above that needed for operations, maintenance and reserves is considered program income and must be returned to HUD. This provision does not provide for a sliding scale or shared return of those funds. Therefore, American Samoa will consider the long term feasibility of rental housing using these funds. Rent, occupancy, and affordability requirements for homebuyer and rental units

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will be enforced with covenants, mortgages, or deed restrictions running with the property. The period of affordability equals the period of compliance. The larger amount of NSP subsidy usually means a longer period of affordability. The definition of "Continued Affordability" in this Action Plan for NSP funds is subject to change based upon HUD's approval of this Action Plan, and/or changes issued to the NSP Notice or interpretation of the Notice as clarified on the HUD website for this program: <http://www.hud.gov/nsp>. (4) Describe housing rehabilitation standards that will apply to NSP assisted



activities. Response: The housing rehabilitation standards that will apply to NSP assisted activities will be consistent with those articulated in the HUD Quality Standards (24 CFR, Subtitle B, Chapter IX, Part 982, Subpart I). In addition, the Uniform Building Code (UBC) has been adopted for American Samoa and is applicable to the construction, alteration, repair, movement, equipment, removal, demolition, maintenance, occupancy or change of occupancy of every building or structure which occurs in the Territory. Title 26, Chapter 10, Section 26.1001 of the American Samoa Code Annotated. Housing Rehabilitation Program staff will provide written rehabilitation standards with a write-up of the deficiencies of each unit to be rehabilitated. After rehabilitation, the property, must at a minimum, meet the Section 8 Housing Quality Standards, applicable building codes, zoning ordinances, and cost effective energy conservation standards.

**D. LOW INCOME TARGETING** Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$36,000. Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income. Response: American Samoa's amount of funds appropriated or otherwise made available under the NSP to be used for housing individuals and families whose incomes do not exceed 50 percent of area median income (AMI) will be at least 25% of the Direct NSP Allocation. With \$36,000 (out of the total \$100,000 NSP funds) estimated to be used for housing individuals and families whose incomes do not exceed 50 percent of area median income, this represents 36% of American Samoa's NSP allocation; well in excess of the 25% set-aside. Of the six (6) decent affordable homes American Samoa will make available through the NSP for low, moderate, and middle-income households, not to exceed 120 AMI, at least two (2) will be used for housing individuals and families whose incomes do not exceed 50% of AMI.

**E. ACQUISITIONS & RELOCATION** Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., = or 80% of area median income). If so, include: ? The number of low- and moderate-income dwelling units?i.e., = or 80% of area median income?reasonably expected to be demolished or converted as a direct result of NSP-assisted activities. ? The number of NSP affordable housing units made available to low-, moderate-, and middle-income households?i.e., = or 120% of area median income?reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity provi

### **Distribution and and Uses of Funds:**

**A. AREAS OF GREATEST NEED** Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction. Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan. HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data at the following website: <http://www.huduser.org/datasets> in developing this section of the Substantial Amendment. Response: The Housing and Economic Recovery Act of 2008 established three very specific targeting responsibilities for state and local governments implementing the Neighborhood Stabilization Program. (1) The statute specifies that "all of the funds appropriated or otherwise made available under this section shall be used with respect to individuals and families whose income does not exceed 120 percent of area median income"; (2) It further states that "not less than 25 percent of the funds appropriated or otherwise made available under this section shall be used for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of area median income"; (3) Finally, it indicates that grantees should give priority emphasis in targeting the funds that they receive to "those metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those-- (A) with the greatest percentage of home foreclosures; (B) with the highest percentage of homes financed by a subprime Mortgage related loan; and (C) identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures." To assist local and state governments at meeting these requirements, HUD has posted what the FY 2008 50% and 120% HUD Area Income Limits are for each area. An unincorporated, unorganized territory of the United States, American Samoa is a group of seven islands located in the South Pacific about 2,600 miles southwest of the State of Hawaii and some 1,500 miles northeast of the independent nation of New Zealand. For reasons not entirely clear, HUD has chosen to combine the U.S. Pacific island territories/possessions (i.e. American Samoa, Guam, and the Northern Marianas) into a single group, rather than separate entities like it does for the U. S. Caribbean territories of Puerto Rico and the U. S. Virgin Islands, in posting its Area Income Limits for each U. S. area. The HUD Area Income Limits for the Pacific island territories are presented in Table 1 below. Table 1 ? FY 2008 50% and 120% HUD Area Income Limits for U.S. Pacific Islands HUD Income Limit 50%AM

