

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
February 19, 2009
9:00 a.m.
1002 North School Street, Building E
Honolulu, Hawaii 96817**

AGENDA

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting, January 15, 2009
- B. Executive Session, January 15, 2009

III. PUBLIC TESTIMONY

Public testimony on any agenda item shall be taken at this time. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes.

IV. DECISION MAKING

- A. Decision Making: To Appoint Ms. Valerie A. Robertson to the Kona Eviction Board for a Two-Year Term Expiring on February 28, 2011
- B. Decision Making: To Authorize the Executive Director to Issue a Request for Proposals for a Developer/Partner for a Mixed Income/Mixed Finance Redevelopment Project at Kuhio Park Terrace and Kuhio Homes
- C. Decision Making: To Approve the Extension of the Sprint Nextel Non-Exclusive Rental Agreement for Five Years with an Option for an Additional Five Year Period
- D. Decision Making: To Ratify the Hawaii Public Housing Authority's Revised Fiscal Plan for the Remainder of Fiscal Year Ending June 30, 2009
- E. Decision Making: To Accept the Audited Financial Statements of Hawaii Public Housing Authority of the Fiscal Year Ending June 30, 2008
- F. Decision Making: To Hold Public Hearings on the Hawaii Public Housing Authority's Draft Five Year and Annual Public Housing Agency Plan for the Period July 1, 2009 – June 30, 2014
- G. Decision Making: To Authorize the Executive Director to Implement Management, and Personnel Actions Necessary to Expedite the Expenditure of Additional Federal Public Housing Capital Funds Provided in the President's Economic Stimulus Package
- H. Decision Making: To Ratify the Hawaii Public Housing Authority's Participation in the City & County of Honolulu's YouthBuild Application as a Partner by Identifying Work Sites in Public Housing
- I. Decision Making: To Approve Application for Competitive Grants Under the Continuum of Care Notice of Funding Availability Which is an Annual Initiative of the U.S. Department of Housing and Urban Development

- J. Decision Making: To Approve the Acceptance of Conveyance of Lots 269 (Map 60) and 65-B-3-B (Map 1150), TMK No.: (1) 9-4-17: Por. 58, From the Hawaii Housing Finance and Development Corporation for the Benefit of the Adjacent Kamalu and Ho'olulu Elderly Housing Projects and Authorize the Executive Director to Take All Actions Necessary to Effectuate the Conveyance
- K. Decision Making: To Ratify the Hawaii Public Housing Authority's Request to Rescind the Demolition of Six Units at the Lanakila Homes, Hawaii
- L. Decision Making: To Approve the Use of Volunteers to Renovate Vacant Units at Lanakila Homes, Hawaii and Request a Waiver to the U.S. Department of Housing and Urban Development Regarding the Possible Conflict of Interest with the Office of Social Ministry

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the use of volunteers to renovate vacant units at Lanakila Homes, Hawaii

V. REPORTS

- A. Report of Task Force Committees
 - Finance / Audit/Asset Management – T. Thompson, E. Beaver & L. Smith
 - Human Resources / Personnel – H. Oliva, C. Ignacio & M. Yoshioka
 - Homelessness – K. Park, C. Ignacio & R. Berthiaume
 - Public Housing Operations/Tenant/Tenant Relations – C. Hosino Yoshioka, C. Ignacio & S. Dodson
 - Mixed Income Projects – E. Beaver, R. Berthiaume, K. Park & S. Dodson
- B. Report of the Executive Director Program/Project Updates
 - A. FY 2009 Budget
 - B. Rent Collection Rate
 - C. Vacant Units Repairs Federal and State combined
 - D. Elevator Repair Report
 - E. Hearings-Results of Eviction Referrals
 - F. Procurement including Contract Status
 - G. Section 8 Subsidy Program Branch
 - H. Personnel Issues

VI. FOR INFORMATION/DISCUSSION

- A. Kuhio Park Terrace (KPT) Lawsuits: *Faletogo et al. v. Hawaii Public Housing Authority* (Civil No. 08-1-2608-12) and *McMillon et al. v. Hawaii Public Housing Authority* (Civil No. CV08-00578).

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Faletogo et al. v. Hawaii Public Housing Authority* (Civil No. 08-1-2608-12) and *McMillon et al. v. Hawaii Public Housing Authority* (Civil No. CV08-00578).

- B. Discussion of the use of Correctional Industries (Prison Labor) in Maintenance Activities.

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys

on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the use of Correctional Industries (Prison Labor) for Maintenance Activities.

- C. Information on the U.S. Department of Housing and Urban Development's Moving to Work Demonstration Program.
- D. Process for Selection of Lessee(s) or Occupants for Non-Dwelling Facilities and Housing Units for Non-Dwelling Purposes in Public Housing

VII. ADJOURNMENT

If any person requires special needs (e.g., large print, taped materials, sign language interpreter), please call the Secretary to the Board at (808) 832-4690 by close of business two days prior to the meeting date.

HAWAII PUBLIC HOUSING AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. E
ON THURSDAY, JANUARY 15, 2009,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, January 15, 2009 at 9:00 a.m.

The meeting was called to order by Chairperson Travis Thompson and, on roll call, those present and absent were as follows:

ORDER/
ROLL CALL

PRESENT: Chairperson Travis Thompson
Designee Henry Oliva
Director Carol Ignacio
Director Clarissa Hosino
Director Eric Beaver
Director Kaulana Park
Director Linda Smith
Director Matilda Yoshioka
Director Rene Berthiaume
Director Sam Aiona

Executive Director, Chad Taniguchi
Deputy Attorney General, Krislen Chun

EXCUSED: Director Sherrilee Dodson

STAFF PRESENT: Barbara Arashiro, Executive Assistant
Alan Sarhan, Chief Planner
Gary Marushige, Chief Financial Management Advisor
Stephanie Fo, Acting Property Management and
Maintenance Services Branch Chief
Rick Sogawa, Acting Contracts & Procurement Officer
Renee Blondin Nip, Hearings Officer
Michael Hee, Contracts Administration Section Chief
Sandra Kouchi, Public Housing Supervisor
Ligo Letuli, Deputy Manager AMP 31, Kalihi Valley
Homes
Clifford Laboy, Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS: Brad Well, Urban Housing Communities
Douglas Bigley, Urban Housing Communities
John Bigley, Urban Housing Communities
Jonathan Kwon, Urban Housing Communities
Staci Kashiwabara, Urban Housing Communities
Elizabeth Dunn, LES
Harvey Hisatake, Alii Security Systems
Jarod Buna, Attorney General's Office
Jesse Ponce de Leon, Kalakaua Homes resident
Joelle Chiu, Allied Pacific Development
John Cregor, Attorney General's Office
Jun Yang, Faith Action for Community Equity (FACE)
Lowell Kalapa, Hawaii Tax Foundation
Mateiria Fuiava, Kalakaua Homes resident
Moana Hampton, Kalakaua Homes resident
Nancy Young, Faith Action for Community Equity (FACE)

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Robin Matsunaga, State Ombudsman
Roy Matsunaga, Kalakaua Homes resident
Roy Nakamura, Kalakaua Homes resident
Sara Browning, Allied Pacific Development
Sergeant Sam Fontanilla, Honolulu Police Department,
Kalihi Weed and Seed
Sharlene Chang, Kalakaua Homes resident
Sisan Suda, Micronesians United
Tim Garry, private resident
Treena Sefo, Palolo Valley Homes resident

Chairperson Thompson declared a quorum present.

QUORUM

Director Ignacio moved, Director Hosino seconded,

That the minutes of the Regular Meeting held on
October 16, 2008 be approved as circulated.

APPROVAL
OF MINUTES
REGULAR
MEETING
10/16/08

Director Smith requested page 288 be revised where it states “Director Smith asked what transaction strategy means is.” omit the word “is”.

Chad Taniguchi, Executive Director, stated on page 280 under staff present the name “Eddie Salmat” should be “Eddie Salamat”.

Director Yoshioka state on page 284 where it states “Director Aiona asked how the Board’s wishes can be addresses to the consultant.” the word addresses should be changed to “addressed”.

The minutes were unanimously approved as amended.

Director Smith moved, Designee Oliva seconded,

That the minutes of the Regular Meeting held on
November 20, 2008 be approved as circulated.

APPROVAL
OF MINUTES
REGULAR
MEETING
11/20/08

Director Hosino stated on page 304 where it states “Director Aiona moved, Director Hosino seconded,” she did not attend the meeting. Taryn Chikamori, Secretary to the Board stated it has been corrected to “Director Dodson”.

Director Yoshioka stated on page 299 where it states “She later became the Deputy Manager and for the past 6 years has the manager.” should be she later became the Deputy Manager and for the past 6 years has been the manager”.

Krislen Chun, Deputy Attorney General requested a revision on page 295 where it states “Ms. Chun advised after discussion, and after public testimony, then the HPHA needs an administrative rule change.” It should be “Ms. Chun advised after discussion, and after public testimony, then the HPHA may need an administrative rule change”.

The minutes were unanimously approved as amended.

Director Ignacio moved, Director Beaver seconded,

That the minutes of the Regular Meeting held on
December 18, 2008 be approved as circulated.

APPROVAL
OF MINUTES
REGULAR
MEETING
12/18/08

The motion was unanimously carried.

Director Berthiaume arrived at 9:09 a.m.

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PUBLIC
TESTIMONY

Sergeant Sam Fontanilla, Honolulu Police Department (HPD), Kalihi Weed and Seed, stated in November he started working with Clifford Laboy, Program Specialist and Harvey Hisatake, Alii Security Systems with regards to security issues at Kalili Valley Homes (KVH). The main issue was that unauthorized non-residents were driving on the property, drinking and causing disturbances. Alii Security came up with the idea of holding non-tenant driver's licenses at the guard shack and upon exiting the property the driver's license would be returned. HPD will assist in whatever they can with regards to the security issues. Mr. Fontanilla stated he attended the KVH resident meeting and the residents' reactions to the program were positive. HPD beat officers informed him that calls for disturbances have gone down. There are no longer calls about 15-20 people drinking at KVH. There are still calls where people are loitering, but not in large groups.

Director Smith asked if there are any other facilities that have a similar policy. Sergeant Fontanilla stated there are some private businesses and condominiums that have this policy.

Jesse Ponce de Leon, Kalakaua Homes resident, played a taped recording of a tenant next door. He stated you can hear foul language at all hours of the day from the apartment next door for the last year. Mr. Ponce de Leon feels that he is being retaliated against. He has a stereo system and bench that have been outside his apartment for years and only since he has been coming to the Board meeting, he has been asked to remove the items. After a tenant passed away, management did not bring in another senior citizen, management brought in a family. The children in this family are riding their skateboards on the sidewalk and also harassing the senior citizens. Mr. Ponce de Leon wants management to handle the problems at Kalakaua Homes.

Director Hosino asked whether the problems have been referred to management. Mr. Ponce de Leon stated he has written letters, but has never gotten any response.

Moana Hampton, KVH resident, stated that the manager at KVH treats the residents well. The problem that KVH is the non-tenants creating disturbances and littering. Ms. Hampton feels that the security does not do anything. She reported that on New Year's eve, a family came on to the property after management left and put up tents, played a juke box, and lit fireworks until 4:00 a.m.

Matelina Fuiava, KVH resident, stated the manager is trying to help cut down on disturbances. The people who do the complaining do not show up at the resident meetings. The residents who live at KVH do not cause the disturbances. The license retention program has helped curb the disturbances at KVH.

Chairperson Thompson asked what the procedure was before the license retention program was put in affect. Ms. Fuaiva stated security was supposed to be checking license and registration, then give a pass to the visitor.

Tim Garry, private resident, stated that the amount of fireworks that he saw during New Year's was the most he has ever seen. The Hawaii Public Housing Authority (HPHA) should join the police in a fireworks ban. Mr. Garry stated that evictions should move more quickly, HPHA has 200 units that are in arrears in payment. Mr. Garry stated that about six months ago the police had a drug bust on a unit at Puahala Homes and six months later the tenant has not been evicted. The HPHA needs to send a message to residents that if you don't pay rent or don't follow the rules, you will be evicted. Mr. Garry stated he feels the license program is a great idea and would like to see it implemented at Puahala Homes. Mr. Garry requested that the Board expedite the mixed use development process.

Jun Yang, Faith Action for Community Equity (FACE), stated Kuhio Park Terrace (KPT) resident meeting had over 300 people attend and the HPHA

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informed the residents that before they took any steps on the mixed income re-development they would talk to the residents. The HPHA did not inform the residents that the HPHA is looking into a proposal. Urban Housing Communities' (UHC) proposal informed the Legislature that close to fifty percent of the residents will lose public housing. The homeless facilities do not have enough space to accommodate all these people.

Director Hosino asked if Mr. Yang is working for the KPT residents. Mr. Yang stated no, but he will if the KPT residents want him to.

Nancy Young, Faith Action for Community Equity (FACE), stated if the residents need to move out because of mixed use development they will have no where to go.

Roy Nakamura, Kalakaua Homes, stated Mr. Taniguchi stated that the HPHA has all good managers, but he disagrees because: 1) can a manager lie under oath to get a tenant evicted; 2) can a deputy manager open a personal mail just because it was sent to the office; and 3) civil rights have been violated. The residents would like the managers relocated or fired.

Sisan Suda, Micronesians United, stated he would like the cellular antennas at KPT building B removed because it is causing the Micronesian people to become ill. He stated that he has given Mr. Taniguchi evidence of this.

Harvey Hisatake, Alii Security Systems, stated he attended a meeting in December where he was presented with complaints regarding unwelcome visitors. The previous practice was not to allow any visitors in vehicles on the property after 12:00 a.m., but the complaints were from disabled and elderly or residents who had a lot of items had a difficult time being dropped off by others. Also with previous practices, visitors would leave out of the back gate and not return the visitors pass and keep reusing the pass or circulate the pass around for others to use. Residents and Honolulu Police Department have said that the complaints have gone down since implementing the driver license retention program.

Director Aiona asked if there are any statistics regarding the fact that complaints has gone down. Mr. Hisatake stated he is in the process of getting the statistics from the HPD.

Director Ignacio asked if Alii Security is at any of the other HPHA projects. Mr. Hisatake stated Mayor Wright Homes, Puuwai Momi, and other small projects, seven in total.

Director Yoshioka asked what would happen to a child without identification. Mr. Hisatake stated this is only for drivers of vehicles. People who walk on the property are not affected by the license retention program because the people who cause the problems are in vehicles so they can make a quick get away, or carry beer in their cars.

Director Berthiaume asked whether people who walk on the property are not a problem. Mr. Hisatake stated ideally they would like to implement a license retention program for those on foot, but it would be too difficult.

Chairperson Thompson called a recess at 9:50 a.m. and reconvened at 10:00 a.m.

RECESS/
RECONVENED

Lowell Kalapa stated Urban Housing Communities, LLC (UHC) will be making a formal presentation of an unsolicited proposal for the revitalization of KPT and Kuhio Homes. Mr. Kalapa stated he is involved with this project because he has started a non profit organization with UHC. Mr. Kalapa stated public housing should never be permanent housing, it should be used for when you are down and

PRESENTAT-
ION BY URBAN
HOUSING
COMMUNITIES,
LLC OF AN

HAWAII PUBLIC HOUSING AUTHORITY

UNSOLICITED
PROPOSAL
FOR THE RE-
VITALIZATION
OF KUHIO
PARK
TERRACE AND
KUHIO HOMES

need a little help. He believes that public housing should include social services. Chairperson Thompson stated he would like the Board to hear the presentation and decide if they want to proceed or not.

Douglas Bigley, UHC, stated that UHC is a fifty percent family business and fifty percent owned by Morgan Stanley. UHC goals are to 1) structurally rehabilitate, modernize and improve the Hawaii's public housing inventory; 2) develop a model that sustains the community in perpetuity; and 3) build-in incentives and programs that will enrich residents and transition them out at an appropriate time. Some of the challenges in rehabilitation are 1) access to necessary technical expertise; 2) broad participation, coordinating the rehabilitation activities; and 3) sourcing adequate funds. These are some ways of overcoming the challenges: 1) an experienced developer can help coordinate a large team of participants and communicate with constituents; 2) the developer can raise funds by utilizing existing federal programs, creating public/private partnership, and attract private investment. Some of the public benefits of rehabilitation are: 1) renovate buildings interior and exterior; 2) modernize mechanical, electrical, plumbing, boilers, and elevators; 3) implement green building standards; 4) utilize solar power and other energy-efficient technologies; 5) mitigate or eliminate permanent relocation through proactive planning; 6) increase housing inventory by bringing units online that are presently out-of-service and increase capacity through proven transition programs; and 7) provide supportive social programs.

Mr. Douglas Bigley stated the State of Hawaii would not be required to provide any direct subsidy, other than an amount fully offset by the proceeds of the sale of the building.

Chairperson Thompson asked if the HPHA sells the building for \$100 million, the \$100 million goes back into the rehabilitation? Mr. Douglas Bigley stated yes, but the federal government will then write a check for \$35 million to the project. Mr. Douglas Bigley stated after the rehabilitation is done, all the earning from the first project can be used to fund the next project and so on and so on.

Director Beaver asked if the \$100 million is a set price to sell the buildings. Mr. Douglas Bigley stated no, the buildings would be appraised and would be sold for fair market price.

Mr. Douglas Bigley stated the State of Hawaii's participation would include 1) picking the development team; 2) entering into an Exclusive Negotiating Agreement (ENA) which leads into a Disposition and Development Agreement (DDA); 3) forming a public/private partnership; 4) selling the buildings and lease the land; 5) allocating up to \$200 million in Federal private activity bonds; 6) pledging a portion of future capital funds financing; and 7) entering into an agreement for the authority to reacquire buildings at the end of the compliance period on favorable terms.

John Bigley, UHC, stated if the HPHA does any emergency work like modernizing the elevators, the tax credit can apply if an inducement resolution is done by Hawaii Housing Finance and Development Corporation (HHFDC) and an ENA has been entered into by the HPHA.

Director Aiona asked if there is only \$275 million in tax credits for the State of Hawaii. Mr. Douglas Bigley stated this is per year and after speaking to Scott Kami of Budget and Finance a year ago there is an accumulation of \$500 million.

Director Ignacio stated during public testimony someone stated that fifty percent of tenants will lose their housing due to the rehabilitation. Mr. Douglas Bigley responded that this is a misconception. The HPHA can use the tax credits to add affordable housing or use it for Section 8 vouchers. The HPHA does not have to evict or relocate any residents if that's how the HPHA plans the rehabilitation. Mr. John Bigley stated if UHC is chosen for the project, then they will involve the community in the entire process.

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Chairperson Thompson asked if there is a possibility to add market priced units at KPT. Mr. Douglas Bigley stated there is a vacant property next to KPT that could be possibly used for market price units.

Director Aiona asked what would happen to the employees that are running KPT currently. Mr. Douglas Bigley stated they may lose their job or it may remain the same.

Director Aiona asked who decides who will be running each service. Mr. Douglas Bigley stated that the entire development team will have input, and that Mr. Kalapa will be in charge of the non-profit service providers, but everyone will still have input.

Director Beaver asked whether the HPHA owns the property next to KPT. Michael Hee, Contracts Administration Section Chief, confirmed that the HPHA still owns the property.

Director Beaver asked what the zoning is. Mr. Hee stated he does not know and will find out.

Director Beaver questioned how UHC came up with the figure of \$190,000 per unit. Mr. Douglas Bigley stated it may be more or less depending on the infrastructure.

Director Beaver asked whether the relocation costs are included in the overall rehabilitation. Mr. Douglas Bigley confirmed it is included in the costs.

Mr. John Bigley stated all financial numbers were based on assumptions and would need to be recalculated after the HPHA decides on the scope of work.

Chairperson Thompson stated it was said that the rehabilitation of units would be done until money ran out, so does it mean not all the units would be completed. Mr. John Bigley stated no, the projections are for 748 units; the 614 units at KPT should get done.

Director Berthiaume asked whether the rehabilitation would include some retail stores or other revenue generating places. Mr. Douglas Bigley stated that it can be done, but UHC would need to look at the benefits and drawbacks.

Director Park asked whether UHC would be working with local companies. Mr. Kalapa confirmed UHC would.

Director Park recommended that the HPHA try to increase job capacity by utilizing residents for the construction or for other work that needs to be done.

The Board members felts the concept is great, but more research should be done before moving forward.

Chairperson Thompson called a recess at 11:35 a.m. and reconvened at 11:45 a.m.

RECESS/
RECONVENED

Director Dodson moved, Director Berthiaume seconded,

Whether or Not to Pursue the Establishment of
Ombudsman Position for Hawaii Public Housing
Authority (HPHA).

WHETHER OR
NOT TO PUR-
SUE THE ESTA-
BLISHMENT OF
OMBUDSMAN
POSITION FOR
HAWAII
PUBLIC
HOUSING
AUTHORITY

Mr. Taniguchi introduced Mr. Robin Matsunaga, State of Hawaii's Ombudsman.

Mr. Matsunaga stated he has been the State's Ombudsman since 1998 and a

member of the Board of Directors of the Ombudsman's Association since 1999. Mr. Matsunaga stated he feels there are two issues: 1) the uncertainty of the responsiveness of the HPHA staff to resident concerns; and 2) whether or not to establish an Ombudsman position at the HPHA.

(HPHA)

Mr. Matsunaga stated regarding the uncertainty of responses to residents concerns the Board should require staff to document the date, concerns, and what actions have been taken to correct the concern. He also recommended that staff provide the log to the Board on a regular basis.

Mr. Matsunaga reported that the Ombudsman's office currently gets about 25 complaints per fiscal year about HPHA. This does not include complaints regarding HPHA's private management companies.

Mr. Matsunaga stated his concern is with the term "Ombudsman" (should HPHA establish its own ombudsman). Mr. Matsunaga feels some residents may confuse the HPHA's office with the State's Ombudsman's office. His office is considered a classical Ombudsman's office, established by Legislature that investigates complaints against Executive Branch agencies. Ombudsman office is part of the Legislative Branch so it is structurally independent from the Governor's Office. The Governor does not have authority over the Ombudsman and is unable to stop an investigation or change a finding. He said when an executive office creates an Ombudsman it is not used because complainants feel that they will not get a fair and impartial investigation.

Chairperson Thompson stated he is informed by staff that appropriate actions are taken for complaints, but the complainant did not like the response so they keep coming back to testify. People look to the Board to solve the problems but the Board's job is to make policies and give direction to staff.

Director Park suggested that the Ombudsman's log be used at the Asset Management Projects (AMP), and should be revised to include the contact person. Director Park also inquired whether there is a complaint resolution training that staff can attend.

Mr. Matsunaga responded he has never been asked to provide training for State agencies, but he is not opposed to doing a simple training for the HPHA staff.

Director Aiona asked if other agencies have a complaint office. Mr. Matsunaga responded the Department of Human Services (DHS), Department of Health and other agencies have a complaint officer.

Director Aiona asked whether there a relation between the complaint officer and the State Ombudsman's office. Mr. Matsunaga responded that there is no relationship between those offices and his because his office needs to remain impartial during its investigations.

Mr. Matsunaga cautioned that even if the agency creates an Ombudsman's or complaints office, people who come to the Board meeting and testify will still come month after month until they get the response they want to hear.

Director Hosino asked how residents can be informed of the Ombudsman's office. Mr. Matsunaga suggested that the HPHA can hang flyers at the AMPs.

Chairperson Thompson asked in the Ombudsman process does the Ombudsman's office ask the complainants if they spoke to the agency staff before calling their office. Mr. Matsunaga stated his office encourages complainants to go to the agency first, unless it is an emergency or health and safety issue, and they can't get in touch with anyone from the agency.

Mr. Taniguchi reported that all managers and some residents will be attending training with the Center for Alternative Dispute Resolution on: 1) communication; 2) dealing with difficult people; 3) problem solving and

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resolution; and 4) meeting facilitation.

Director Ignacio moved, Director Aiona seconded,

The motion be deferred until the April 2009 Board of Director's meeting.

Director Aiona stated that he feels creating an office for complaints will not resolve the problem because the issue is who is handling the complaints.

The motion was unanimously carried.

Director Aiona moved, Director Aiona seconded,

To go into Executive Session at 12:12 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Faletogo et al. v. Hawaii Public Housing Authority* (Civil No. 08-1-2608-12) and *McMillon et al. v. Hawaii Public Housing Authority* (Civil No. CV08-00578).

The motion was unanimously carried.

The Board reconvened from Executive Session at 1:05 p.m.

Chairperson Thompson stated a task force including Director Aiona, Director Dodson, and Designee Oliva has been created.

Chairperson Thompson called a recess at 1:06 p.m. and reconvened at 1:23 p.m.

Stephanie Fo, Acting Property Management and Maintenance Service Branch Chief, explained that East Kauai is managed by state management and West Kauai is privately managed by Management Inc. The entire island of Kauai has been combined into one AMP because of the conversion to asset management which requires a certain number of units for each AMP. The HPHA intended to have the 321 units managed by the State but did not have time to hire and train staff. The HPHA contracted a private managing company for a short term.

Director Hosino asked when State management is taking over. Ms. Fo reported that the current contract ends on June 30, 2009, so State management will start on July 1, 2009.

Director Berthiaume asked whether the HPHA would be able to hire for these six positions despite the hiring freeze. Mr. Taniguchi stated the freeze is only for State funded positions, not federally funded positions in the budget.

Director Ignacio asked how many State staff is managing the 166 units currently. Sandra Kouchi, Public Housing Supervisor stated Kauai has 13 staff positions, but three of the positions are half time. Ms. Kouchi stated that the staff manages the units, rent subsidy program, and applications process.

Director Ignacio asked about the staffing recommendation made by the consultants. Mr. Taniguchi stated the guideline that was used for Kauai is one maintenance worker per fifty units, and one staff member for 100 units for administration.

EXECUTIVE
SESSION

RECONVENED

RECESS/
RECONVENED

DISCUSSION
ON TRANSI-
TIONING ALL
PUBLIC
HOUSING
PROJECTS ON
KAUAI FROM
PRIVATE
MANAGEMENT
TO STATE
MANAGEMENT

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Chairperson Thompson asked how the staffing fits into the staffing guideline. Ms. Fo stated it does not fit into the guidelines because the Kauai staff has extra duties and because the projects are spread across the entire island.

Director Ignacio asked for more explanation on how the HPHA is justifying the additional staffing in relationship to the consultants recommendation.

Director Beaver asked why it is better for Kauai to change from private to State managed projects. Ms. Fo stated Ms. Kouchi is an excellent manager and the housing statistics for her projects are great.

Director Yoshioka reported that during the AMP resident meetings on Kauai the complaints were from the privately managed AMPs. Ms. Kouchi's AMP had no resident complaints.

Director Hosino stated she was a resident under Ms. Kouchi. She feels that Ms. Kouchi was a great manager, who listens to her residents. Director Hosino stated she feels Ms. Kouchi is very capable of running more units.

Ms. Fo added that even with the additional staffing, changing from private management to State management would save the HPHA about \$110,000 per year.

Director Aiona asked how many employees Management Inc. has. Mr. Taniguchi stated six.

Director Hosino stated that it is not only Ms. Kouchi, it is the staff on Kauai working together as team that does a good job.

Director Aiona moved, Director Aiona seconded,

To Appoint Mr. Melvin M. Kawahara to the Hilo Hearings Board for a Two-Year Term Expiring on January 31, 2011.

Renee Blondin Nip, Hearings Officer, stated the hearing officer understands the sentiment of the Board to get the evictions done.

The motion was unanimously carried.

Director Berthiaume moved, Director Beaver seconded,

To Authorize the Executive Director to Proceed to Issue a Request for Proposals for a Consultant to Assist the HPHA in Reviewing and Updating Preliminary Feasibility Analysis for Mixed Income Redevelopment at Kuhio Park Terrace and Kuhio Homes and to Draft a Developer Request for Proposal.

Director Park asked if the HPHA is getting two Request for proposals (RFP), one for a consultant and one for a developer. Mr. Taniguchi stated it is to hire a consultant to draft the RFP to hire a developer.

Chairperson Thompson stated the Board passed a "For Action" on October 16, 2008 which is almost the identical to this "For Action". Mr. Taniguchi stated there is a draft RFP but it not completed. Chairperson Thompson was concerned that it has been three months since the "For Action" was passed in October, and staff is returning with the same "For Action". Mr. Taniguchi stated the main reason is the Board's desire to consider the unsolicited proposal by Urban Housing Communities. Mr. Taniguchi conferred with the State Procurement Office (SPO), Attorney General's office (AG), Department of Accounting and

TO APPOINT
MR. MELVIN
M. KAWAHARA
TO THE HILO
HEARINGS
BOARD FOR A
TWO-YEAR
TERM EXPIR-
ING ON JAN-
UARY 31, 2011.

TO AUTHORIZE
THE EXECU-
TIVE DIRECTOR
TO PROCEED
TO ISSUE A RE-
QUEST FOR
PROPOSALS
FOR A CON-
SULTANT TO
ASSIST THE
HPHA IN RE-
VIEWING AND
UPDATING
PRELIMINARY
FEASIBILITY
ANALYSIS FOR
MIXED INCOME
REDEVELOP-
MENT AT
KUHIO PARK
TERRACE AND

HAWAII PUBLIC HOUSING AUTHORITY

KUHIO HOMES AND TO DRAFT A DEVELOPER REQUEST FOR PROPOSAL

General Services office (DAGS), and the U.S. Department of Housing and Urban Development (HUD), and was told a competitive process to hire a developer is needed. Staff is currently concentrating on fixing and filling units and no staff is assigned to draft the RFP, so Mr. Taniguchi is working on the RFP. Mr. Taniguchi has been getting help from other housing authorities. Mr. Taniguchi also contacted D.C. Housing Authority and King County Housing Authority to see if the HPHA can contract their staff to assist with drafting an RFP or Request for Qualifications (RFQ). This would eliminate the need to issue a RFP to hire a consultant because the HPHA could execute an intergovernmental agreement.

Director Beaver asked Krislen Chun, Deputy Attorney General, whether it is true that the HPHA needs to issue a RFP. Ms. Chun stated the HPHA conferred with the SPO and she does not believe that the Board can just accept the Urban Housing Communities proposal; it needs to be a competitive process. Director Beaver asked that Ms. Chun confirm this information. Ms. Chun will confirm this information.

Mr. Taniguchi stated that the HPHA does not have the staff to work on mixed finance use, everyone currently on staff is full with assignments and responsibilities. Director Beaver concurred that the HPHA does not have the expertise in field of mixed finance development.

Chairperson Thompson asked because there is no money involved, how the HPHA would select a developer. Mr. Taniguchi stated other companies could propose a lower developer fee, or not need as much Capital fund grants, or not need as much rent subsidy vouchers.

Director Beaver stated the HPHA does not have the expertise and is not ready to put a scope of work together. He asked if not D.C. or King County, is there anyone who can help get the RFP for the developer ready. Director Beaver suggested asking HPHDC to help in the process. He commented that if the HPHA was to do a general RFP, the HPHA would get what they got today, processes and methodologies, so it needs to be more specific.

Director Ignacio asked if there are templates that could be used to draft the RFP. Director Beaver said Mr. Taniguchi has some samples from other housing authorities.

Director Ignacio suggested that the HPHA do the RFP by making the changes and have it reviewed. Director Beaver stated he would not recommend that, and encouraged the Board to hire a consultant or someone who has the expertise to help with the process.

Chairperson Thompson stated that the Board wants to do mixed use development and this needs to be a priority.

Director Beaver stated he wants the Board to keep in mind that the proposal they heard today is only one way to address the issue. There are many other ways to get to a sustainable model.

Director Berthiaume asked whether the HPHA can use the Hawaii Electronic Procurement System (HEPS) system to speed up the process. Barbara Arashiro, Executive Assistant stated that the HEPS system only lets the HPHA pick a contractor on price; it does not take into consideration experience. Mr. Taniguchi added that HEPS can only be used if the contract is under \$50,000 and the contract will be more than \$50,000.

Mr. Taniguchi asked if the Board wants to evaluate all housing projects to see which one to pursue or does the Board want to focus on KPT and Kuhio Homes.

Director Beaver stated the HPHA needs to get a firm to evaluate all projects. Mr. Taniguchi stated that HPHA will need to hire staff with the expertise to do the contract monitoring. Chairperson Thompson stated at this time the HPHA would

HAWAII PUBLIC HOUSING AUTHORITY

not be able to come up with a position description. Designee Oliva stated that the HPHA to include in the consultant contract, monitoring and evaluation responsibilities.

Director Beaver asked for a draft RFP by the end of the month. Director Beaver and Director Berthiaume are willing to help. Mr. Taniguchi agreed. Director Beaver left at 2:07 p.m.

Director Aiona moved, Designee Oliva seconded,

To Table the Motion To Authorize the Executive Director to Proceed to Issue a Request for Proposals for a Consultant to Assist the HPHA in Reviewing and Updating Preliminary Feasibility Analysis for Mixed Income Redevelopment at Kuhio Park Terrace and Kuhio Homes and to Draft a Developer Request for Proposal.

The motion was unanimously carried.

Chairperson Thompson stated the Board will be moving on to ratify HPHA's fiscal plan for the remainder of the fiscal year ending June 30, 2009.

Mr. Taniguchi stated the "For Action" explains what the HPHA is doing to balance the budget. The Board approved a budget on June 19, 2008 with a \$4.2 million deficit. As of today, the HPHA revised fiscal plan shows significant inputs of funding and reduced costs so that agency wide the HPHA can be \$566,000 plus by June 30, 2009, primarily in the federal public housing fund. Mr. Taniguchi stated that the difficulty that the HPHA will have is to balance the state public housing projects that have no operating or utility subsidies. One solution is to take back some of the State funds that are being used to fix federal projects, and use the federal funds for the federal projects.

Chairperson Thompson confirmed that the HPHA is showing the current estimate but is not asking for a budget revision because of incomplete fiscal information.

Director Yoshioka asked if proceeds from the sale of Wilikina were factored into the budget. Mr. Taniguchi responded that proceeds from the sale were not included because it would be the Board's decision how to use the funds at the time they actually become available.

Chairperson Thompson stated the "for Action" should be held until the rest of the budget is ready.

Director Aiona moved, Director Ignacio seconded,

Whether or not to Ratify the HPHA Policy Requiring Visitors to Kalihi Valley Homes (KVH) and Other Public Housing Projects to Provide a Drivers License or Other Identification For Retention by Security While on the Premises.

Director Hosino reported that the resident reaction at the community meeting was positive. She question if the "For Action" passes, what other properties would adopt the practice. Clifford Laboy, Program Specialist, stated that the HPHA considering Mayor Wright Homes. The license retention program can only be implemented at projects that have gate guards.

Director Berthiaume asked if the gate guards are 24/7. Mr. Laboy stated yes.

Chairperson Thompson asked whether the license retention program is for drivers

TO RATIFY
HPHA'S FISCAL
PLAN FOR THE
REMAINDER
OF THE FISCAL
YEAR ENDING
JUNE 30, 2009.

WHETHER OR
NOT TO RAT-
IFY THE HPHA
POLICY RE-
QUIRING
VISITORS TO
KALIHI
VALLEY
HOMES (KVH)
AND OTHER
PUBLIC HOUS-
ING PROJECTS
TO PROVIDE A
DRIVERS
LICENSE OR
OTHER
IDENTIFICA-

HAWAII PUBLIC HOUSING AUTHORITY

only. Mr. Laboy confirmed it is drivers only, not passengers. Mr. Laboy stated that Alii Security and the HPHA wanted to come up with a way to force drivers to come back to the front gate. In the past, the visitors would cause trouble and leave through the back gate. Visitors can still run out the back gate, but now the guard has their identification.

TION FOR RETENTION BY SECURITY WHILE ON THE PREMISES.

Director Yoshioka asked what about the passengers who are making trouble. Mr. Laboy stated if the Board wants to include passengers, the HPHA will add that to the program.

Designee Oliva asked if the program is restricted to projects with gates and Alii Security. Mr. Laboy stated yes, controlled access through gates are required and currently Alii Security is the main security firm.

Director Ignacio asked whether KVH is fenced. Mr. Laboy said yes, but added that there are many areas where people can walk onto the project.

Chairperson Thompson read a letter from Senator Will Espero who disapproves of the program. Senator Espero said "he understand the intent but believes the policy is wrong because the HPHA is allowing them to break the law by driving without a license and taking away what may be their only form of identification. Hopefully there are better ways to deal with the issues at the complex."

Chairperson Thompson stated that he is concerned with the taking of identifications. Director Berthiaume stated the "For Action" states that the HPD and the Attorney General's (AG) office have approved the program. Ms. Chun stated the AG's office has concerns: 1) is there a less intrusive way; and 2) what happens to the license after the guard takes possession.

Director Aiona asked whether it is possible to make a copy of the license. Mr. Laboy stated the purpose of taking the identifications is to force visitors to return to the front gate.

Chairperson Thompson stated his concerned is with the integrity of the security guards.

Designee Oliva stated the HPHA should not issue policies to all public housing, policies should be applied to each project's unique problem.

Director Yoshioka asked how the guards can tell who visitors are. Mr. Laboy stated residents have parking stickers on their cars.

Director Berthiaume moved, Director Hosino seconded,

To amend the motion to, to Ratify the HPHA Policy Requiring Visiting Drivers Entering Kalihi Valley Homes (KVH) and to Approve Visiting Drivers to Mayor Wright Housing Projects to Provide a Drivers License for Retention by Security While on the Premises.

The motion was unanimously carried.

The amended motion was unanimously carried.

Chairperson Thompson called a recess at 2:39 p.m. and reconvened at 2:53 p.m.

RECESS/
RECONVENED

Director Hosino moved, Director Yoshioka seconded,

To Authorize the Executive Director to Pursue Elderly Families Only Designation for Targeted Federal Public

TO AUTHORIZE
THE EXECUTIVE
DIRECTOR
TO PURSUE

HAWAII PUBLIC HOUSING AUTHORITY

Housing Project(s).

Mr. Taniguchi stated the HPHA does not have the staff to work on this right away but the HPHA wants to present a timeline.

Ms. Arashiro stated the "For Action" shows the federal requirements, consultant requirements and what information needs to go into a draft plan. The plan then needs to go to HUD for approval.

Ms. Arashiro stated the HPHA's intent is to profile federal public housing elderly sites to determine the needs of current elderly/disabled residents and the elderly/disabled on the waitlist. A needs assessment would be done and a recommendation will be made to the Board on which sites will be targeted.

Chairperson Thompson questioned how many elderly/disabled projects the HPHA has. Ms. Arashiro stated 18 and distributed a list of elderly housing sites.

Designee Oliva stated because of the American's Disability Act (ADA) the HPHA needs to be cautious that the disabled are not treated differently than the elderly.

Director Berthiaume asked would an elderly person with disabilities be ineligible for elderly only housing. Ms. Arashiro stated no.

Director Berthiaume asked if the disabled will be put into one project. Ms. Arashiro stated she does not believe that will be the plan, and that children who are legally being cared for by an elderly person are allowed if the head of household qualifies for elderly housing.

Mr. Taniguchi said the HPHA will look at projects that have less disabled people currently living at the project. Examples of those projects are Makua Alii, Kalanihuia, Pomaikai and Hale Olaloa.

Director Berthiaume asked whether the HPHA could do a pilot program at one of the State projects. Mr. Taniguchi stated the HPHA will look into this.

The motion was unanimously carried.

Chairperson Thompson stated Financial/Audit/Asset Management task force has no report.

Designee Oliva stated Human Resources task force has no report.

Director Park stated Homelessness task force has no report.

Director Hosino stated she has been working on a Memorandum of Understanding (MOU) and would like the HPHA and the resident associations to agree and sign the MOU. This will inform the HPHA and the resident association what their duties and responsibilities are.

Director Hosino stated she gave Senator Sakamoto information on the tenant monitor program because he may create a Legislative bill.

Director Ignacio asked whether there is a position description for the tenant

ELDERLY
FAMILIES
ONLY DE-
SIGNATION FOF
TARGETED
FEDERAL
PUBLIC
HOUSING
PROJECT(S)

TASK FORCE
REPORTS
FINANCIAL/
AUDIT/ASSET
MANAGEMENT

HUMAN
RESOURCES

HOMELESS-
NESS

PUBLIC HOUS-
ING OPERA-
TIONS/TENANT/
TENANT RELA-
TIONS

HAWAII PUBLIC HOUSING AUTHORITY

monitor.

Mr. Taniguchi stated that the HPHA is working with the Attorney General's office.

Designee Oliva stated the HPHA had a meeting with all parties regarding the disturbances at Keola Street. The meeting provided possible solutions to the problems and the community is working together.

Director Yoshioka asked why the homeless report only includes Oahu projects. Ms. Arashiro responded because the report only includes the projects that the HPHA owns.

Director Yoshioka requested that the HPHA provide a report on all providers in the Homeless Programs report.

Chairperson Thompson commented the report that was submitted regarding complaints had too much information.

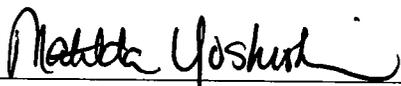
The Kuhio Park Terrace elevator #5 repair will be contracted to ThyssenKrupp Elevators.

Director Aiona reported that on January 20, 2009 at 9:00 a.m. -11:00 a.m. there will be a legislative hearing regarding KPT.

Mr. Taniguchi stated the Attorney General's (AG) office stated the HPHA can talk about processes and procedure, but not about the lawsuit. Ms. Chun stated the AG's office will be at the hearing.

Director Aiona moved, Director Yoshioka seconded,

That the meeting be adjourned at 3:30 p.m.


MATILDA YOSHIOKA
Secretary

Approved

EXECUTIVE
DIRECTOR
REPORT

ADJOURNMENT

FOR ACTION

SUBJECT: To Appoint Ms. Valerie A. Robertson to the Kona Eviction Board for a Two-Year Term Expiring on February 28, 2011

I. FACTS

- A. The Kona Eviction Board, composed of members of the community, is responsible for affording public housing tenants a full and fair hearing during lease termination proceedings.
- B. Pursuant to HRS 356D, the Hawaii Public Housing Authority is authorized to appoint an eviction board in each county to hear cases for eviction. In accordance with HRS 356D, the Eviction Board has an authorized composition of at least three members, one of which must be a resident of public housing.
- C. Having more than the minimum amount of members appointed to the Kona Eviction Board will allow the Hearings Office to process requests for hearing in an efficient and timely manner, and avoid the cancellation of hearings for lack of quorum.
- D. Ms. Valerie A. Robertson has been a Tenant at the Kealakehe housing project for the past 12 years. She has experience in property management and is in good standing at the Kealakehe project. Ms. Robertson has expressed a willingness to serve on the Kona Eviction Board for a two-year term.