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erritory, the availability of annual federal and local public assistance funding in the form of direct loan or loan guarantees, is sizeable enough to underwrite nearly 100 homes a year. Public subsidies for either direct loans or loan guarantees, enable the lenders to offer affordable loans of sufficient duration of terms and minimal interest rate charges. Federal programs administered by HUD, U.S. DOC, and USDA, all offer direct loan or loan guarantee opportunities that possess interest rate charges far below national prime lending rates. According to DOC, the median household income for American Samoa in the 2000 Census was \$18,219. The average household size dropped from 7.6 persons to 6.1 persons between 1990 and 2000. Sixty-one percent of the population lived at or below the poverty level, according to the 2000 Census. For the entire Territory, over 80% of all households had incomes of 80% or less of MFI. In 2000, there were 10,052 total housing units in American Samoa. By far, the prevailing housing type is single family dwelling (7,760) at just over 77% of the entire housing stock. Percentage of owner-occupied units dipped from about 78% in 1990 to roughly 71.8% in 2000. However, this does not take into account the 7% vacancy factor (i.e. 703 of the 10,052 total units were unoccupied). The 2000 Census surveyed nearly 93% of the Owner-Occupied units (or 6,707 units) to determine property values. For the 6,707 units



surveyed, the median value was \$44,800. Roughly 53% of all housing units in American Samoa reported having complete plumbing facilities, up from 45% in 1980. Complete plumbing facilities are piped water (either hot or cold), a flush toilet, and a bathtub or shower inside the building. The 1990 Census reported 3,256 housing units as having some, but not all, or no plumbing facilities in 1990 (47% of entire housing stock) and that 41% were not connected to the government water supply system. (DBAS Housing Analysis) The increase in housing stock in American Samoa has been directly proportional to the Territory's population growth between 1990 and 2000. As discussed in this document's prologue, American Samoa's foreclosure problems do not begin to approach the magnitude or level of the national housing crisis. Ergo, the Territory's areas of greatest need can more readily and accurately be identified, forsaking the foreclosure and abandonment risk score developed by HUD to assist grantees in targeting the areas of greatest need within more populous and more expansive jurisdictions. The Territory of American Samoa has defined the following areas of greatest need: \*\*\*In American Samoa, communal land (i.e. native land owned by an American Samoan clan or family and controlled by the Sa'o) represents one of the areas of greatest need in the provision of decent, affordable housing and at greatest risk of foreclosure and/or abandonment. Providing mortgage loans to the lowest income groups, the Development Bank of American Samoa does not have the biggest home mortgage portfolio, but perhaps has mortgages most at risk. Reporting no foreclosures, DBAS claims 7 abandoned homes with outstanding mortgage balances totaling \$152,000. All of these abandoned homes are situated on native land in the main island of Tutuila. One of the abandoned homes lies on unstable ground and cannot be rehabilitated or replaced. \*\*\*Two abandoned homes are located in the village of Lauuli in Tutuila's Eastern District. \*

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$100,000.00
<b>Total Budget</b>	\$100,000.00	\$100,000.00
<b>Total Obligated</b>	\$0.00	\$100,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$100,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$100,000.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$1,211.00
<b>Total Funds Expended</b>	\$0.00	\$100,000.00
<b>Match Contributed</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
<b>Overall Benefit Percentage (Projected)</b>		0.00%
<b>Overall Benefit Percentage (Actual)</b>		0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$15,000.00	\$0.00
<b>Limit on Admin/Planning</b>	\$10,000.00	\$0.00
<b>Limit on State Admin</b>	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

National Objective	Target	Actual
<b>NSP Only - LH - 25% Set-Aside</b>	\$25,000.00	\$90,000.00

## Overall Progress Narrative:



There was no activity during this past quarter. To date, all projects are complete and all funds have been exhausted.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Demolition of Blighted/Abandoned Structures	\$0.00	\$10,000.00	\$10,000.00
2, Redevelop Demolished or Vacant Properties	\$0.00	\$90,000.00	\$90,000.00
3, Program Administration	\$0.00	\$0.00	\$0.00