II. RECOMMENDATION

That Ms. Valerie Robertson be appointed to the Kona Eviction Board for a two-year term expiring on February 28, 2011.

Prepared by: Renee Blondin-Nip, Hearings Officer *RN*

Approved by the Board of Directors at its meeting on

FEB 19 2009

HEARINGS OFFICE

Please take necessary action



EXECUTIVE DIRECTOR

FOR ACTION

SUBJECT: To Authorize the Executive Director to Issue a Request for Proposals for a Developer/Partner Mixed Income/Mixed Finance Redevelopment Project at Kuhio Park Terrace and Kuhio Homes

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) will need \$900 million to renovate 6,200 Federal and State public housing units statewide over a 30-year period from 2003 – 2033, an average of \$30 million per year in capital investments.
- B. Kuhio Park Terrace is a 614-unit family complex comprised of two 16-story high rise buildings and 14 low-rise buildings (2 single family homes, 4 duplexes and 8 row townhouse buildings) built in 1965. Kuhio Homes is a 134-unit family complex comprised of 21 2-story buildings and built in 1953.
- C. The HPHA introduced the concept of mixed income/mixed finance redevelopment at a Kuhio Park Terrace/Kuhio Homes community meeting held on September 6, 2008. Residents were generally supportive of the concept and understand the long term capital shortfall and the possible consequences to the public housing supply.
- D. On December 18, 2008, Urban Housing Communities, LLC, (UHC) an affordable housing development partner of Morgan Stanley, submitted an unsolicited proposal to the HPHA's Board of Directors to form a public/private partnership with the HPHA for the purpose of revitalizing and modernizing Kuhio Park Terrace and Kuhio Homes.
- E. On January 16, 2009, as a follow up to their unsolicited proposal UHC conducted a presentation to the HPHA's Board of Directors.

II. DISCUSSION

- A. Kuhio Park Terrace and Kuhio Homes may be a site for mixed income/mixed finance redevelopment.
- B. In February and March 2009, the HPHA intends to conduct community meetings to inform the residents that Kuhio Park Terrace and Kuhio Homes maybe selected for mixed income/mixed finance redevelopment and obtain feedback and participation.
- C. The developer request for proposal will include restoration of the original buildings and upgrading the interior and exterior finishes to include, but not limited to the following:
 - Modernizing the mechanical, electrical and plumbing systems.
 - Renovating common areas, including hallways and stairways.
 - Repairing and repaving roadways, sidewalks, and parking areas.
 - Possibility of adding affordable and market rate units.
- D. The Hawaii office of the U. S. Department of Housing and Urban Development is supportive of pursuing mixed income/mixed finance redevelopment at Kuhio Park Terrace and Kuhio Homes.
- E. Timeline for the completion and issuance of the RFP is as follows:

E. Timeline for the completion and issuance of the RFP is as follows:

<u>Activity</u>	<u>Date</u>
Board Approval	February 19, 2009
Completion of Draft RFP	March 6, 2009
Completion of AG Review	March 13, 2009
Issuance of RFP	March 16, 2009
Proposal Deadline	June 15, 2009
Complete Proposal Evaluation	July 15, 2009
Notice of Award	August 2009
Start of services	September 2009

III. RECOMMENDATION

Staff recommends that the HPHA's Board of Directors authorize the Executive Director to issue a request-for-proposals for a Developer/Partner for a mixed income/mixed finance redevelopment project at Kuhio Park Terrace and Kuhio Homes.

Prepared by: Rick T. Sogawa, Acting Procurement Officer RS

Reviewed by: Chad K. Taniguchi, Executive Director CT

Approved by the Board of Directors at its meeting on

FEB 19 2009

CONTRACT & PROCUREMENT OFFICE

Please take necessary action



EXECUTIVE DIRECTOR



FOR ACTION

SUBJECT: To Approve the Extension of the Sprint Nextel Non-Exclusive Rental Agreement for Five Years with an Option for an Additional Five Year Period

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) (formally known as Housing and Community Development Corporation of Hawaii), issued a 10 year license to Nextel West Corp., dated December 22, 1998, to install a cell antenna site at Laiola, a state elderly public housing project.
- B. The current agreement expires on February 28, 2009.
- C. Sprint Nextel has requested a five year extension with an option for an additional five years.
- D. Sprint Nextel has proposed a monthly rent of \$1,339 per month for the first three years, increasing to \$1,379 for the last two years. The same incremental increases would also apply to the option period. These represent incremental 3% increases over the existing rent of \$1,300 per month.
- E. A survey by HPHA staff indicates that the antenna site rents are between \$1,200 and \$1,300 per month.

II. DISCUSSION

- A. The antenna site generates revenue which is used to operate the project.
- B. HPHA will require the wireless providers to hold resident meetings to provide information on the antenna facilities before executing this agreement.

III. RECOMMENDATION

Staff recommends that the HPHA Board of Directors approve the extension of the Sprint Nextel Non-Exclusive Rental Agreement for five years with an option for an additional five year period.

Attachment

Prepared by: Michael J. Hee, Private Management Contracts Section Chief 

Reviewed by: Stephanie Fo, Acting Property Management & Maintenance Services Branch Chief 

ATTACHMENT

**NON-EXCLUSIVE RENTAL AGREEMENT EXTENSION FOR
SPRINT NEXTEL WIRELESS ANTENNA SITE AT LAIOLA**

PREMISES: 1 Ihoiho Place, Wahiawa, Hawaii

TERM: Five (5) years; with One (1) five-year option

RENTAL:

<u>TERM</u>	<u>ANNUAL</u>	<u>MONTHLY</u>
3/1/2009-2/28/2010	\$16,068.00	\$1,339.00
3/1/2010-2/28/2011	\$16,068.00	\$1,339.00
3/1/2011-2/29/2012	\$16,068.00	\$1,339.00
3/1/2012-2/28/2013	\$16,550.04	\$1,379.17
3/1/2013-2/28/2014	\$16,550.04	\$1,379.17

<u>TERM</u>	<u>ANNUAL</u>	<u>MONTHLY</u>
3/1/2014-2/28/2015	\$17,046.54	\$1,420.55
3/1/2015-2/29/2016	\$17,046.54	\$1,420.55
3/1/2016-2/28/2017	\$17,046.54	\$1,420.55
3/1/2017-2/28/2018	\$17,557.94	\$1,463.16
3/1/2018-2/28/2019	\$17,557.94	\$1,463.16

FOR ACTION

SUBJECT: To Ratify the Hawaii Public Housing Authority's Revised Fiscal Plan for the Remainder of Fiscal Year Ending June 30, 2009

I. FACTS

- A. The Board of Directors approved the Hawaii Public Housing Authority's (HPHA) Fiscal Year 2009 operating budget at its regular meeting on June 19, 2008.
- B. The approved budget indicated a year end deficit of \$4,221,785, and included a turnaround plan to balance the budget.
- C. The HPHA intended to request that the Board of Directors approve a formal budget revision at its January 2009 meeting, but due to the incomplete expense information preparation, the revision was deferred.

II. DISCUSSION

- A. Federal Low Rent (Public Housing) Program adjustment

Net increase of \$1,612,426, due to:

- 1. Increase of \$ 2,246,458 in U.S. Department of Housing and Urban Development (HUD) subsidies due to adjustments in base subsidy and increase in proration.
- 2. Net increase in expenses of \$634,032 based on:
 - a) Reduction in expenses by \$1,972,420 due to deletion of duplicate bad debt expense on the advice of the HUD Real Estate Assessment Center (REAC) financial team.
 - b) Reduction in expenses by \$112,000 due to double count of a management contract for a state project.
 - c) Increase in expenses of \$1,000,321 for fee for services for Central Maintenance staff.
 - d) Increase in expenses of \$319,679 for fee for services for Applications staff.
 - e) Increase in utilities expenses of \$1,689,449.
 - f) Reduction in expenses of \$566,997 in Payment in Lieu of Taxes expenses.
 - g) Increase in cost of Insurance of \$276,000.

- B. State Family (Public Housing) Program adjustment

Net increase of \$270,754 due to:

- 1. Net reduction in expenses by \$270,754 based on:
 - a) Reduction in expense of \$606,000 due to deletion of duplicate old bad debt expense based on the HUD REAC recommendation for the Federal Public Housing program.
 - b) Increase in utilities expenses of \$335,246.

- C. State Elderly (Public Housing) Program adjustment
 - 1. Net decrease of \$54,484 due to:
 - a) Reduction in expense of \$50,000 due to deletion of duplicate old bad debt expense based on the HUD REAC recommendation for the Federal Public Housing program.
 - b) Increase in utilities expenses of \$104,484.

- D. Section 8 Housing Choice Voucher Program adjustments
 - 1. Net change of \$0 based on:
 - a) Decrease of \$1,251,972 in HUD subsidies due to adjustments in base subsidy.
 - b) Decrease in expenses of \$1,251,972 in HAP payments.

- E. Section 8 Project Based Program adjustments
 - 1. Net change of \$0 based on:
 - a) Increase of \$3,479,112 in HUD subsidies due to adjustments in base subsidy.
 - b) Increase in expenses of \$3,479,112 in HAP payments.

- F. State Rent Supplement Program adjustments

Net decrease of \$59,755 due to:

 - 1. Reduction of \$59,755 due to reduction in program size.

- G. Homeless Program adjustments
 - 1. Net change of \$0 based on:
 - a) Deletion of \$4,779,565 in State of Hawaii subsidies for the Temporary Assistance for Needy Families program which is being administered by Department of Human Services (DHS) and not HPHA.
 - b) Elimination of \$4,779,565 program expenses for the Temporary Assistance for Needy Families program which is being administered by DHS and not HPHA.

- H. Central Office Cost Center adjustments

Net increase of \$724,632 due to:

 - 1. Net increase in revenues of \$891,562 based on:
 - a) Increase in revenues of \$700,000 due to assessment of fee for services for the Department of the Attorney General and Hearings Office. Fees were assessed the programs, but were not credited to the Central Office.
 - b) Increase in revenue of \$191,562 due to calculation of overhead assessed programs for fee for services for Central Maintenance and Applications.
 - 2. Increase of \$166,930 in expenses due to unbudgeted increase in staffing of Fiscal Management Office to address areas of critical need.

- I. Although revenues have improved by \$2,613,083, HPHA at this time still shows a projected deficit of \$1,608,702.

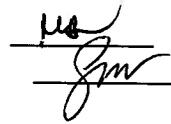
- J. HPHA is still working to reduce the deficits for the State Family and State Elders public housing programs. The agency prepared a request for an emergency appropriation to address the shortfall, but was unsuccessful in getting it approved. Other measures include possible reductions in administrative overhead assessed the programs as well as utilizing as much of the existing State appropriated Repair and Maintenance and Vacant Unit funds to supplement rent revenues.
- K. Staff may submit another revised fiscal plan in May, 2009.

III. RECOMMENDATION

Staff recommends that the Board of Directors ratify the HPHA's revised fiscal plan for the remainder of Fiscal Year ending June 30, 2009.

Attachment:

Prepared by: Michael J. Hee, Contract Administration Section Chief
Reviewed by: Gary Marushige, Chief Financial Management Advisor

Handwritten signatures of Michael J. Hee and Gary Marushige, each on a horizontal line.

HPHA FY 2009 Projected Agency Budget

Program	06/19/08 Budget	02/19/09 Revised Fiscal Plan	Adjustments
Federal Low Rent Program			
Rental/Other Income	18,729,075	18,729,075	
State R & M	3,433,996	3,433,996	
Federal Subsidy	19,524,209	21,770,667	2,246,458
Expenses	43,225,192	\$43,859,224	(634,032)
Net P/L	(1,537,912)	74,514	1,612,426
State Family Program			
Rental Income	794,109	794,109	
State R & M	243,393	243,393	
State Subsidy	0	0	
Expenses	2,645,898	2,375,144	270,754
Net P/L	(1,608,396)	(1,337,642)	270,754
State Elderly Program			
Rental Income	1,872,437	1,872,437	
State R & M	103,430	103,430	
State Subsidy	0	0	
Expenses	2,511,359	2,565,843	(54,484)
Net P/L	(535,492)	(589,976)	(54,484)
Section 8 Housing Choice Voucher			
Other Income			
Federal	22,504,247	21,252,275	(1,251,972)
Expenses	22,789,542	21,537,570	1,251,972
Net P/L	(285,295)	(285,295)	0
Section 8 Project Based Program			
Other Income			
Federal	19,577,307	23,056,419	3,479,112
Expenses	19,460,275	22,939,387	(3,479,112)
Net P/L	117,032	117,032	0
State Rent Supplement			
Other Income			
State	1,185,540	1,185,540	
Expenses	1,245,295	1,185,540	59,755
Net P/L	(59,755)	0	59,755
Homeless Programs			
State/Federal Sources	23,031,965	18,252,400	(4,779,565)
Expenses	22,878,117	18,098,552	4,779,565
Net P/L	153,848	153,848	0
Central Office Cost Center (Administration)			
Fee Income	5,794,733	6,686,295	891,562
Expenses	6,260,548	6,427,478	(166,930)
Net P/L	(465,815)	258,817	724,632
Capital Program			
Federal Contribution	23,325,709	23,325,709	
State Contribution	31,950,536	31,950,536	
Projects	55,276,245	55,276,245	0
Net P/L	0	0	0
Totals	(4,221,785)	(1,608,702)	\$2,613,083

FOR ACTION

SUBJECT: To Accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year Ending June 30, 2008

I. FACTS

- A. The audit of the Hawaii Public Housing Authority for the fiscal year ending June 30, 2008 has been completed by independent auditors KMH LLP.
- B. The auditors, KMH LLP, have issued the financial statements reported for the above audit. See Exhibit "A"

II. RECOMMENDATION

That the Hawaii Public Housing Authority Board of Directors accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year Ending June 30, 2008.

Attachment: Exhibit "A"

Prepared by: Gary Marushige, Chief Financial Management Advisor 

Approved by the Board of Directors at its meeting on
FEB 19 2009
FISCAL MANAGEMENT OFFICE
Please take necessary action

EXECUTIVE DIRECTOR

DRAFT

Hawaii Public Housing Authority

Financial Statements

June 30, 2008

Together with Independent Auditor's Report

Submitted by

**THE AUDITOR
STATE OF HAWAII**

DRAFT

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Independent Auditor's Report

The Auditor
State of Hawaii

Board of Directors
Hawaii Public Housing Authority:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hawaii Public Housing Authority (Authority), as of and for the year ended June 30, 2008. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in note 1, the financial statements of the Authority are intended to present the financial position, changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate other fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2008, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2009, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 to 12 and Budgetary Comparison Schedules on pages 56 to 58 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on Management's Discussion and Analysis or on the Budgetary Comparison Schedules.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements taken as a whole. The accompanying Combining Financial Statements of Other Governmental and Enterprise Funds, Reconciliation of Cash are not a required part of the basic financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KMH LLP

Honolulu, Hawaii
February __, 2009

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

This Management's Discussion and Analysis (MD&A) provides an overall review of the Hawaii Public Housing Authority's (HA) financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the HA's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the HA's financial performance.

INTRODUCTION

The Hawaii Public Housing Authority is a housing authority (HA), established by the State Legislature effective July 1, 2006. The HA bifurcated from the former Housing and Community Development Corporation of Hawaii (HCDCH), creating two separate agencies, the Hawaii Public Housing Authority and the Hawaii Housing Finance and Development Corporation (HHFDC). Previous to July 1, 2006 the HCDCH consolidated the previous Hawaii Housing Authority and the Housing Finance and Development Corporation.

Presently, the HA administers the following major programs:

- Federal and State public housing programs
 - The HA is responsible for the administration of over 5,300 federal public housing units in Hawaii, with funds received from the United States Department of Housing and Urban Development (HUD), and 860 state public housing units.
- Federal and State rent subsidy programs
 - The HA administers the HUD Section 8 Housing Assistance Payments – Special Allocations Program, through a contract with the Bremerton (Washington) Housing Authority, the Section 8 Housing Choice Voucher Program, and a state funded rental assistance program that subsidizes rental payments to persons and families with incomes that do not exceed 80% of the area median income.
- Homeless programs

The HA is administratively attached to the State Department of Human Services. The HA's Board of Directors consists of eleven members, of whom nine shall be public members appointed by the governor. Public members shall be appointed from each of the counties of Honolulu, Hawaii, Maui, and Kauai. At least one public member shall be a person who is directly assisted by the authority under the federal low-rent public housing or federal section 8 tenant-based housing assistance payments program while serving on the board. One public member shall be an advocate for low-income or homeless persons. One public member shall be a person with a disability or an advocate for persons with disabilities. The Director of Human Services; and the Governor's Senior Policy Advisor are ex-officio voting members. All HA action is taken by the affirmative vote of at least seven members.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A and is included in this report.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Housing Authority's basic financial statements which are the government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also includes supplementary information in addition to the basic financial statements themselves.

Financial Highlights:

- Conversion to Asset Management. To meet the HUD requirement for conversion to Asset Management for Public Housing Authorities, the Hawaii Public Housing Authority implemented the program guidelines of 24 CFR 990 for the 2008 Fiscal Year. This change affected the rental units under the Federal Low Rent Program. In addition, the Housing Authority converted the State Housing Revolving (family units) and Housing for Elders (elderly/disabled units) funds to the Asset Management model to insure a consistent financial reporting system for the HA. The various components of Asset Based Management such as Project Based Management, Project Based Accounting and Central Office Cost Center were implemented in 2008. (Project Based Budgeting was implemented with the compilation of the FY2009 Budget adopted by the board of directors in June 2008.)
- Positive Net Change in Assets (please see Government-Wide Statement of Activities):
 - For 2008 total revenues were \$151 million, and increase of 22 percent over 2007.
 - 2008 operating grants and contributions increased by 23 percent over 2007. The major sources of revenues in this category are Federal subsidies restricted for specific programs, and State General Funds.
 - 2008 federal capital grants and contributions decreased by 37 percent over 2007. These federal funds are to provide capital improvements to the various housing projects.
 - 2008 general revenues increased by 60 percent over 2007, primarily due to increased state appropriations for state capital projects funding.
 - On the expense side, for 2008 total government-wide expenses were \$125 million, an increase of 12 percent over 2007, primarily due to increases in rental housing assistance program and housing development program.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

- Overall for 2008 the changes in net assets was \$25 million compared to \$12 million in 2007, an increase of 113 percent. The challenge is for the HA to use these assets to fix housing units to increase occupancy and provide more housing for Hawaii's low-income population.

Government-wide Financial Statements

The first two statements are government-wide financial statements — the *Statement of Net Assets* and the *Statement of Activities*. These provide both long-term and short-term information about the Housing Authority's overall financial status.

The *Statement of Net Assets* presents information on all of the Housing Authority's assets less liabilities which results in net assets. The statement is designed to display the financial position of the Housing Authority. Over time, increases and decreases in net assets help determine whether the Housing Authority's financial position is improving or deteriorating.

The *Statement of Activities* provides information which shows how the Housing Authority's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid. The statement identifies the extent to which, each expenditure function draws from general and federal revenues of the Housing Authority or is financed through charges for services and intergovernmental aid (primarily federal programs and state appropriations).

The government-wide financial statements of the Corporation are divided into three categories:

Governmental activities - The activities in this section are primarily supported by State appropriations or by HUD contributions which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds statements — the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* — are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Housing Authority programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship (or differences) between them.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

Business-type activities – Business type activities also referred to as “proprietary funds” are activities that are financed and operated in a manner similar to private business enterprises — wherein the funding used to recover costs of providing goods and services to the general public is derived through user charges and charges to external users. Business-type activities are reported using an accrual basis of accounting and the economic resources measurement focus. To simplify, the accounting method used to record business-type activities transactions is basically the same method that is used by commercial enterprises and not for profit entities. These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users.

Fiduciary funds - Fiduciary funds are used to account for assets held by the Housing Authority in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the Housing Authority cannot use these assets for its operations. Fiduciary funds of the HA, consisting of agency funds and private-purpose trust funds, are reported in the *Statement of Fiduciary Net Assets* using an accrual basis of accounting. Agency funds held by the HA involve only the receipt, temporary investment, and remittance of resources to individuals, private organizations, or other governments in a purely custodial capacity (assets equal liabilities).

Detailed information on Housing Authority’s most significant funds are represented in the fund financial statements – However, the fund statements are not a representation of the Authority as a whole.

Fund Financial Statements

The Housing Authority uses fund accounting to ensure and demonstrate fiscal accountability. A fund is defined as a grouping of related accounts that is used to keep track of specific sources of funding and spending for particular purposes. It is sometimes referred to as a “self-balancing” set of accounts. This means that a fund’s assets will equal the total of its liabilities and its fund balance (or net assets), similar to the way financial statements are presented.

The financial activities of the agency are recorded in individual funds, each of which is deemed to be a separate accounting entity. Funds are then either reported as major or non-major. The criteria for determining whether a fund is considered major or non-major is based on GASB (Governmental Accounting Standards Board) Statement 34, Basic Financial Statements – Management’s Discussion and Analysis for State and Local Governments. Major funds are reported separately, while non-major funds are combined as a whole and separated as a column in the fund financial statements. Details for the non-major funds are found in the combining section of the financial statements.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

FINANCIAL ANALYSIS OF HOUSING AUTHORITY AS A WHOLE:

The 2007 and 2008 financial numbers reflect only the HA's activities, and do not include those of the Housing and Community Development Corporation of Hawaii (HCDCH) or the Hawaii Housing Finance and Development Corporation (HHFDC).

HAWAII PUBLIC HOUSING AUTHORITY Condensed Statement of Net Assets June 30, 2008 & June 30, 2007 (In thousands of dollars)

	Governmental Activities		Business Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	
Current and other assets	\$54,896	\$33,619	\$18,766	\$19,234	\$73,662	\$52,853	39.37%
Assets held by trustee	0	0	0	0	0	\$0	100.00%
Capital assets	39,813	34,636	269,826	283,138	309,639	\$317,774	-2.56%
Other assets	0	0	8,937	0	8,937	\$0	100.00%
Total Assets	\$94,709	\$68,255	\$297,529	\$302,372	\$392,238	\$370,627	5.83%
Current and other liabilities	\$6,903	\$7,648	\$9,659	\$13,999	\$16,562	\$21,647	-23.49%
Long-term liabilities	-	-	507	576	507	576	-11.98%
Total Liabilities	\$6,903	\$7,648	10,166	14,575	17,069	22,223	-23.19%
Net assets:							
Invested in capital assets, net of related debt	\$39,813	\$34,636	\$269,319	\$273,617	\$309,132	\$308,253	0.29%
Restricted	-	-	7,917	8,001	7,917	8,001	-1.05%
Unrestricted	47,993	25,971	10,127	6,179	58,120	32,150	80.78%
Total net assets	87,806	60,607	287,363	287,797	375,169	348,404	7.68%
Total liabilities & net assets	\$94,709	\$68,255	\$297,529	\$302,372	\$392,238	\$370,627	-5.83%

Regarding the Condensed Statement of Net Assets, above, the majority of the Authority's net assets, \$309 million or 86 percent, are invested in capital assets (land, buildings, and equipment) owned by the HA, out of \$375 million in total net assets. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements were \$58 million, an 81 percent increase over 2007.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

The Housing Authority's total revenues and expenditures are reflected in the following chart below. Please see financial highlights in the beginning of this section.

HAWAII PUBLIC HOUSING AUTHORITY
Government-Wide
Statement of Activities
Years Ended June 30, 2008 – June 30, 2007
(In thousands of dollars)

	Governmental Activities		Business Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	
Revenues							
Program Revenues:							
Charges for services	-	-	21,940	22,993	21,940	22,993	-4.58%
Operating Grants and Contributions	44,374	37,682	16,310	11,483	60,684	49,165	23.43%
Capital Grants and Contributions	-	-	9,521	15,082	9,521	15,082	-36.87%
General Revenues:							
State Alloted Appropriations, net of Lapses	58,682	36,708	-	-	58,682	36,708	59.86%
Total Revenues	<u>103,056</u>	<u>74,390</u>	<u>47,771</u>	<u>49,558</u>	<u>150,827</u>	<u>123,948</u>	21.69%
Expenses							
Governmental Activities							
Homeless Services and assistance program	12,834	16,583	-	-	12,834	16,583	-22.61%
Rental housing assistance program	54,887	40,153	-	-	54,887	40,153	36.69%
Business-type activities							
Rental assistance program	-	-	47,508	46,299	47,508	46,299	2.61%
Housing development program	-	-	9,145	7,998	9,145	7,998	14.34%
Other	-	-	1,056	970	1,056	970	8.87%
Total governmental-wide expenses	<u>67,721</u>	<u>56,736</u>	<u>57,709</u>	<u>55,267</u>	<u>125,430</u>	<u>112,003</u>	11.99%
Excess of revenues over expenses	<u>35,335</u>	<u>17,654</u>	<u>(9,938)</u>	<u>(5,709)</u>	<u>25,397</u>	<u>11,945</u>	112.62%
Transfers	<u>(8,136)</u>	<u>(670)</u>	<u>8,136</u>	<u>670</u>	<u>-</u>	<u>-</u>	-100.00%
CHANGES IN NET ASSETS	27,199	16,984	(1,802)	(5,039)	25,397	11,945	112.62%
Total net assets, beginning of year	<u>60,607</u>	<u>43,622</u>	<u>289,165</u>	<u>292,836</u>	<u>349,772</u>	<u>336,458</u>	3.96%
Total net assets, end of year	<u>\$87,806</u>	<u>\$60,606</u>	<u>\$287,363</u>	<u>\$287,797</u>	<u>\$375,169</u>	<u>\$348,403</u>	7.68%

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

Financial Analysis of the Housing Authority's Funds

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent, and what is available for future expenditures. Analyzing this section allows HPHA management to determine: Did the Housing Agency generate enough revenue to pay for current obligations, and what is available for spending at the end of the year. (Note: federal funds appropriations are monies received from HUD. Federal funds provide for the majority of HA operations. General funds appropriations are monies received from our State Legislature to fund various State of Hawaii Homeless and Rental Assistance Programs.

General Fund:

- Cash – 2008 year end balance is zero with a decrease of \$14,319,473 from 2007 due to technical change in Department of Accounting and General Services (DAGS) accounting policy for cash being held by Governmental type funds to be reflected in Due from State rather than in cash.
- Due from State – Similar to Cash, 2008 year end balance increased to \$8,618,758 compared to zero in 2007 due to technical change in DAGS accounting policy for cash being held by Governmental type funds to be reflected in Due from State rather than in cash.
- Grant Expenditures – 2008 shows increase of \$5,000,000 over 2007 due to a grant in aid funded by the legislature as a pass-through to Salvation Army in 2007 but spent in 2008 (timing issue).
- Capital Outlays – 2008 reduction for \$4,637,806 compared to 2007 due to reduced capital spending for Homeless programs in 2008.
- Repairs & Maintenance – 2008 shows increase of \$3,070,000 compared to 2007 due to expenditures for vacant unit repairs funded by the legislature in 2008.
- Operating Transfers – 2008 shows increase of \$7,779,361 for legislative emergency appropriations received and transferred to other funds compared to zero in 2007.
- Change in Net Assets – 2008 shows a decrease of \$9,695,802 as 2007 Salvation Army grant in aid funds of \$5.0 million were received in 2007 but not expended until 2008.

Federal Low Rent Program:

- Cash – 2008 show increase of \$4,290,428 for emergency transfers and HUD capital subsidies compared to 2007.
- Rental Income – 2008 show increase of \$1,271,323 over 2007 because of increased emphasis on evictions and collections.
- Other Income – 2008 shows decrease of \$1,680,357 compared to 2007 due to the infusion of funds from the legislature of \$1.7 million to a settle utility rate lawsuit.

Hawaii Public Housing Authority

Management Discussion and Analysis

June 30, 2008

- HUD Operating Subsidy – 2008 shows decrease of \$1,621,288 compared to 2007 due to “proration” (reduced percentage of funding by HUD) and deferral of draw down for operating portion of Capital fund.
- Personnel expense – 2008 show increase of \$1,448,005 over 2007 due to implementation of Government Accounting Standards Board (GASB) 45: OPEB (Other Post Employment Benefits – medial coverage after retirement); \$1.2 million was allocated by the State to HPHA.
- Depreciation – 2008 shows increase by \$1,410,573 as a result of full-year depreciation expense for fixed assets completed in 2007.
- Operating Transfers – 2008 show increase of \$1,749,032 primarily due to legislative emergency appropriations for insurance and payroll costs, compared to 2007.

Capital Fund:

- Cash – 2008 year end balance is zero with a decrease of \$12,894,128 from 2007 due to technical change in DAGS accounting policy for cash being held by Governmental type funds to be reflected in Due from State rather than cash.
- Due from State – Similar to cash, 2008 year end balance is \$36,661,272 due to change in DAGS accounting policy for cash being held by Governmental type funds to be reflected in due from State rather than cash.
- State Allotted Appropriations – 2008 shows increase of \$21,750,285 over 2007 due to additional capital improvements projects appropriations, including special appropriations for elevator improvements of \$7.5 million.
- Capital Outlay – 2008 shows increase of \$3,141,465 over 2007 due to increase in capital spending for physical improvements at Kahale Kahaluu (\$1.5 million) and conversion of large capacity cesspools at Lailani, Kealakehe, Noelani and Lokahi. (\$2.5 million).
- Fund Balance – 2008 shows increase of \$23,861,811 for capital improvements projects compared to 2007; many projects are in planning and design stages.

Housing Revolving Fund:

- Operating Transfers – 2008 show increase of \$5,748,308 over 2007 due to legislative emergency appropriations received.

Housing Choice Voucher:

- HUD Contributions – 2008 shows an increase \$4,696,721 compared to 2007 due to increases in pro-ration of HUD base subsidies and funding for 80 new vouchers for Veterans Administration Support HAP subsidies.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

Budgetary Analysis:

- o The General Fund program revenues and expenses show a decrease to the final budget by \$3.6 million due to reductions in the Homeless facility, outreach services and housing programs. The Housing Voucher programs had an under expenditure of \$2.9 million due to reduced utilization of vouchers. The Section 8 Contract Administration program had a decrease in revenues and expenditures of \$6.0 million due to reduced HUD contributions.

Capital Assets:

Housing Authority's Capital Assets
Years ended June 30, 2008 and June 30, 2007
(In thousands of dollars)

	Governmental Activities		Business Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	
Land	\$ 2,373	\$ 2,373	\$ 22,973	\$ 22,973	\$ 25,346	\$ 25,346	0.00%
Buildings and improvements	48,061	42,784	487,642	474,327	535,703	517,111	-3.60%
Equipment	1,198	1,198	10,285	10,347	11,483	11,545	-0.54%
Construction in progress	11,642	9,629	23,755	29,733	35,397	39,362	-10.07%
Total	63,274	55,984	544,655	537,380	607,929	593,364	2.45%
Accumulated Depreciation	(23,462)	(21,348)	(274,829)	(262,608)	(293,291)	(283,956)	5.05%
Total Capital Assets Net	\$ 39,812	\$ 34,636	\$ 269,826	\$ 274,772	\$ 309,638	\$ 309,408	-19.53%

Capital Assets – At June 30, 2008, the Housing Authority had approximately \$309 million invested in capital assets including land, buildings, equipment (costing \$5000 or more), vehicles, buildings and equipment under capital lease, and construction in progress. Increases during the year represent addition to those categories, while decreases represent the bifurcation of assets, depreciation, and retirement of assets.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2008

Currently Known Facts, Decisions, or Conditions:

HUD increased operating funding for public housing for fiscal year 2009 due to an increase in the operating subsidy proration rate from 82% to 89% and adjustments in base subsidy for 2009. In addition, the HA portion of the federal stimulus package approved in February 2009 will be in the neighborhood of \$13 million for federal public housing capital improvements.

The Housing Agency was named as a defendant in a lawsuit regarding the living conditions at Kuhio Park Terrace calling for capital improvements such as elevators, trash chutes, fire alarms, and sewers, as well as an increase in handicap accessible units. The HA is working to address the issues involved with existing funds, and is seeking additional funds. The outcome of the lawsuit has not been determined at this time.

CONTACTING THE HOUSING AUTHORITY

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Chad Taniguchi, Executive Director or by calling (808) 832-4670 during regular office hours, Monday through Friday, from 7:45 a.m. to 4:30 p.m., pacific standard time.

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF NET ASSETS

June 30, 2008

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 5,336,659	\$ 16,233,676	\$ 21,570,335
Due from State of Hawaii	45,280,030	-	45,280,030
Receivables:			
Accrued interest	-	13,938	13,938
Tenant receivables, less allowance for doubtful receivables of \$4,604,165	-	726,737	726,737
Other	300	305,297	305,597
	<u>300</u>	<u>1,045,972</u>	<u>1,046,272</u>
Internal balances	2,163,499	(2,163,499)	-
Due from other state agencies	-	726,003	726,003
Due from HUD	707,261	2,275,113	2,982,374
Inventories	-	557,741	557,741
Prepaid expenses and other assets	1,408,255	63,392	1,471,647
Deposits held in trust	-	27,165	27,165
Total current assets	<u>54,896,004</u>	<u>18,765,563</u>	<u>73,661,567</u>
Note Receivable	-	426,100	426,100
Accrued Interest	-	594,410	594,410
Restricted Deposits and Funded Reserves	-	7,917,014	7,917,014
Capital Assets, less accumulated depreciation	<u>39,812,744</u>	<u>269,825,954</u>	<u>309,638,698</u>
TOTAL ASSETS	<u>\$ 94,708,748</u>	<u>\$ 297,529,041</u>	<u>\$ 392,237,789</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 GOVERNMENT-WIDE
 STATEMENT OF NET ASSETS (continued)

June 30, 2008

LIABILITIES AND NET ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current Liabilities			
Accounts payable	\$ 4,208,235	\$ 4,807,671	\$ 9,015,906
Accrued expenses	732,397	3,522,468	4,254,865
Internal balances	1,686,321	(1,686,321)	-
Due to other state agencies	-	58,985	58,985
Due to State of Hawaii	-	571,402	571,402
Due to HUD	5,078	14,560	19,638
Security deposits	-	935,310	935,310
Other	-	128,006	128,006
Total current liabilities	<u>6,632,031</u>	<u>8,352,081</u>	<u>14,984,112</u>
Accrued Expenses	270,671	1,306,764	1,577,435
Mortgage and Note Payable	-	506,741	506,741
Commitments and Contingencies			
Net Assets			
Invested in capital assets, net of related debt	39,812,744	269,319,213	309,131,957
Restricted by legislation and contractual agreements	-	7,917,014	7,917,014
Unrestricted	<u>47,993,302</u>	<u>10,127,228</u>	<u>58,120,530</u>
Total net assets	<u>87,806,046</u>	<u>287,363,455</u>	<u>375,169,501</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 94,708,748</u></u>	<u><u>\$ 297,529,041</u></u>	<u><u>\$ 392,237,789</u></u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (expense) revenue and changes in net assets		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities
Governmental activities						
Homeless service and assistance program	\$ 12,834,265	\$ -	\$ 1,046,411	\$ -	\$ (11,787,854)	\$ (11,787,854)
Rental housing and assistance program	54,887,419	-	43,327,944	-	(11,559,475)	(11,559,475)
Total governmental activities	67,721,684	-	44,374,355	-	(23,347,329)	(23,347,329)
Business-type activities						
Rental assistance program	47,508,491	17,311,003	15,707,611	9,521,427	-	(4,968,450)
Rental housing program	9,144,788	4,201,887	546,382	-	-	(4,396,519)
Others	1,055,841	426,639	56,410	-	-	(572,792)
Total business-type activities	57,709,120	21,939,529	16,310,403	9,521,427	-	(9,937,761)
Total government-wide	\$ 125,430,804	\$ 21,939,529	\$ 60,684,758	\$ 9,521,427	(23,347,329)	(9,937,761)
State Allotted Appropriations, net of lapses					58,682,496	-
Net Transfers					(8,136,190)	8,136,190
Total general revenues and transfers					50,546,306	8,136,190
Change in net assets					27,198,977	(1,801,571)
Net Assets at July 1, 2007 (As Restated)					60,607,069	289,165,026
Net Assets at June 30, 2008					\$ 87,806,046	\$ 287,363,455
						\$ 375,169,501

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2008

ASSETS	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Other Funds	Total Governmental Funds
Current Assets						
Cash	\$ -	\$ -	\$ 4,805,840	\$ 530,653	\$ 166	\$ 5,336,659
Due from State of Hawaii	8,618,758	36,661,272	-	-	-	45,280,030
Other receivables	300	-	-	-	-	300
Due from other funds	-	-	1,705,000	458,499	-	2,163,499
Due from HUD	-	-	-	406,564	300,697	707,261
Prepaid expenses and other assets	-	-	1,408,255	-	-	1,408,255
TOTAL ASSETS	\$ 8,619,058	\$ 36,661,272	\$ 7,919,095	\$ 1,395,716	\$ 300,863	\$ 54,896,004
LIABILITIES AND FUND BALANCE						
Current Liabilities						
Accounts payable	\$ 2,601,442	\$ 1,098,091	\$ 28,354	\$ 193,099	\$ 287,249	\$ 4,208,235
Accrued expenses	8,095	-	416,691	106,831	-	531,617
Due to other funds	219,634	-	1,327,463	125,776	13,448	1,686,321
Due to HUD	-	-	4,912	-	166	5,078
Total liabilities	2,829,171	1,098,091	1,777,420	425,706	300,863	6,431,251
Fund Balances - Unrestricted						
Reserved	5,789,887	35,563,181	-	-	-	41,353,068
Unreserved	-	-	6,141,675	970,010	-	7,111,685
Total fund balances	5,789,887	35,563,181	6,141,675	970,010	-	48,464,753
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,619,058	\$ 36,661,272	\$ 7,919,095	\$ 1,395,716	\$ 300,863	\$ 54,896,004

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE TO THE
STATEMENT OF NET ASSETS

June 30, 2008

Total fund balance - governmental funds		\$	48,464,753
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	39,812,744		
Long-term compensated absences are not due and payable in the current period and therefore are not reported in the funds	270,671		
Other post-retirement employee benefits are not due and payable in the current period and therefore are not reported in the funds	<u>200,780</u>		<u>39,341,293</u>
Net assets of governmental activities		\$	<u>87,806,046</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year ended June 30, 2008

	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Other Funds	Total Governmental Funds
Revenues						
Intergovernmental – HUD annual contributions and others	\$ -	\$ -	\$ 21,596,567	\$ 21,320,092	\$ 1,256,476	\$ 44,173,135
State allotted appropriations, net of lapsed funds	28,172,496	30,510,000	-	-	-	58,682,496
Other	-	-	145,613	55,607	-	201,220
Total revenues	28,172,496	30,510,000	21,742,180	21,375,699	1,256,476	103,056,851
Expenditures						
Housing assistance payments	703,096	-	16,468,212	19,837,960	-	37,009,268
Homeless services	11,443,680	-	-	-	-	11,443,680
Grants	5,000,000	250,000	-	-	-	5,250,000
Personnel services	285,073	-	1,659,419	57,084	-	2,001,576
Administration	801,673	3,475	457,327	1,118,925	1,256,476	3,637,876
Professional services	68,388	-	82,153	56,060	-	206,601
Security	-	-	201	42	-	243
Repairs and maintenance	3,819,107	923,464	1,311	386	-	4,744,268
Utilities	126,196	-	-	-	-	126,196
Insurance	-	-	14,050	2,353	-	16,403
Capital outlays	2,332,123	5,471,250	-	-	-	7,803,373
Other	879,182	-	-	-	-	879,182
Total expenditures	25,458,518	6,648,189	18,682,673	21,072,810	1,256,476	73,118,666
EXCESS OF REVENUES OVER EXPENDITURES	2,713,978	23,861,811	3,059,507	302,889	-	29,938,185
Nonoperating Expenditure - Interest Expense	(7,318)	-	(55,706)	(1,726)	-	(64,750)
Other Financing Uses - Transfers (Out) In	(7,779,361)	-	116,550	38,850	-	(7,623,961)
NET CHANGE IN FUND BALANCE	(5,072,701)	23,861,811	3,120,351	340,013	-	22,249,474
Fund Balance at July 1, 2007	10,862,588	11,701,370	3,021,324	629,997	-	26,215,279
Fund Balance at June 30, 2008	\$ 5,789,887	\$ 35,563,181	\$ 6,141,675	\$ 970,010	\$ -	\$ 48,464,753

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN FUND
BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2008

Net change in fund balances - total governmental funds		\$ 22,249,474
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the year.	5,176,823	
Long-term compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(26,540)	
Other post-retirement employee benefits reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	<u>(200,780)</u>	<u>4,949,503</u>
Change in net assets of governmental activities		<u>\$ 27,198,977</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

June 30, 2008

ASSETS	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current Assets:						
Cash	\$ 8,835,354	\$ 243,977	\$ 2,119,691	\$ 3,799,209	\$ 14,998,231	\$ 1,235,445
Receivables:						
Accrued interest	-	-	9,863	-	9,863	4,075
Tenant receivables, less allowance for doubtful accounts of \$4,604,165	582,552	29,960	3,423	110,802	726,737	-
Other	193,596	-	3,068	108,633	305,297	-
	<u>776,148</u>	<u>29,960</u>	<u>16,354</u>	<u>219,435</u>	<u>1,041,897</u>	<u>4,075</u>
Due from other funds	3,227,373	1,047,415	130,667	5,833,650	10,239,105	-
Due from other state agencies	-	-	-	726,003	726,003	-
Due from HUD	2,275,113	-	-	-	2,275,113	-
Inventories	493,174	20,745	43,822	-	557,741	-
Prepaid expenses and other assets	-	-	-	63,392	63,392	-
Deposits held in trust	-	-	-	27,165	27,165	-
	<u>15,607,162</u>	<u>1,342,097</u>	<u>2,310,534</u>	<u>10,668,854</u>	<u>29,928,647</u>	<u>1,239,520</u>
Note Receivable	-	426,100	-	-	426,100	-
Accrued Interest	-	594,410	-	-	594,410	-
Restricted Deposits and Funded Reserves	-	-	-	7,917,014	7,917,014	-
Capital Assets, less accumulated depreciation	196,170,700	12,034,813	41,230,713	20,293,959	269,730,185	95,769
	<u>\$ 211,777,862</u>	<u>\$ 14,397,420</u>	<u>\$ 43,541,247</u>	<u>\$ 38,879,827</u>	<u>\$ 308,596,356</u>	<u>\$ 1,335,289</u>
TOTAL ASSETS						

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS (continued)

June 30, 2008

LIABILITIES AND NET ASSETS	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current Liabilities						
Accounts payable	\$ 2,706,145	\$ 30,443	\$ 211,436	\$ 1,859,647	\$ 4,807,671	\$ -
Accrued expenses	2,712,419	147,494	80,719	581,836	3,522,468	-
Due to other funds	3,575,596	1,693	436,728	6,631,593	10,645,610	70,673
Due to other state agencies	-	-	-	58,985	58,985	-
Due to State of Hawaii	-	-	-	571,402	571,402	-
Due to HUD	-	-	-	14,560	14,560	-
Security deposits	663,800	32,977	148,509	90,024	935,310	-
Other	-	-	-	128,006	128,006	-
Total current liabilities	9,657,960	212,607	877,392	9,936,053	20,684,012	70,673
Accrued Expenses	1,225,786	56,077	24,901	-	1,306,764	-
Mortgage and Note Payables	-	-	-	506,741	506,741	-
Commitments and Contingencies						
Net Assets:						
Invested in capital assets, net of related debt	196,170,700	12,034,813	41,230,713	19,787,218	269,223,444	95,769
Restricted by legislation and contractual agreements	-	-	-	7,917,014	7,917,014	-
Unrestricted	4,723,416	2,093,923	1,408,241	732,801	8,958,381	1,168,847
Total net assets	200,894,116	14,128,736	42,638,954	28,437,033	286,098,839	1,264,616
TOTAL LIABILITIES AND NET ASSETS	\$ 211,777,862	\$ 14,397,420	\$ 43,541,247	\$ 38,879,827	\$ 308,596,356	\$ 1,335,289

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE PROPRIETARY FUNDS NET ASSETS
TO THE STATEMENT OF NET ASSETS

Year ended June 30, 2008

Total net assets of enterprise funds	\$ 286,098,839
Amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities	<u>1,264,616</u>
Net assets of business-type activities	<u>\$ 287,363,455</u>

The accompanying notes are an integral part of this statements.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

Year ended June 30, 2008

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues						
Rental	\$ 17,035,533	\$ 848,659	\$ 1,899,522	\$ 1,651,153	\$ 21,434,867	\$ -
Other	275,470	52,690	63,794	112,708	504,662	-
Total operating revenues	17,311,003	901,349	1,963,316	1,763,861	21,939,529	-
Operating Expenses						
Project	6,491,178	-	-	-	6,491,178	-
Personnel services	14,438,637	1,019,128	359,525	246,585	16,063,875	-
Depreciation	9,578,594	385,615	1,385,986	997,897	12,348,092	42,484
Administration	2,701,511	225,070	716,494	959,903	4,602,978	37,883
Provision for losses	-	71,595	11,597	-	83,192	-
Professional services	383,660	74,248	33,465	5,727	497,100	2,303
Security	1,358,439	-	655	-	1,359,094	-
Insurance	829,548	86,364	77,714	118,117	1,111,743	-
Repairs and maintenance	1,606,881	107,492	231,250	555,190	2,500,813	-
Utilities	9,731,442	569,377	989,573	419,045	11,709,437	-
Payments in lieu of taxes	-	-	-	-	-	-
Capital expenditures	388,601	-	-	-	388,601	7,421
Other	-	18,062	240,401	155,192	413,655	1,631
Total operating expenses	47,508,491	2,556,951	4,046,660	3,457,656	57,569,758	91,722
Operating loss carried forward	(30,197,488)	(1,655,602)	(2,083,344)	(1,693,795)	(35,630,229)	(91,722)

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS (continued)

Year ended June 30, 2008

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating loss brought forward	(30,197,488)	(1,655,602)	(2,083,344)	(1,693,795)	(35,630,229)	(91,722)
Nonoperating Revenues (Expenses):						
Interest income	285,199	151,820	61,807	332,928	831,754	56,237
HUD operating subsidy and others	24,943,839	-	-	-	24,943,839	-
Interest expense	-	(29,341)	-	(18,299)	(47,640)	-
Net nonoperating revenues	25,229,038	122,479	61,807	314,629	25,727,953	56,237
Loss before transfers	(4,968,450)	(1,533,123)	(2,021,537)	(1,379,166)	(9,902,276)	(35,485)
Net Operating Transfers	2,349,032	5,748,308	38,850	-	8,136,190	-
CHANGE IN NET ASSETS	(2,619,418)	4,215,185	(1,982,687)	(1,379,166)	(1,766,086)	(35,485)
Fund Net Assets at July 1, 2007 (As Restated)	203,513,534	9,913,551	44,621,641	29,816,199	287,864,925	1,300,101
Fund Net Assets at June 30, 2008	\$ 200,894,116	\$ 14,128,736	\$ 42,638,954	\$ 28,437,033	\$ 286,098,839	\$ 1,264,616

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN FUND
BALANCES OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2008

Net change in fund balances - total enterprise funds	\$ (1,766,086)
Net change in fund balances - internal service funds	<u>(35,485)</u>
CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES	<u>\$ (1,801,571)</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year ended June 30, 2008

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:						
Cash received from renters	\$ 17,107,314	\$ 807,660	\$ 1,928,584	\$ 1,643,739	\$ 21,487,297	\$ -
Cash payments to employees	(20,929,815)	(1,019,128)	(359,525)	(246,585)	(22,555,053)	-
Cash payments to suppliers	(19,335,306)	(934,982)	(1,965,315)	(2,408,112)	(24,643,715)	-
Cash receipts from (payments to) other funds	(8,505)	(5,433,390)	914,938	4,304,855	(222,102)	49,238
Other cash receipts (payments)	830,069	51,014	(177,865)	106,640	809,858	(49,238)
Net cash (used in) provided by operating activities	(22,336,243)	(6,528,826)	340,817	3,400,537	(25,123,715)	-
Cash Flows from Noncapital Financing Activities:						
Interest paid to the Department of Budget and Finance	-	(29,341)	-	(875,043)	(904,384)	-
HUD operating subsidy and others received	23,436,402	-	-	-	23,436,402	-
Cash payments to other state agencies	-	-	-	(667,018)	(667,018)	-
Operating transfers in	2,349,032	5,748,308	38,850	-	8,136,190	-
Net cash provided by (used in) noncapital financing activities	25,785,434	5,718,967	38,850	(1,542,061)	30,001,190	-
Cash Flows from Capital and Related Financing Activities:						
HUD capital subsidy received	7,145,081	-	-	-	7,145,081	-
Principal payments on mortgage loans	-	-	-	(69,260)	(69,260)	-
Payments of interest	-	-	-	(21,701)	(21,701)	-
Payments for acquisition of property and equipment	(7,145,081)	-	-	(878,557)	(8,023,638)	-
Net cash used in capital and related financing activities	-	-	-	(969,518)	(969,518)	-
Subtotal carried forward	3,449,191	(809,859)	379,667	888,958	3,907,957	-

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (continued)

Year ended June 30, 2008

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Subtotal brought forward	3,449,191	(809,859)	379,667	888,958	3,907,957	-
Cash Flows from Investing Activities:						
Receipts of interest	285,199	75,122	69,429	339,410	769,160	56,237
Net increase in restricted deposits and funded reserves	-	-	-	84,417	84,417	-
Net cash provided by investing activities	285,199	75,122	69,429	423,827	853,577	56,237
NET INCREASE (DECREASE) IN CASH	3,734,390	(734,737)	449,096	1,312,785	4,761,534	56,237
Cash at July 1, 2007 (as Restated)	5,100,964	978,714	1,670,595	2,486,424	10,236,697	1,179,208
Cash at June 30, 2008	<u>\$ 8,835,354</u>	<u>\$ 243,977</u>	<u>\$ 2,119,691</u>	<u>\$ 3,799,209</u>	<u>\$ 14,998,231</u>	<u>\$ 1,235,445</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (continued)
 Year ended June 30, 2008

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:						
Reconciliation of operating loss to net cash (used in) provided by operating activities:						
Operating loss	\$ (30,197,488)	\$ (1,655,602)	\$ (2,083,344)	\$ (1,693,795)	\$ (35,630,229)	\$ (91,722)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:						
Depreciation	9,578,594	385,615	1,385,986	997,897	12,348,092	42,484
Provision for losses	817,146	71,595	11,597	-	900,338	-
Changes in assets and liabilities:						
Tenant receivables	(742,578)	(40,999)	(13,368)	(16,384)	(813,329)	-
Other receivables	554,599	16,386	(1,258)	167,089	736,816	-
Due from other funds	580,656	(754,832)	686,266	3,418,009	3,930,099	49,238
Due from HUD	-	-	-	-	-	-
Inventories	75,356	-	10,844	101,007	187,207	-
Prepaid expenses and other assets	-	-	1,707	(145)	1,562	-
Deposits held in trust	-	-	-	9,036	9,036	-
Accounts payable	(3,758,689)	(544)	-	(609,875)	(4,369,108)	-
Other accrued expenses	1,348,109	128,113	71,285	16,495	1,564,002	-
Other liabilities	-	-	-	19,143	19,143	-
Due to other funds	(589,161)	(4,678,558)	228,672	886,846	(4,152,201)	-
Due to HUD	-	-	-	-	-	-
Security deposits	(2,787)	-	42,430	(66)	39,577	-
Deferred income	-	-	-	105,280	105,280	-
Net cash (used in) provided by operating activities	<u>\$ (22,336,243)</u>	<u>\$ (6,528,826)</u>	<u>\$ 340,817</u>	<u>\$ 3,400,537</u>	<u>\$ (25,123,715)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET ASSETS
 June 30, 2008

	Private Purpose Trust
ASSETS	
Cash	\$ 610,715
TOTAL ASSETS	\$ 610,715
LIABILITIES AND NET ASSETS	
Liability - Accounts Payable	\$ 118,162
Net Assets - Held in Trust	492,553
TOTAL LIABILITIES AND NET ASSETS	\$ 610,715

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 Year ended June 30, 2008

	Private Purpose Trust
Addition - Intergovernmental Revenue	\$ -
Deductions - Capital Outlays	4,037,807
CHANGE IN NET ASSETS	(4,037,807)
Net Assets at July 1, 2007	4,530,360
Net Assets at June 30, 2008	\$ 492,553

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies

a. General

Act 196, SLH 2005, as amended by Act 180, SLH 2006, create the Hawaii Public Housing Authority (the Authority).

The Authority's mission is to provide safe, decent and sanitary dwelling for low and moderate income residents of Hawaii and to operate its housing program in accordance with federal and state of Hawaii laws and regulations.

For financial reporting purposes, the Authority includes all funds that are controlled by or dependent on the Authority's Board of Directors. Control by or dependence on the Authority was determined on the basis of statutory authority and monies flowing through the Authority to each fund. The Authority is a component unit of the State of Hawaii.

The financial statements of the Authority are intended to present the financial position, changes in financial position, and cash flows where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2008, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. The State Comptroller maintains the central accounts for all State funds and publishes financial statements for the State annually, which include the Authority's financial activities.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements, the statement of net assets and the statement of activities, report information of all of the non-fiduciary activities of the Authority. Governmental activities, which normally are supported by State allotments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

b. Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function.

Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. State allotments and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than program revenues. The Authority does employ an indirect cost allocation system.

Net assets are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first then unrestricted resources as they are needed.

The fund financial statements are provided for governmental funds, proprietary funds and fiduciary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are summarized into a single column. The Authority's fiduciary fund is presented in the fund financial statements. Since by definition their assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities as obligations of the government, their funds are not incorporated into the government-wide statements.

c. Measurement Focus and Basis of Accounting

i. Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

c. Measurement Focus and Basis of Accounting (continued)

ii. Governmental Fund Financial Statements

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. In applying the susceptible to accrual concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when applicable requirements, including timing requirements are met.

Principal revenue sources considered susceptible to accrual include federal grants and rental income. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the State's present appropriation system. These revenues have been accrued in accordance with generally accepted accounting principles since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Authority.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include employees' vested vacation and other post-retirement benefits, which are recorded as expenditures when utilized or paid. The amount of indebtedness related to accumulated vacation and other post-retirement benefits at June 30, 2008 has been reported in the government-wide financial statements.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

c. Measurement Focus and Basis of Accounting (continued)

iii. Proprietary Funds and Fiduciary Fund

The financial statements of proprietary funds and the fiduciary fund are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under GASB Statement 20, Accounting and Financial Reporting for Proprietary funds and Other Governmental Entities that Use Proprietary Fund Accounting, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Authority has elected to not apply FASB statements after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the Authority's enterprise funds is rental income. Federal grants are reported as nonoperating income.

d. Fund Accounting

The financial activities of the Authority are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Authority uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate the legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

GASB Statement 34 sets forth minimum criteria for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

d. Fund Accounting (continued)

i. Governmental Funds

General Fund – The general fund is the general operating fund of the Authority. It is used to account for all financial activities except those required to be accounted for in another fund. This fund includes the Rent Supplement and the Homeless Programs. The annual operating budget as authorized by the State Legislature provides the basic framework within which the resources and obligations of the general fund are accounted.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. These funds include Section 8 Housing Choice Voucher Program, Contract Administration, Shelter Plus Care, Housing Opportunities for Persons with AIDS (HOPWA) Program, Emergency Shelter Grant Program, Residential Opportunities Self-Sufficient Programs (ROSS), Supportive Housing Program, Office of Juvenile Justice and Delinquency Program and Economic Development Initiative Special Project Grant Boys and Girls Club of Hawaii.

Capital Projects Fund – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund type).

The Authority reports the following major governmental funds:

- General Fund
- Capital Projects Fund
- Housing Choice Voucher Program – accounts for federal contributions for housing assistance payments under the Housing Choice Voucher Program.
- Section 8 Contract Administration – accounts for federal contributions primarily for housing payments under the Project-Based Section 8 Program.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

d. Fund Accounting (continued)

ii. Proprietary Funds

Enterprise Funds – These funds account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services to customers, or where sound financial management dictates that periodic determinations of results of operations are appropriate.

The enterprise funds include the Federal Low Rent Fund, Housing Revolving Fund, Housing for Elders Revolving Fund and other funds. The other funds include the Teacher Housing Revolving, Banyan Street Manor Project, Wilikina Apartments Project, Kekumu at Waikoloa Project, Disbursing Fund and Kuhio Park Terrace Resource Center.

Internal Service Funds – These funds account for those activities, which provide goods or services primarily to the Authority, rather than to external parties. In the government-wide statements, internal service funds are included with business-type activities. These funds include the Equipment Rental Fund and Vehicle Rental Fund.

The Authority reports the following as major proprietary funds:

Federal Low-Rent Program accounts for the proceeds from federal contributions for the development of rental property and rental income and federal operating subsidies from such properties.

Housing Revolving Fund accounts for various state multifamily housing projects located throughout the State of Hawaii.

Housing for Elders Revolving Fund accounts for various state elderly housing projects located throughout the State of Hawaii.

iii. Fiduciary Fund

The private-purpose trust fund accounts for net assets held in a trustee capacity for others.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

e. HUD Subsidized Programs

The Federal Low-Rent Program Fund operates under HUD's Annual Contribution Contract and consists of the operations of low-rent housing properties. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained and managed by the Authority. The properties are acquired, developed and modernized under HUD's comprehensive grant programs. Funding for the properties is provided by federal operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition).

The Section 8 Programs consists of the Housing Choice Voucher Program Fund and the Section 8 Contract Administration Fund. The Housing Choice Voucher Program Fund provides rental housing assistance subsidies to qualified participants. The purpose of the program is to assist low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market. Federal housing assistance is provided on behalf of the family or individuals and is paid directly to the landlord directly by the Authority. The family or individual is responsible for finding a suitable housing unit in which the landlord agrees to rent under the program. The Section 8 Contract Administration Fund administers non-Authority owned housing units used for low-income housing. HUD provides a contracted dollar amount to the Authority, which is used to provide rental payment assistance to landlords.

f. Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities in the government-wide financial statements and proprietary funds financial statements. Capital assets are defined by the Authority as land and those assets with estimated useful lives greater than one year and with an acquisition cost greater than:

Land improvements	\$ 100,000
Building and building improvements	\$ 100,000
Equipment	\$ 5,000

Purchased and constructed capital assets are valued at cost. Donated assets are recorded at their fair market value at the date of donation.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

f. Capital Assets (continued)

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements.

Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds financial statements. The Authority utilizes the straight-line method over the assets' estimated useful life. No depreciation is recorded for land and land improvements. Generally, the useful lives are as follows:

	<u>Governmental Activities</u>	<u>Proprietary Fund and Business-type Activities</u>
Building and building improvements	25 years	10 – 40 years
Equipment	7 years	1 – 10 years

g. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of the statement of cash flows – proprietary funds, include all cash and investments with original purchased maturities of three months or less.

h. Inventories

In the governmental funds, the cost of inventories is recorded as an expenditure when consumed.

i. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as “due to and from other funds.” Interfund receivables and payables between funds (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

j. HUD Annual Contributions

The Authority receives annual contributions and subsidies from HUD for operating the Authority's housing assistance payment programs and the development and operation of low-income housing projects. The Authority also receives annual subsidies from HUD for housing assistance payments and operating deficits incurred in the operation of the programs. Annual subsidies recorded in the proprietary fund types are recognized as nonoperating revenue when realized and earned and are accounted for in the statement of revenues, expenses and changes in fund net assets – proprietary funds as HUD operating subsidy.

k. Vacation

Employees are credited with vacation at a rate of 168 hours per calendar year. Accumulation of such vacation credits is limited to 720 hours at calendar year end and is convertible to pay upon termination of employment. Liabilities for accumulated unpaid vacation are accrued at the end of each accounting period utilizing current salary rates. Such vacation credits are recorded as accrued wages and employee benefits payable in the government-wide and the enterprise funds financial statements at the balance sheet date. Accumulated unpaid vacation estimated to be used or paid during the next year is approximately \$522,000.

The change in accumulated unpaid vacation during the year is approximately as follows:

<u>Balance at July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2008</u>
<u>\$2,084,000</u>	<u>\$926,000</u>	<u>\$911,000</u>	<u>\$2,099,000</u>

l. Allocated Costs

The Authority provides certain administrative services to its various funds. The cost of these services is allocated to the funds based on estimates of benefits provided to the funds.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

1. Organization and Significant Accounting Policies (continued)

m. Reservations of Fund Balances

The general and capital projects fund balances are reserved for continuing appropriations, which are comprised of encumbrances and unencumbered allotment balances. Encumbrances represent outstanding commitments, which generally are liquidated in the subsequent fiscal year.

Unencumbered allotment balances represent amounts that have been released and made available for encumbrance or expenditure and are legally segregated for a specific future use.

n. Risk Management

Liabilities related to certain types of losses (including torts, theft of, damage to, or destruction of assets, errors or omissions, natural disasters and injuries to employees) are reported when it is probable that the losses have occurred and the amount of those losses can be reasonably estimated.

o. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

2. Restatement

During the current year, the Authority restated net assets as of June 30, 2007 to correct certain Federal Low Rent Program balances as follows:

	<u>Business-Type Activities</u>
Net assets as of June 30, 2007, as previously reported	\$ 287,797,419
Additions of:	
Capital assets erroneously expensed	578,905
Unrecorded state allotted appropriations	556,038
Accrued litigation settlement	530,080
Less:	
Accrued expenses	<u>(297,416)</u>
Net Assets as of June 30, 2007, as restated	<u><u>\$ 289,165,026</u></u>

3. Budgeting and Budgetary Control

The budget of the Authority is a detailed operating plan identifying estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, services and activities to be provided during the fiscal year, (2) the estimated revenues available to finance the operating plan, and (3) the estimated spending requirements of the operating plan. The budget represents a process through which financial policy decisions are made, implemented and controlled. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated throughout the fiscal year. Amounts reflected as budgeted revenues in the accompanying Required Supplementary Information – Budgetary Comparison Schedule are estimates as compiled by the Authority and reviewed by the Department of Budget and Finance. Budgeted expenditures are derived primarily from acts of the State Legislature and from other authorizations contained in the State Constitution, the Hawaii Revised Statutes and other specific appropriation acts in various Session Laws of Hawaii.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

3. Budgeting and Budgetary Control (continued)

Expenditures of these appropriated funds are made pursuant to the appropriations in the biennial budget as amended by subsequent supplemental appropriations. Budgetary control is maintained at the departmental level. Budget revisions and interdepartmental transfers may be affected with certain executive and legislative branch approvals.

The general fund and certain special revenue funds have legally appropriated annual budgets. The final legally adopted budget in the accompanying Required Supplementary Information – Budgetary Comparison Schedule represent the original appropriations, transfers and other legally authorized legislative and executive changes.

To the extent not expended or encumbered, general fund and special revenue funds appropriations generally lapse at the end of the fiscal year or grant period for which the appropriations were made. The State Legislature or federal government specifies the lapse dates and any other contingencies that may terminate the authorization for other appropriations. Known lapses occurring in the year of appropriation, if any, are included in the amended budgets, and are netted against revenues in the accompanying Required Supplementary Information – Budgetary Comparison Schedule.

A comparison of both the original budget and the final budget to the actual revenues and expenditures of the general and certain special revenue funds are presented in the accompanying Required Supplementary Information – Budgetary Comparison Schedule. Differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with generally accepted accounting principles (GAAP) are mainly due to revenues and expenditures of unbudgeted funds and the different methods used to recognize resource uses. For budgeting purposes, resource uses are recognized when cash disbursements are made or funds are encumbered.

For financial statements presented in accordance with GAAP, expenditures are recognized when incurred and encumbrances are not reported as resources used.

A summation of the differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with GAAP for the general and certain special revenue funds for the year ended June 30, 2008 is set forth in the Required Supplementary Information.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

4. Cash

The State maintains a cash pool that is available to all funds. The Director of Finance is responsible for the safekeeping of all monies paid into the State Treasury. The Director of Finance may invest any monies of the State, which in the Director's judgment are in excess of the amounts necessary for meeting the immediate requirements of the State. Cash is pooled with funds from other State agencies and departments and deposited with approved financial institutions or invested in the State Treasury Investment Pool. Cash accounts that participate in the investment pool accrue interest based on the average weighted cash balances of each account.

The State requires that the depository banks pledge, as collateral, government securities held in the name of the State for deposits not covered by federal deposit insurance.

At June 30, 2008, total cash reported in the Statement of Net Assets is \$21,597,500, which consisted of the following:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
State pool and petty cash	\$ -	\$ 7,503,466	\$ 7,503,466
Cash in bank (book balance)	<u>5,336,659</u>	<u>8,730,210</u>	<u>14,066,869</u>
	5,336,659	16,233,676	21,570,335
Deposits held in trust	<u>-</u>	<u>27,165</u>	<u>27,165</u>
Total Cash	<u>\$ 5,336,659</u>	<u>\$ 16,260,841</u>	<u>\$ 21,597,500</u>

Bank balance of cash in bank was approximately \$17,122,000, of which \$400,000 was covered by federal depository insurance and \$16,722,000 by collateral held by the pledging financial institution's trust department or agent in the name of the Authority.

5. Note Receivable

The note receivable consists of a \$426,100 uncollateralized promissory note receivable from a developer bearing interest at 9%. On January 1, 2010, the Authority has the option to acquire certain improvements constructed by the developer. If the Authority does not exercise the option, the entire principal balance and accrued interest as of January 1, 2010 shall be paid over a period of 15 years in monthly installments necessary to fully amortize the outstanding amount of this note.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

6. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,373,410	\$ -	\$ -	\$ 2,373,410
Construction in progress	9,628,802	5,791,144	(3,777,816)	11,642,130
Total capital assets not being depreciated	<u>12,002,212</u>	<u>5,791,144</u>	<u>(3,777,816)</u>	<u>14,015,540</u>
Capital assets, being depreciated:				
Building and improvements	42,783,626	5,277,816	-	48,061,442
Equipment	1,197,769	-	-	1,197,769
Total capital assets being depreciated	<u>43,981,395</u>	<u>5,277,816</u>	<u>-</u>	<u>49,259,211</u>
Less accumulated depreciation for:				
Building and improvements	20,245,045	2,097,980	-	22,343,025
Equipment	1,102,641	16,341	-	1,118,982
Total accumulated depreciation	<u>21,347,686</u>	<u>2,114,321</u>	<u>-</u>	<u>23,462,007</u>
Governmental activities, net	<u>\$ 34,635,921</u>	<u>\$ 8,954,639</u>	<u>\$ (3,777,816)</u>	<u>\$ 39,812,744</u>
	(As Restated)			
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 22,972,800	\$ -	\$ -	\$ 22,972,800
Construction in progress	29,732,927	6,507,357	(12,484,876)	23,755,408
Total capital assets not being depreciated	<u>52,705,727</u>	<u>6,507,357</u>	<u>(12,484,876)</u>	<u>46,728,208</u>
Capital assets being depreciated:				
Building and improvements	474,327,830	13,314,399	-	487,642,229
Equipment	10,346,735	107,854	(169,968)	10,284,621
Total capital assets being depreciated	<u>484,674,565</u>	<u>13,422,253</u>	<u>(169,968)</u>	<u>497,926,850</u>
Less accumulated depreciation for:				
Building and improvements	253,537,389	12,056,366	(169,968)	265,423,787
Equipment	9,071,107	334,210	-	9,405,317
Total accumulated depreciation	<u>262,608,496</u>	<u>12,390,576</u>	<u>(169,968)</u>	<u>274,829,104</u>
Business-type activities capital assets, net	<u>\$ 274,771,796</u>	<u>\$ 7,539,034</u>	<u>\$ (12,484,876)</u>	<u>\$ 269,825,954</u>

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

6. Capital Assets (continued)

Current-period depreciation expense was charged to function as follows:

Governmental Activities	
Homeless Service and Assistance Program	\$ 83,007
Rental Housing and Assistance Program	2,031,314
Total depreciation expense – governmental activities	<u>2,114,321</u>
Business-Type Activities	
Federal Low Rent Program	9,578,594
Housing Revolving Fund	385,615
Housing for Elders Revolving Fund	1,385,986
Others	1,040,381
Total depreciation expense – business-type activities	<u>12,390,576</u>
Total depreciation expense	<u>\$ 14,504,897</u>

At June 30, 2008, capital assets for the proprietary funds consisted of the following:

	Proprietary Fund Type						Total
	Federal Low-Rent Fund	Enterprise Funds		Other Funds	Internal Service		
		Housing Revolving Fund	Housing for Elders Revolving Fund		Equipment Rental	Vehicle Rental	
Land	\$ 13,093,629	\$ 2,252,881	\$ 6,104,817	\$ 1,521,473	\$ -	\$ -	\$ 22,972,800
Buildings and Improvements	386,354,704	18,733,288	54,945,545	27,608,692	-	-	487,642,229
Equipment, furniture and fixtures	6,932,156	252,521	208,356	865,277	1,517,824	508,487	10,284,621
Construction in Progress	23,755,408	-	-	-	-	-	23,755,408
Less accumulated Depreciation	233,965,197	9,203,877	20,028,005	9,701,483	1,506,370	424,172	274,829,104
Net property and Equipment	<u>\$ 196,170,700</u>	<u>\$ 12,034,813</u>	<u>\$ 41,230,713</u>	<u>\$ 20,293,959</u>	<u>\$ 11,454</u>	<u>\$ 84,315</u>	<u>\$ 269,825,954</u>

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

7. Mortgage and Note Payable

The Banyan Street Manor Project entered into a mortgage note agreement in October 1976 in the amount of \$1,727,800 with USGI, Inc. (insured by HUD). On September 1, 1996, Greystone Servicing Authority, Inc. (GSCI) became the new servicing agent and mortgagee. The mortgage loan bears interest at 7.5 percent and is collateralized by the rental property. Principal and interest are payable in monthly installments of \$11,370, maturing January 1, 2018. At June 30, 2008, the mortgage payable balance was \$335,673. During the current year principal payments of approximately \$70,000 were paid.

The note payable amounting to \$171,327 is an unsecured promissory note payable to an individual (the former owner of Banyan Street). The entire principal balance plus accrued interest, which accrues at the same rate as the residual receipt funds held by GSCI, Inc. (approximately 1.0 percent for the year ended June 30, 2008), is due within 45 days of full payment of the 7.5 percent GSCI, Inc. mortgage note collateralized by HUD which matures on January 1, 2018.

8. Leases

a. Lease Commitments

The Authority leases land under noncancellable operating lease expiring at 2028. The land lease for the Banyan Street Manor Project contains the option to purchase the fee-simple interest in the land at any time for a specified percentage of fair market value at the time of purchase.

The minimum rental commitment under an operating lease for Ke Kumu at Waikoloa Project is \$92,000 for 2009. Related rental expense for the year ended June 30, 2008 totaled approximately \$185,000.

9. Commitments and Contingencies

a. Construction Contracts

At June 30, 2008, the Federal Low Rent Program fund had outstanding commitments to expend approximately \$6,867,000 for the construction and renovation of housing projects.

The General Fund, Capital Projects Fund and the Fiduciary Fund had outstanding construction contract commitments of approximately \$66,000, \$9,323,000 and \$608,000, respectively at June 30, 2008.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

9. Commitments and Contingencies (continued)

b. Torts

The Authority is involved in various actions, the outcome of which, in the opinion of management and the Attorney General, will not have a material adverse effect on the Authority's financial position except for the OHA lawsuit described below. Losses, if any, are either covered by insurance or will be a liability against the State of Hawaii.

c. Workers' Compensation Policy

The Authority has a retrospectively rated workers' compensation insurance policy. Based on available claim experience information, the minimum premium accrued for financial statement reporting purposes approximates the Authority's ultimate workers' compensation cost.

d. Accumulated Sick Leave Pay

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limitation. It may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a State employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the Employees' Retirement System of the State of Hawaii (ERS). Accumulated sick leave at June 30, 2008 amounted to approximately \$5,058,000.

e. Deferred Compensation Plan

In 1984, the State established a deferred compensation plan, which enables State employees to defer a portion of their compensation. The State Department of Human Resources Development has the fiduciary responsibility of administering the plan. Deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

9. Commitments and Contingencies (continued)

f. Litigation

OHA et al. v. State of Hawaii, Civil No. 94-0205-01 (First Circuit)

The lands transferred to the United States by the Republic of Hawaii at Hawaii's annexation to the United States in 1898 are commonly referred to as the ceded lands. Upon Hawaii's admission to the Union in 1959, title to ceded lands still held by the United States and to lands, which the United States acquired, by exchange for ceded lands after 1898 was conveyed by the United States to the State of Hawaii. Section 5 of the Admission Act expressly provided that those lands were to be held by the State as a public trust. Certain rental housing projects of the Authority are situated on parcels of land, which are to be held by the State as a public trust under Section 5.

In 1979, the State legislature (the "Legislature") adopted HRS Chapter 10 ("Chapter 10,"), which, as amended in 1980, specified, among other things, that OHA expend 20 percent of all funds derived by the State from the Ceded Lands for the betterment of Native Hawaiians.

In 1987, in *Trustees of the Office of Hawaiian Affairs v. Yamasaki*, 69 Haw. 154 (1987) ("Yamasaki"), the Hawaii Supreme Court concluded that Chapter 10 was insufficiently clear regarding the amount of monies OHA was entitled to receive from the public trust lands.

In 1990, in response to Yamasaki, the Legislature adopted Act 304, Session Laws of Hawaii 1990, which (i) defined "public land trust" and "revenue," (ii) reiterated that 20 percent of the now defined "revenue" derived from the "public land trust" was to be expended by OHA for the betterment of native Hawaiians, and (iii) established a process for OHA and the Director of Finance of the State jointly to determine the amount of monies which the State would pay OHA to retroactively settle all of OHA's claims for the period June 16, 1980 through June 30, 1991. Since fiscal year 1992 and until the first quarter of fiscal year 2002, the State, through its departments and agencies paid 20 percent of "revenues" to OHA on a quarterly basis.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

9. Commitments and Contingencies (continued)

f. Litigation (continued)

OHA et al. v. State of Hawaii, Civil No. 94-0205-01 (First Circuit) (continued)

On January 14, 1994, OHA filed suit against the State alleging that the State failed to properly account for and fully pay the pro rata share of proceeds and income derived from the lands of public trust established by the Admission Act and the 1978 amendments to the State Constitution. OHA seeks an accounting of all proceeds and income, funds and revenues derived from the lands since 1978, and restitution or damages amounting to 20 percent of the proceeds and income derived from (a) the lands since November 7, 1978, (b) the lands since June 16, 1980, and (c) the lands under Act 304, Session Laws of Hawaii 1990, as well as interest thereon. The State has denied all of OHA's substantive allegations, and asserted its sovereign immunity from suit and other jurisdictional and claim-barring defenses.

In May 1996, OHA filed four motions for partial summary judgment as to the State's liability to pay OHA 20 percent of monies from four specific sources, including rental housing projects of the Authority situated on public trust lands. The State opposed those four motions. The State also filed a motion to dismiss on sovereign immunity grounds.

On October 24, 1996, the Circuit Court of the First Circuit of the State of Hawaii (First Circuit Court) denied the State's motion to dismiss and granted OHA's four motions for partial summary judgment. The State has filed an interlocutory appeal to the Hawaii Supreme Court from both orders. All other proceedings have been stayed pending the Hawaii Supreme Court's disposition of the appeal.

OHA's complaint and motions do not specify the State's alleged failures, nor do they state the dollar amount of the claims. The First Circuit Court's October 24, 1996 order granting OHA's motions for partial summary judgment did not determine the amounts owing. The basis and methodology for calculating any such amount are being disputed. OHA has not provided complete information for its claims for the period from 1981 through 1991, and has provided no information as to its claims for the period from 1991 to the present. The expert witness retained by OHA in this case has estimated that the State's potential liability for the four sources specified in OHA's summary judgment motions for the years 1981 through 1991 (but not thereafter) to be not less than \$178,000,000, of which approximately \$9,200,000 is related to gross rental income derived by the Authority.

On June 30, 1997, the Governor approved Act 329, Session Laws of Hawaii, 1997. The purpose of this Act was to achieve a comprehensive, just and lasting resolution of all controversies relating to the proper management and disposition of the lands subject to public

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

9. Commitments and Contingencies (continued)

f. Litigation (continued)

OHA et al. v. HHA et al., Civil No. 95-2682-07 (First Circuit) (continued)

trust, and of the proceeds and income, which the lands generate. The Act also fixes the amount of proceeds and income OHA will receive during the two-year period at \$15.1 million per year, and requires the completion, continued maintenance, and use of a comprehensive inventory of the public trust lands.

On September 12, 2001 the Hawaii Supreme Court concluded by holding that Act 304 was effectively repealed by its own terms, and that there was no judicial management standard, by which to determine whether OHA was entitled to the revenues it sought because the repeal of Act 304 revived the law which the court in Yamasaki had previously concluded was insufficiently clear to establish how much OHA was entitled to receive. The Supreme Court dismissed this case for lack of justiciability. Immediately thereafter, agencies ceased paying OHA any receipts from the ceded lands.

The Legislature took no action during the 2002 and 2003 legislative sessions to establish a new mechanism for establishing how much OHA was to receive. On January 23, 2003, and pending legislative action to establish such a mechanism, the Governor issued Executive Order No. 03-03 directing state agencies to resume transferring receipts from the ceded lands to OHA. During the 2003 legislative session, the Legislature appropriated moneys from the various funds into which the ceded lands receipts had been deposited and directed the agencies to pay them to OHA. During the 2004 legislative session, the Legislature did not appropriate any moneys from the various funds. OHA continues to pursue its claims for a portion of the revenues from the ceded lands.

OHA et al. v. HHA et al., Civil No. 95-2682-07 (First Circuit)

On July 27, 1995, OHA filed suit against the Hawaii Housing Authority and the State Director of Finance to secure additional compensation and an itemized accounting of the sums previously paid to OHA for five specifically identified parcels of ceded lands, which were transferred to the Authority for rental housing projects. On January 11, 2000, all proceedings in this suit were stayed pending the Hawaii Supreme Court's decision in the State's appeal.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

9. Commitments and Contingencies (continued)

f. Litigation (continued)

OHA et al. v. HHA et al., Civil No. 95-2682-07 (First Circuit) (continued)

The State's potential liability, if any, therefore, may be determined either (1) by the ruling by the Hawaii Supreme Court on the State's interlocutory appeal and, if such ruling is adverse to the State, the conclusion of any subsequent trial and related appeals, or (2) by legislation enacted as a result of the process set out in Act 329. Given all of the above, and the uncertain timing of any final disposition of the case, the State is not able to predict either the ultimate outcome of the case, or the magnitude of its potential liability, if any, with any reasonable certainty. A legislative resolution or judicial decision adverse to the State could have a material adverse effect on the State's financial condition.

A legislative resolution or judicial decision adverse to the State could have a material adverse effect on the Authority's financial condition if an adverse resolution or decision against the State includes liability for gross rental income derived by the Authority from rental housing projects situated on lands in the public trust and the liability is imposed upon the Authority.

However, the ultimate outcome of the litigation and its effect on the Authority, if any, cannot be determined. Accordingly, no estimate of loss has been made in the accompanying statement of net assets of the Authority.

g. Memorandum of Agreement with HUD

In accordance with the provisions of its Low Rent Public Housing Annual Contribution Contract with HUD, if the Authority's performance evaluation results in a designation as a "troubled" public housing agency, as defined by the provisions of Public Housing Assessment System (PHAS) as codified at 24 CFR Part 902, the Authority must enter into a binding contractual agreement designated as a Memorandum of Agreement (MOA) with HUD for the purpose of improving its performance.

On September 30, 2004, the Authority and HUD entered into an MOA, thereby requiring the Authority to comply with certain terms and conditions, including but not limited to meeting certain performance targets, implementing prescribed strategies, and meeting certain timelines for improvement, including written progress reports.

On November 22, 2005, HUD removed the "troubled" agency status noting that the Authority made significant progress in achieving the targets and strategies under the MOA. The Authority received a PHAS score of 73 points out of 100 points.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

10. Retirement Plan

a. Plan Description

All eligible employees of the State and Counties are required by Chapter 88 of the Hawaii Revised Statutes to become members of the Employees' Retirement System of the State of Hawaii (ERS), a cost-sharing multiple-employer public employee retirement plan. The ERS provides retirement benefits as well as death and disability benefits. The ERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for ERS. That report may be obtained from ERS.

The ERS consists of a contributory plan and a noncontributory plan. Employees covered by Social Security on June 30, 1984 were given the option of joining the noncontributory plan or remaining in the contributory plan. All new employees hired after June 30, 1984, who are covered by Social Security, are generally required to join the noncontributory plan. Both plans provide a monthly retirement allowance based on the employee's age, years of credited service, and average final compensation (AFC). The AFC is the average salary earned during the five highest paid years of service, including the vacation payment, if the employee became a member prior to January 1, 1971. The AFC for members hired on or after this date is based on the three highest paid years of service excluding the vacation payment. All benefits vest after five and ten years of credited service for the contributory and noncontributory plans, respectively. All contributions, benefits and eligibility requirements are governed by Chapter 88.

b. Funding Policy

Most covered employees of the contributory plan are required to contribute 7.8 percent of their salary. Police officers, firefighters, investigators of the department of the prosecuting attorney and the attorney general, narcotics enforcement investigators, and public safety investigators are required to contribute 12.2 percent of their salary. The actuarial cost or funding method used to calculate the total employer contribution required is the entry age normal actuarial cost method. Under this method, the total employer contributions to the ERS is comprised of normal cost plus level annual payments required to amortize the unfunded actuarial accrued liability over the closed period ending June 30, 2029.

The Authority's contribution was approximately \$1,589,000 for the year ended June 30, 2008.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

11. Other Post Retirement Employee Benefits

The Authority contributes to the Employers Union Trust Fund (EUTF), an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003, pursuant to Act 88, SLH of 2001. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The eligibility requirements for retiree health benefits are as follows:

For employees hired before July 1, 1996, the Authority pays the entire base monthly contribution for employees retiring with 10 years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with at less than 10 years of service, the Authority makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the Authority pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the Authority pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the Authority pays 100% of the base monthly contribution. Retirees in this category can elect family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than 10 years of service, the Authority makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the Authority pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service the Authority pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the Authority pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

The Authority contributed approximately \$775,000, \$813,000 and \$990,000 for the fiscal years 2008, 2007 and 2006, respectively.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

11. Other Post Retirement Employee Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

It is the State's policy that measurement of the actuarial valuation and the annual required contribution (ARC) are made for the state as a whole and are not separately computed for the individual state departments and agencies such as the Authority. The state allocates the ARC to the various departments and agencies based upon a systematic methodology. The Authority's contribution for the year ended June 30, 2008 was \$990,465, which represented 36% of the Corporation's share of the ARC for postretirement healthcare and life insurance benefits of \$2,755,421.

The following is a summary of changes in postretirement liability during the fiscal year ended June 30, 2008:

Balance at June 30, 2007	\$ -
Additions	2,755,421
Deletions	<u>(990,465)</u>
Balance at June 30, 2008	<u>\$ 1,764,956</u>

The State's CAFR includes the required footnote disclosure and required supplementary information on the State's post-retirement health care and life insurance benefit plans.

12. Related Party Transactions

The Housing Voucher Programs provide rent subsidies to certain lessees of the Hawaii Housing Finance Development Corporation's (HFDC) various projects. Total rent subsidies provided to lessees of the HFDC's various projects approximated \$369,000 during the year ended June 30, 2008. Also, HFDC's Rental Assistance Program provides rent subsidies to certain lessees of the Authority's various projects, which amounted to approximately \$54,000. These amounts have been recorded by the Authority as rental income in the Wilikina Apartments Project and Kekumu at Waikoloa Project.

Also, the Authority has a receivable due from HFDC for property insurance expense for approximately \$280,000 as of June 30, 2008.

Hawaii Public Housing Authority

Notes to Financial Statements
June 30, 2008

13. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2008 is as follows:

Due from	Housing Voucher Program	Section 8	Federal Low Rent Program	Housing Revolving Fund	Housing For Elders Revolving Fund	Nonmajor – Proprietary
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,634
Housing Choice Voucher Program	-	-	718	-	-	1,326,745
Section 8 Contract Administration	-	-	797	-	-	124,979
Federal Low-Rent Program	-	-	-	-	-	3,575,596
Housing Revolving Fund	-	-	1,693	-	-	-
Housing for Elders Revolving Fund	-	-	-	-	-	436,728
Internal Services	-	-	-	-	-	70,673
Nonmajor – Proprietary	1,705,000	458,499	3,224,165	1,047,415	130,667	65,847
Nonmajor – Government	-	-	-	-	-	13,448
Total	\$ 1,705,000	\$ 458,499	\$ 3,227,373	\$ 1,047,415	\$ 130,667	\$ 5,833,650

The interfund receivable and payable balances are due to interfund goods or services provided or reimbursable expenditures and payments between funds.

14. Operating Transfers

In accordance with Act 43 SLH 2008 and Act 213 SLH 2007, the State of Hawaii released emergency appropriations in the amounts of approximately \$3,068,000 and \$5,180,000, respectively, to the Authority. Approximately, \$7,779,000 of the emergency appropriations was transferred from the General Fund to respective proprietary and special revenue funds to pay for rental housing service shortfalls.

In addition, approximately \$512,000 of Capital Projects fund was expended for the benefit of certain properties under the Federal Low Rent Fund and has been reflected in the financial statements as operating transfers.

15. Subsequent Events

Subsequent to year-end, the Authority was named as a defendant in a lawsuit regarding the living conditions at Kuhio Park Terrace. The lawsuit is in its discovery stage as such its outcome is not determinable.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2008

	General Fund		
	Original budget	Final budget	Budgetary Actual
Revenues -			
State allotted appropriations	\$ 29,203,816	\$ 31,771,771	\$ 28,172,496
Expenditures:			
Homeless service and assistance program	17,776,608	17,276,608	13,988,904
Rental housing and assistance program	11,427,208	11,427,208	11,115,637
Emergency Appropriation	-	3,067,955	3,067,955
REVENUES EQUALS			
EXPENDITURES	\$ -	\$ -	\$ -
	Housing Voucher Program		
	Original budget	Final budget	Budgetary Actual
Revenues -			
HUD contributions	\$ 20,327,896	\$ 21,323,703	\$ 21,596,567
Expenditures -			
Rental housing and assistance program	20,327,896	21,323,703	18,682,673
EXCESS OF REVENUES			
OVER EXPENDITURES	\$ -	\$ -	\$ 2,913,894

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
MAJOR GOVERNMENTAL FUNDS (continued)

Year ended June 30, 2008

	<u>Section 8 Contract Administration</u>		
	<u>Original budget</u>	<u>Final budget</u>	<u>Budgetary Actual</u>
Revenues			
HUD contributions	<u>\$ 27,374,925</u>	<u>\$ 25,797,618</u>	<u>\$ 21,320,092</u>
Expenditures			
Rental housing and assistance program	<u>27,374,925</u>	<u>25,797,618</u>	<u>21,072,810</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,282</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -
BUDGET-TO-GAAP RECONCILIATION

Year ended June 30, 2008

	<u>General Fund</u>	<u>Housing Voucher Program</u>	<u>Section 8 Contract Administration</u>
Excess of revenues over expenditures and other sources and uses - actual on budgetary basis	\$ -	\$ 2,913,894	\$ 247,282
Reserve for encumbrance at year end*	5,789,887	-	-
Expenditures for liquidation of prior year's encumbrances	(11,863,015)	-	-
Reversion of prior year's allotments	(105,079)	-	-
Accrual adjustments and other	<u>1,105,506</u>	<u>206,457</u>	<u>92,731</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES - US GAAP BASIS	<u>\$ (5,072,701)</u>	<u>\$ 3,120,351</u>	<u>\$ 340,013</u>

* Amount reflects the encumbrance balance included in continuing appropriation.

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

ASSETS	Shelter Plus Care	HOPWA Program	Emergency Shelter Program	ROSS	Supportive Housing Program	Boys and Girls Club	Total
Current Assets							
Cash	\$ 36	\$ 27	\$ 26	\$ 23	\$ 50	\$ 4	\$ 166
Due from HUD	146,827	14,717	123,517	3,673	7,927	4,036	300,697
TOTAL ASSETS	<u>\$ 146,863</u>	<u>\$ 14,744</u>	<u>\$ 123,543</u>	<u>\$ 3,696</u>	<u>\$ 7,977</u>	<u>\$ 4,040</u>	<u>\$ 300,863</u>
LIABILITIES AND FUND BALANCES							
Current Liabilities							
Accounts payable	\$ 146,827	\$ 13,936	\$ 122,015	\$ -	\$ 4,471	\$ -	\$ 287,249
Due to other funds	-	781	1,502	3,673	3,456	4,036	13,448
Due to HUD	36	27	26	23	50	4	166
Total current liabilities	146,863	14,744	123,543	3,696	7,977	4,040	300,863
Fund Balance - Unreserved	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 146,863</u>	<u>\$ 14,744</u>	<u>\$ 123,543</u>	<u>\$ 3,696</u>	<u>\$ 7,977</u>	<u>\$ 4,040</u>	<u>\$ 300,863</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2008

	Shelter Plus Care	HOPWA Program	Emergency Shelter Program	ROSS	Supportive Housing Program	Boy and Girls Club	Total
Revenue							
Intergovernmental – HUD annual contributions and others	\$ 574,485	\$ 157,518	\$ 314,408	\$ 29,628	\$ 89,537	\$ 90,900	\$ 1,256,476
Expenditure - Administration	<u>574,485</u>	<u>157,518</u>	<u>314,408</u>	<u>29,628</u>	<u>89,537</u>	<u>90,900</u>	<u>1,256,476</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
Fund Balance at July 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET ASSETS – NONMAJOR OTHER ENTERPRISE FUNDS

June 30, 2008

ASSETS	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Current Assets							
Cash	\$ 1,063,621	\$ -	\$ 415,483	\$ 10,597	\$ 2,028,811	\$ 280,697	\$ 3,799,209
Receivables							
Accrued interest	-	-	-	-	-	-	-
Tenant receivables, less allowance for doubtful accounts	38,219	295	-	4,062	-	68,226	110,802
Other	1,500	111	107,022	-	-	-	108,633
	<u>39,719</u>	<u>406</u>	<u>107,022</u>	<u>4,062</u>	<u>-</u>	<u>68,226</u>	<u>219,435</u>
Due from other funds	20,000	-	-	-	5,813,650	-	5,833,650
Due from other state agencies	-	-	-	-	726,003	-	726,003
Inventories	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	63,392	-	-	-	-	63,392
Deposits held in trust	-	-	-	27,165	-	-	27,165
Total current assets	<u>1,123,340</u>	<u>63,798</u>	<u>522,505</u>	<u>41,824</u>	<u>8,568,464</u>	<u>348,923</u>	<u>10,668,854</u>
Restricted Deposits and Funded Reserves	-	1,979,405	5,937,609	-	-	-	7,917,014
Capital Assets, less accumulated depreciaton	<u>1,187,757</u>	<u>2,960,572</u>	<u>4,733,206</u>	<u>-</u>	<u>-</u>	<u>11,412,424</u>	<u>20,293,959</u>
TOTAL ASSETS	<u>\$ 2,311,097</u>	<u>\$ 5,003,775</u>	<u>\$ 11,193,320</u>	<u>\$ 41,824</u>	<u>\$ 8,568,464</u>	<u>\$ 11,761,347</u>	<u>\$ 38,879,828</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET ASSETS – NONMAJOR OTHER ENTERPRISE FUNDS (continued)

June 30, 2008

LIABILITIES AND NET ASSETS	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Current Liabilities							
Accounts payable	\$ 15,080	\$ 70,068	\$ 18,471	\$ 3,402	\$ 1,752,626	\$ -	\$ 1,859,647
Accrued expenses - other	738	-	12,276	514,736	-	54,086	581,836
Due to other funds	14,693	74,062	15,778	393,499	6,082,247	51,314	6,631,593
Due to other state agencies	-	-	-	-	58,985	-	58,985
Due to State of Hawaii	-	-	-	-	571,402	-	571,402
Due to HUD	-	1,901	12,659	-	-	-	14,560
Security deposits	22,375	9,634	19,741	27,165	-	11,109	90,024
Other	-	-	22,726	-	105,280	-	128,006
Total current liabilities	52,886	155,665	101,651	938,802	8,570,540	116,509	9,936,053
Mortgage Payable, net of current portion	-	506,741	-	-	-	-	506,741
Net Assets							
Invested in capital assets, net of related debt	1,187,757	2,453,831	4,733,206	-	-	11,412,424	19,787,218
Restricted by legislation and contractual agreements	-	1,979,405	5,937,609	-	-	-	7,917,014
Unrestricted	1,070,454	(91,867)	420,854	(896,978)	(2,076)	232,414	732,801
Total net assets	2,258,211	4,341,369	11,091,669	(896,978)	(2,076)	11,644,838	28,437,033
TOTAL LIABILITIES AND NET ASSETS	\$ 2,311,097	\$ 5,003,775	\$ 11,193,320	\$ 41,824	\$ 8,568,464	\$ 11,761,347	\$ 38,879,828

See accompanying independent auditor's report

Hawaii Public Housing Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2008

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Operating Revenues							
Rental	\$ 198,670	\$ 247,331	\$ 467,838	\$ 310,675	\$ -	\$ 426,639	\$ 1,651,153
Other	-	8,001	95,866	8,841	-	-	112,708
Total operating revenues	198,670	255,332	563,704	319,516	-	426,639	1,763,861
Operating Expenses							
Personnel services	2,827	-	-	106,562	-	137,196	246,585
Depreciation	52,205	140,392	309,108	-	-	496,192	997,897
Administration	8,238	177,928	238,160	399,388	-	136,189	959,903
Professional services	-	-	-	3,797	-	1,930	5,727
Insurance	-	14,225	22,738	77,462	-	3,692	118,117
Repairs and maintenance	133,784	73,866	250,817	55,370	-	41,353	555,190
Utilities	9,611	56,718	108,685	96,464	-	147,567	419,045
Other	4,326	9,062	15,778	-	126,026	-	155,192
Total operating expenses	210,991	472,191	945,286	739,043	126,026	964,119	3,457,656
Operating (loss) income	(12,321)	(216,859)	(381,582)	(419,527)	(126,026)	(537,480)	(1,693,795)
Nonoperating Revenues (Expenses)							
Interest income - cash and investments	36,462	-	296,293	-	-	173	332,928
Interest expense	3,402	(21,701)	-	-	-	-	(18,299)
Total nonoperating revenues (expenses)	39,864	(21,701)	296,293	-	-	173	314,629
Income (loss)	27,543	(238,560)	(85,289)	(419,527)	(126,026)	(537,307)	(1,379,166)
CHANGE IN NET ASSETS	\$ 27,543	\$ (238,560)	\$ (85,289)	\$ (419,527)	\$ (126,026)	\$ (537,307)	\$ (1,379,166)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CHANGES IN FUND NET ASSETS – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2008

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Net Assets at July 1, 2007	\$ 2,230,668	\$ 4,579,929	\$ 11,176,958	\$ (477,451)	\$ 123,950	12,182,145	\$ 29,816,199
Change in Net Assets	<u>27,543</u>	<u>(238,560)</u>	<u>(85,289)</u>	<u>(419,527)</u>	<u>(126,026)</u>	<u>(537,307)</u>	<u>(1,379,166)</u>
Net Assets at June 30, 2008	<u>\$ 2,258,211</u>	<u>\$ 4,341,369</u>	<u>\$ 11,091,669</u>	<u>\$ (896,978)</u>	<u>\$ (2,076)</u>	<u>\$ 11,644,838</u>	<u>\$ 28,437,033</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2008

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Cash Flows from Operating Activities							
Cash received from renters	\$ 198,670	\$ 246,569	\$ 466,461	\$ 310,675	\$ -	\$ 421,364	\$ 1,643,739
Cash payments to employees	(2,827)	-	-	(106,562)	-	(137,196)	(246,585)
Cash payments to suppliers	(154,859)	(295,026)	(617,035)	(600,412)	(446,052)	(294,728)	(2,408,112)
Cash receipts from other funds	7,728	74,062	15,778	393,499	3,811,051	2,737	4,304,855
Other cash (payments) receipts	(4,326)	8,001	(11,156)	8,841	105,280	-	106,640
Net cash provided by (used in) operating activities	44,386	33,606	(145,952)	6,041	3,470,279	(7,823)	3,400,537
Cash Flows from Noncapital Financing Activities							
Interest paid to Department of Budget and Finance	3,402	-	-	-	(878,445)	-	(875,043)
Cash payments to other state agencies	-	-	-	-	(667,018)	-	(667,018)
Net cash provided by (used in) noncapital financing activities	3,402	-	-	-	(1,545,463)	-	(1,542,061)
Cash Flows from Capital and Related Financing Activities							
Payments for acquisition of property and equipment	-	(829,522)	(49,035)	-	-	-	(878,557)
Principal payments on mortgage loans	-	(69,260)	-	-	-	-	(69,260)
Interest payments	-	(21,701)	-	-	-	-	(21,701)
Net cash used in capital and related financing activities	-	(920,483)	(49,035)	-	-	-	(969,518)
Cash Flows from Investing Activities							
Receipts of interest	42,943	-	296,293	-	-	173	339,409
Net decrease (increase) in restricted deposits and funded reserves	-	462,413	(379,114)	1,118	-	-	84,417
Net cash provided by (used in) investing activities	42,943	462,413	(82,821)	1,118	-	173	423,826
NET INCREASE (DECREASE) IN CASH	90,731	(424,464)	(277,808)	7,159	1,924,816	(7,650)	1,312,784
Cash at July 1, 2007	972,890	424,464	693,291	3,438	103,995	288,347	2,486,425
Cash at June 30, 2008	\$ 1,063,621	\$ -	\$ 415,483	\$ 10,597	\$ 2,028,811	\$ 280,697	\$ 3,799,209

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR OTHER ENTERPRISE FUNDS (continued)

Year ended June 30, 2008

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Cash Flows from Operating Activities:							
Reconciliation of operating loss to net cash provided by (used in) operating activities:							
Operating loss	\$ (12,321)	\$ (216,859)	\$ (381,582)	\$ (419,527)	\$ (126,026)	\$ (537,480)	\$ (1,693,795)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:							
Depreciation	52,205	140,392	309,108	-	-	496,192	997,897
Changes in assets and liabilities:							
Tenant receivables	-	-	-	-	-	(16,384)	(16,384)
Other receivables	-	-	(107,022)	-	274,111	-	167,089
Due from other funds	-	-	-	393,499	3,024,510	-	3,418,009
Inventories	-	-	-	-	101,007	-	101,007
Prepaid expenses and other assets	(250)	-	-	-	105	-	(145)
Deposits held in trust	-	-	-	(2,073)	-	11,109	9,036
Accounts payable	1,278	36,773	-	-	(637,800)	(10,126)	(609,875)
Other accrued expenses	(4,254)	-	-	32,069	(57,449)	46,129	16,495
Other liabilities	-	-	19,143	-	-	-	19,143
Due to other funds	7,728	74,062	15,778	-	786,541	2,737	886,846
Security deposits	-	(762)	(1,377)	2,073	-	-	(66)
Deferred income	-	-	-	-	105,280	-	105,280
Net cash provided by (used in) operating activities	\$ 44,386	\$ 33,606	\$ (145,952)	\$ 6,041	\$ 3,470,279	\$ (7,823)	\$ 3,400,537

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS

Year ended June 30, 2008

ASSETS	Equipment Rental	Vehicle Rental	Total
Current Assets:			
Cash	\$ 788,364	\$ 447,081	\$ 1,235,445
Accrued interest receivable	2,629	1,446	4,075
Total current assets	790,993	448,527	1,239,520
Capital Assets, less accumulated depreciation	11,454	84,315	95,769
TOTAL ASSETS	<u>\$ 802,447</u>	<u>\$ 532,842</u>	<u>\$ 1,335,289</u>
LIABILITIES AND NET ASSETS			
Current Liability			
Due to other funds	\$ 66,083	\$ 4,590	\$ 70,673
Net Assets:			
Invested in capital assets	11,454	84,315	95,769
Unrestricted	724,910	443,937	1,168,847
Total net assets	<u>736,364</u>	<u>528,252</u>	<u>1,264,616</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 802,447</u>	<u>\$ 532,842</u>	<u>\$ 1,335,289</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES AND
CHANGES IN FUND NET ASSETS – INTERNAL SERVICE FUNDS

Year ended June 30, 2008

	<u>Equipment Rental</u>	<u>Vehicle Rental</u>	<u>Total</u>
Operating Revenue - Rental	\$ -	\$ -	\$ -
Total operating revenues	-	-	-
Operating Expenses:			
Administration	37,883	-	37,883
Professional services	1,253	1,050	2,303
Depreciation	4,678	37,806	42,484
Capital expenditures	7,421	-	7,421
Other	-	1,631	1,631
Total operating expenses	<u>51,235</u>	<u>40,487</u>	<u>91,722</u>
Operating loss	(51,235)	(40,487)	(91,722)
Nonoperating Revenue - Interest Income	<u>35,898</u>	<u>20,339</u>	<u>56,237</u>
Change in net assets	(15,337)	(20,148)	(35,485)
Net Assets at July 1, 2007	<u>751,701</u>	<u>548,400</u>	<u>1,300,101</u>
Net Assets at June 30, 2008	<u>\$ 736,364</u>	<u>\$ 528,252</u>	<u>\$ 1,264,616</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Year ended June 30, 2008

	Equipment Rental	Vehicle Rental	Total
Cash Flows from Operating Activities:			
Cash receipts from other funds	\$ 46,557	\$ 2,681	\$ 49,238
Other cash payments	<u>(46,557)</u>	<u>(2,681)</u>	<u>(49,238)</u>
Net cash provided by operating activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activity -			
Receipts of interest	<u>35,898</u>	<u>20,339</u>	<u>56,237</u>
Net cash provided by investing activity	<u>35,898</u>	<u>20,339</u>	<u>56,237</u>
NET INCREASE IN CASH	35,898	20,339	56,237
Cash at July 1, 2007	<u>752,466</u>	<u>426,742</u>	<u>1,179,208</u>
Cash at June 30, 2008	<u><u>\$ 788,364</u></u>	<u><u>\$ 447,081</u></u>	<u><u>\$ 1,235,445</u></u>
Cash Flows from Operating Activities:			
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	\$ (51,235)	\$ (40,487)	\$ (91,722)
Adjustments to reconcile operating loss to net cash provided by operating activities -			
Depreciation	4,678	37,806	42,484
Changes in assets and liabilities -			
Accounts payable	-	-	-
Due from other funds	<u>46,557</u>	<u>2,681</u>	<u>49,238</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

RECONCILIATION OF CASH

June 30, 2008

The Authority's cash consists of the following as of June 30, 2008:

Equity in State Treasury investment pool - Gov't Wide	\$ 7,503,466
Equity in State Treasury investment pool - Fiduciary Funds	610,715
Cash in banks	14,066,869
Deposits held in trust	27,165
	<u>\$ 22,208,215</u>

Total cash is in agreement with the State Comptroller's central accounting records as of June 30, 2008, as reconciled below:

	Appropriation symbol	June 30, 2008
Cash in State Treasury		
Special Funds	S-04-337-K	\$ 18,309
	S-05-337-K	20,773
	S-07-337-K	89,168
	S-08-337-K	1,821,534
	S-00-308-K	8,789
	S-02-308-K	1,062
	S-03-308-K	1,088
	S-05-308-K	70
	S-06-308-K	-
	S-07-308-K	2,425
	S-08-308-K	156,939
	S-08-304-K	147,990
	S-06-332-K	3,200
	S-07-332-K	160,324
	S-08-332-K	1,587,784
	S-06-210-K	391,209
	S-07-210-K	164,829
	S-08-210-K	499,392
	S-07-310-K	2,240
	S-08-310-K	113,842
	S-08-334-K	920,655
	S-08-336-K	788,365
	S-08-335-K	447,080
Trust Funds	T-06-927-K	3,143
	T-07-920-K	607,571
	T-06-913-K	24,225
	T-07-913-K	6,849
	T-08-913-K	104
Subtotal carried forward		<u>7,988,959</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

RECONCILIATION OF CASH (continued)

June 30, 2008

	<u>Appropriation symbol</u>	<u>June 30, 2008</u>
Subtotal brought forward		\$ 7,988,959
Total cash held in State Treasury as reported by State Comptroller's accounting records carried forward		<u>7,988,959</u>
Reconciling items:		
Deposits not recorded by DAGS		218,519
Summary Warrant Vouchers not recorded by DAGS		(89,005)
Other		<u>(4,292)</u>
		125,222
Cash held outside State Treasury:		
Cash in bank		14,066,869
Deposits held in trust		<u>27,165</u>
		<u>14,094,034</u>
Cash on statement of net assets		<u><u>\$ 22,208,215</u></u>

See accompanying independent auditor's report.

FOR ACTION

SUBJECT: To Hold Public Hearings on the Hawaii Public Housing Authority's Draft Five Year and Annual Public Housing Agency Plan for the Period July 1, 2009 – June 30, 2014.

I. FACTS

- A. The Public Housing Agency (PHA) 5-Year and Annual Plans are a requirement of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) and the Housing and Economic Recovery Act (HERA) of 2008. All public housing agencies administering federal public housing and Section 8 tenant-based (housing choice voucher) assistance programs must submit their plans to the U.S. Department of Housing and Urban Development (HUD) to be eligible to receive administrative, operating, Capital Fund Program, and Section 8 Housing Choice Voucher assistance monies.
- B. The PHA 5-Year plan (2005 – 2009) states the mission of serving the needs of low-income and very low-income families for a five-year period.
- C. The PHA Annual Plan consists of nineteen components. The Hawaii Public Housing Authority (HPHA) will be submitting information for every component and will be using a new HUD-developed template for the plans. HPHA must electronically submit the plans and attachments to the local Honolulu HUD Office for their review and subsequent approval no later than April 17, 2009.

II. DISCUSSION

- A. For the FY 2009 PHA Plans, discussions took place with the Resident Advisory Board (RAB) members on a monthly basis starting in July 2008 and ending in January 2009. RAB members were provided with working drafts of the 5-year and Annual plan, and worked on creating recommendations and comments to the PHA Plan. HPHA reviewed their recommendations and met with the RAB on January 20, 2009 to respond to their recommendations. There were no significant modifications to the 5-Year Plan and the Annual Plans.
- B. In order to meet the April 17, 2009 deadline, a timeline was developed:

<u>Action</u>	<u>Timeframe</u>
Drafting of Initial Draft Plans	July 2008 - December 2008
Input from RAB (Monthly Meetings)	July 2008 - January 2009
Board – “For Action” (Public Hearing)	February 19, 2009
Publish Hearing Notice (45 Day Notice)	February 20, 2009
Public Hearing	April 6, 2009
Finalize Plan	April 7 - April 10, 2009
Board – “For Action” (To Approve Plans)	April 16, 2009
Transmit Approved PHA Plans to HUD	April 17, 2009
- C. Updates and inclusions for FY 2009 Plans are as follows:
 - 1. Add working families as a housing preference.
 - 2. Assess a fee for late rent and bounced checks.

3. Investigate the possibility of a public/private partnership for mixed-use redevelopment of one or more sites.
 4. Assess the feasibility of designated elderly housing.
- D. In disseminating information on the PHA Plans and the public hearings to public housing residents, HPHA requested the Resident Advisory Board members and each of the Resident Associations' leadership inform their fellow housing project residents about the purpose, date and time, and location of the hearings. Information regarding the public hearings on the PHA Plan will be included in the monthly rent billing statement mailed to all public housing households in the March mailing. To notify the public of the public hearings, notices will be published in the Honolulu Star Bulletin, The Garden Island (Kauai), The Maui News, West Hawaii Today (Kailua-Kona), and the Hawaii Tribune Herald (Hilo) in February 2009 upon Board approval.
- E. The required format for the 5-Year and Annual Plan has been changed by HUD for 2009. HPHA will reformat the draft plan and submit to the Board of Directors on February 18, 2009.

III. RECOMMENDATION

That the HPHA Board of Directors authorizes HPHA staff to hold public hearings on the Hawaii Public Housing Authority's draft five year and annual Public Housing Agency Plan for the Period July 1, 2009 – June 30, 2014.

Prepared by: Alan Sarhan, Planner AS

Reviewed by: Barbara E. Arashiro, Executive Assistant BA

Approved by the Board of Directors at its meeting on
FEB 19 2009

PLANNING OFFICE

Please take necessary action



EXECUTIVE DIRECTOR

1.0	PHA Information PHA Name: <u>Hawaii Public Housing Authority</u> PHA Code: <u>HI001</u> PHA Type: <input type="checkbox"/> Small <input type="checkbox"/> High Performing <input checked="" type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>07/2009</u>																										
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: _____ Number of HCV units: _____																										
3.0	Submission Type <input checked="" type="checkbox"/> 5-Year and Annual Plan <input type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only																										
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)																										
	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width:35%;">Participating PHAs</th> <th rowspan="2" style="width:5%;">PHA Code</th> <th rowspan="2" style="width:20%;">Program(s) Included in the Consortia</th> <th rowspan="2" style="width:20%;">Programs Not in the Consortia</th> <th colspan="2" style="width:20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width:10%;">PH</th> <th style="width:10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>PHA 1:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 2:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PHA 3:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program		PH	HCV	PHA 1:						PHA 2:						PHA 3:					
Participating PHAs	PHA Code					Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program																			
		PH	HCV																								
PHA 1:																											
PHA 2:																											
PHA 3:																											
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.																										
5.1	Mission. The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.																										
5.2	Goals and Objectives Attached																										
6.0	PHA Plan Update (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.																										
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. Attached.																										
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable. Attached																										
8.1	Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing. Attached																										
8.2	Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan. Attached																										
8.3	Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.																										
9.0	Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Attached																										

9.1	Strategy for Addressing Housing Needs. Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification"</p>
11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.

3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.

4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.

5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.

6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: 1) development name and number; 2) designation type; 3) application status; 4) date the designation was approved, submitted, or planned for submission, and; 5) the number of units affected.

7. **Community Service and Self-Sufficiency.** A description of: (1) Any programs relating to services and amenities provided or offered to assisted families; (2) Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; (3) How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. (Note: applies to only public housing).

8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;
2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

9.1 Strategy for Addressing Housing Needs. Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. (Note: Standard and Troubled PHAs complete annually).

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

Goals and Objectives

A. PHA Goal: Expand the supply of assisted housing

Objectives:

1. Apply for additional rental vouchers if available.
2. Reduce public housing vacancies: Not to exceed 5% vacancy rate.
3. Leverage private or other public funds to create additional housing opportunities: Assess the feasibility of mixed-use private redevelopment.
4. Shelter Plus – 100 units (20 unit per year)

B. PHA Goal: Improve the quality of assisted housing

Objectives:

1. Improve public housing management: (PHAS score)
 - PHAS Physical Condition (REAC) - Passing score of 75 out of 100 points.
 - PHAS Financial Condition- Increase rent collection rate to 95%.
 - PHAS Management Operations -Vacant Unit Turnaround Time: Less than or equal to 20 days,; Work Orders: Complete or abate 100% of emergency work orders within 24 hours and complete non-emergency work orders within an average of 25 days; Annual Inspections: Inspected 100% of its units and systems using the Uniform Physical Condition Standard (UPCS).
 - PHAS Resident Survey – refer to “Increase Customer Satisfaction” below.
 - Evaluate and upgrade PHA computer software to increase the efficiency of programs agency-wide.
 - Improve tenant rent collection system through timely evictions for non-payment of rents.
2. Improve voucher management: (SEMAP score) Strive for High-Performer: 90%
 - Maintain lease-up to 98% of budget utilization.
 - Partner with the City and County of Honolulu, Section 8 Housing Choice Voucher Program to develop a rent reasonableness process to improve operational effectiveness.
 - Develop and maintain an effective reporting system to improve operational efficiency.
 - Continue to develop relationships with more partners in the recruitment and retention of landlords.
3. Increase customer satisfaction: Resident Services and Satisfaction Survey - Achieve at least a score of 80% in all categories (maintenance and repair, communication, safety, services and neighborhood appearance).
4. Concentrate on efforts to improve specific management functions:
 - Develop strategies and training for PH managers and staff to improve rating on the Resident Service and Satisfaction Survey.
 - Develop a plan to have Tenant Monitors available when managers are not available.
5. Renovate or modernize public housing units.
6. Demolish or dispose of obsolete public housing and provide replacement housing.
7. Provide replacement vouchers.
8. Leverage Capital Funds to accelerate modernization projects.
9. Study the feasibility of utilizing public/private partnerships for the redevelopment of public housing.

C. PHA Goal: Increase assisted housing choices

Objectives:

1. Conduct outreach efforts to potential voucher landlords
2. Provide Section 8 voucher mobility counseling

9. Build community ties with private and non-profit organizations to affirmatively further fair housing.
 10. Update the Fair Housing Analysis of Impediments in 2009.
- G. PHA Goal: Improve the housing delivery system through cost-effective management of federal and State government programs and resources:
1. Project based accounting and management for federal public housing.
 2. Evaluate and upgrade PHA computer software to improve financial accounting and reporting.
 3. Improve tenant rent collection system through updating policies and procedures, timely evictions for non-payment of rents, and timely write offs
- H. PHA Goal: Evaluate the current administration of HPHA's Section 8 Housing Choice Voucher Program.
- I. PHA Goal: Due to the recent change in funding levels for the Section 8 HCV Program by HUD, HPHA will be exploring various options to maximize the number of voucher participants within the current HUD funding level, including:
1. Adjusting the subsidies given to the current voucher holders to increase the number of active vouchers;
 2. Maintaining current subsidy amounts and not open the wait list until HUD funding is increased.
- J. PHA Goal: Comply with the Violence Against Women Act to support and assist victims of domestic violence, dating violence, sexual assault, or stalking. To protect certain victims as well as members of the victims' immediate families – from losing their HUD-assisted housing as a consequence of the abuse of which they were the victim

Resident Advisory Board (RAB) Recommendations for FY 2009-2010

Five Year Plan

The RAB reviewed the Five-Year Plan and supports the proposed goals and objectives.

Annual Plan

1. Housing Needs

- The RAB has reviewed Component 1; Housing Needs and has no comments at this time to this section of the PHA Plan

2. Financial Resources

- The RAB supports HPHA's proposed late fees charged to residents for late payment on their rent and also fees for bounced checks that are written with the condition that those fees be assessed after the grace period is over and not after the due date. The RAB feels that tenants should be held accountable for payment of their rent on time but the grace period should not be taken away from them in paying their rent.

HPHA Response: HPHA feels that rent should be paid on time and any payment made after the date agreed to on the lease agreement is considered late. As a result the late fee should be assessed right after the 1st of the month.

3. Policies on Eligibility, Selection and Admissions

- The RAB supports HPHA's proposed changes of adding the working families as a preference for entrance into public housing, but the RAB strongly feels that before any new applications are accepted, a new list should be generated using the current applicants currently on the waitlist who fall into the working families category. The RAB strongly feels that there needs to be a balance between the preference on the waitlist.

HPHA Response: HPHA is not intending to replace the homeless as a preference. Working families are being added to the preference list in an effort to generate income for the AMP. Among the preferences, applicants will still be put on the waitlist according to time and date.

- The RAB recommends that HPHA monitor applicants more closely. Previous residents of public housing, who owe a back balance to HPHA, should not be allowed to fill out an application for housing until their outstanding balance is paid off.

HPHA Response: The HPHA Applications section accepts ALL applications. Screening of all applications is done by the application unit and denial letters are sent to the applicants who do not qualify due to a

- With the starting of asset management, the RAB recommends that HPHA should create a report card for each project, which should be available to all residents. The report card should clearly show areas where management is deficient in and area where management is doing well.
HPHA Response: HPHA Administration supports the evaluation of the managers on a consistent basis. State Public Housing Managers (SPHM's) have scheduled meetings with the SPHM's in HPHA's efforts to continuously monitor the AMP's overall work performance.
- The RAB recommends hiring residents to serve as on-site managers to deal with on-site situations. The RAB feels that these on-site managers should be a priority in elderly projects but eventually should be branched to all projects. The RAB recommends that on-site managers be a program that is started at ALL public housing projects rather than just being a pilot project for one or two projects.
HPHA Response: HPHA is in the process of implementing the tenant monitor program. HPHA feels that the initial implementation of the program must be started only at ONE property. This will allow HPHA to effectively evaluate the program and see what the financial cost will be to run the program.
- The RAB recommends that utility allowance checks be mailed directly to the utility company, which will prevent people from "double-dipping" and going to non-profits for payments for utilities.
Response: HPHA realizes that the utility check being sent to residents is being used for other purposes. HPHA is in full support of this recommendation although it may take some time to set this system up with the utility companies.

6. Grievance Procedures

- The RAB continues to strongly recommend that the lease agreement and other important documents such as the grievance procedures be translated into different languages (written form). Having important documents translated will help to ensure that all residents understand their rights, rules, and responsibilities.
- **HPHA Response: HPHA agrees with this recommendation and will work on getting ALL important documents translated for the benefit of the residents.**

- The RAB recommends that HPHA do a better job of monitoring elderly projects to ensure that all residents meets the requirement of being 62 years of age. There seems to be residents living in elderly public housing, which do not fit the criteria of living in that specific elderly housing.
HPHA Response: HPHA Application unit continues to ensure that applicants to public housing who are elderly or disabled meet the designated requirements for them to enter public housing.

10. Conversion of Public Housing

- The RAB has reviewed Component 10; Conversion of Public Housing and has no comment at this time to this section of the PHA Plan.

11.Homeownership

- The RAB reviewed Component 11, Home Ownership and has no comment at this time to their section of the PHA Plan.

12. Community Service Programs

- The RAB strongly recommends and supports training and implementation of resident management corporations to further enhance resident self-sufficiency. HPHA must work with projects that express interest in forming and operating resident management corporations, as strongly encouraged by HUD's CFR vol. 4 part 964.
HPHA Response: HPHA feels that the implementation of management corporations should not be dependent on the housing authority but feels that the responsibility of starting up a management corporation should lie with the residents.

13. Crime and Safety

- The RAB recommends that security programs not only be focused on certain projects. The RAB understands that there are different safety issues at each project, but HPHA should also add some form of a security program at all projects.
HPHA Response: Due to the lack of funding, HPHA is not able to place security programs at every housing site. Without on-site security, HPHA management has great difficulty enforcing the housing rules. HPHA, under the coordination of Mr. Cliff Laboy is in the process of developing a program in partnership with the Honolulu Police Department that would enable HPHA to get information on incidents happening at unsecured properties. The program will be called the HPHA's incident report card program. The implementation of this program is still in progress but the information gathered will then allow HPHA to enforce our house rules and evict any residents that don't follow our house rules.

15. Civil Rights Certifications (included with PHA Plan Certifications)

- The RAB reviewed Component 15, Civil Rights Certification and has no comment at this time to their section of the PHA Plan.

16. Audit

- The RAB reviewed Component 16, Financial Audit and has no comment at this time to their section of the PHA Plan.

17. Asset Management

- The RAB reviewed Component 17, Asset Management and has no comment at this time to their section of the PHA Plan.

18. Other Information

- The RAB reviewed Component 18, Other Information and has no comment at this time to their section of the PHA Plan.

19. Definition of “Substantial Deviation” and “Significant Amendment Or Modification”

- The RAB reviewed the definition of substantial deviation and significant amendment or modification and has no comment at this time to this section of PHA Plan.

20. Additional Comments

- The RAB strongly feels that in order to make comments and/or recommendations to HPHA’s proposed changes, the PMMSB Chief or designated representative must be available to attend all RAB meetings so that RAB members can ask questions first hand as to what the changes are and who it will involve. RAB members will then have a better understanding of what those changes are and can communicate them to the residents in their geographic area.
HPHA Response: HPHA will continue to have appropriate staff attend meetings.

FOR ACTION

SUBJECT: To Authorize the Executive Director to Implement Management and Personnel Actions Necessary to Expedite the Expenditure of Additional Federal Public Housing Capital Funds Provided in the President's Economic Stimulus Package

A. FACTS

- A. The U.S. Congress has crafted legislation to make supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, also known as the "Economic Stimulus Bill".
- B. In the current version of the bill, HUD will receive \$4 billion in Capital Funds which would be issued to public housing agencies on a formula and competitive basis. The bill requires that HUD shall distribute \$3.0 billion to public housing agencies (PHA) on a formula basis and \$1.0 billion by competition.
- C. The \$1.0 billion will be made available by competition for priority investments including those that leverage private sector funding or financing for renovations and energy conservation retrofit investments. The bill also includes that PHA's shall give priority to projects that can be awarded based on bids within 120 days from the date that funds are made available.
- D. The Hawaii Public Housing Authority (HPHA) staff has met with the U.S. Department of Housing and Urban Development (HUD) regarding the possible infusion of an additional \$16.0 million in capital funds to the HPHA Capital Fund Program under the Economic Stimulus Bill.
- E. In addition to the funds being considered in the Economic Stimulus Bill, the HPHA is expecting to receive around the same amount of Capital Funds for 2009, as was allocated in 2008 – approximately \$12 million.
- F. The following are highlights from the Economic Stimulus Bill that apply to the Federal Capital Fund program.
 - 1. Funds may not be used for operating or rental assistance activities;
 - 2. Restrictions for replacement housing are inapplicable;
 - 3. Funds shall serve as supplemental funds and shall not supplant other sources of funds.
 - 4. PHAs have 1 year to obligate 100% of the funds or be subject to recapture.
 - 5. PHAs must expend 60% of the funds within 2 years or the unobligated balance will be recaptured.
 - 6. PHAs must expend 100% of the funds within 3 years or the unobligated balance will be recaptured.
 - 7. The HUD Secretary may direct that state procurement laws shall not apply to these funds.
 - 8. Up to .5% may be used for administrative costs.
- G. A copy of the final draft of the bill is included at Attachment A.

B. DISCUSSION

- A. HUD has indicated that in order to use the additional funds on specific projects HPHA must make the corresponding changes to the PHA Plan to reflect the projects to be funded. The HPHA is reviewing the PHA Plan to check that all projects are identified in the final version of the PHA Plan.
- B. Included at Attachment B are the capital planning tables for the federal capital fund supplemental appropriation under the Economic Stimulus Bill.
- C. Projects were planned in consideration of the following: 1) health and safety projects; 2) priorities identified in the IBM physical needs assessment (PNA); 3) recommendations from HPHA's consultant on the 2009 PNA; 4) projects submitted to the Legislature for CIP; 5) Requests from project management staff for major renovations/repairs; 6) recommendations from the construction management staff; 7) HPHA requests to the Legislature; and 8) projected timetable for completion of design and construction start.

In the unlikely event that a project is significantly delayed, the Executive Director is seeking approval to transfer projects between funding sources to avoid lapsing any State or federal capital funds.

- D. The HPHA will send out notices to all resident associations and meet with the Resident Advisory Board to discuss possible changes to the PHA Plan based on additional funds in the Economic Stimulus Bill. It should be noted that while the HPHA does not anticipate needing to make substantive revisions to the PHA Plan, any substantive change requires public comment.
- E. In preparation for the additional procurement, contracting and construction management required, the HPHA intends to hire additional staff as listed below. Existing positions will be used to hire limited term employees with initial not to exceed dates as listed below
 - Project Engineer, permanent position
 - Project Engineer, limited term NTE 6/30/11
 - Project Engineer, limited term NTE 6/30/11
 - Construction Inspector, limited term NTE 6/30/13

These positions are currently established, but are not included in the current budget. HPHA intends to use cost savings, additional administrative fees from the economic stimulus funds, and current capital funds for salaries, subject to the availability of funds.

- G. The Executive Director also intends to make expenditures for training and technical assistance, as deemed appropriate and reasonable. Possible training includes: procurement, contract administration, budgeting, value engineering, program management.

HPHA will make all attempts to fund training from costs savings in other program areas and/or identify no-cost alternatives to paid training. Unbudgeted costs will be reflected as variances in the monthly financial reports to the HPHA Board of Directors.

- H. The HPHA will continue to report its progress to the Department of Human Services Director's Office (via Designee Henry Oliva) and to the HPHA Board of Directors on a monthly basis.

C. RECOMMENDATION

That the HPHA Board of Directors authorize the Executive Director to implement management and personnel actions necessary to expedite the expenditure of additional federal public housing capital funds provided in the Economic Stimulus Package.

Prepared by: Barbara E. Arashiro, Executive Assistant 

Reviewed by: Chad K. Taniguchi, Executive Director 

Approved by the Board of Directors at its meeting on

FEB 19 2009

EXECUTIVE DIRECTORS OFFICE

Please take necessary action



EXECUTIVE DIRECTOR

HUD STIMULUS
Construction and Associated Design

Construction Project Title	D/C/B	S/F/O	HUD STIMULI				
Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation	C	F	2,800,000				
Hale Hookipa, Nani Olu, Reroofing	C	F	3,000,000				
Kahekili Terrace Improvements (Const)	C	F	3,448,000				
Kalanihuia Physical Improvements to Elevator Security (Const)	C	F	340,000				
Kalihi Valley Homes Site and Dwelling Improvement Phase IV (Const)	C	F	4,000,000				
Makani Kai Hale Physical Improvements (Const)	C	F	2,200,000				
Mayor Wright Homes Physical improvements and Reroofing (Const)	C	F	100,000				
Puuwai Momi, Electrical System Repairs (Const)	C	F	3,600,000				
Design Project Title	D/C/B	S/F/O	B-06-412-K	715	B-07-415-K	Total	Start Date
Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation	D	S	255,932			255,932	5/26/2008
Hale Hookipa, Kaimalino, Nani Olu, Noelani, Mayor Wright Homes and	D	F		661,423		661,423	6/29/2006
Kahekili Terrace Physical Improvements	D	S	365,445			365,445	6/25/2008
Kalanihuia Physical Improvements to Elevator Security (Design)	D	S			35,000	35,000	1/23/2008
Kalihi Valley Homes Site and Dwelling Improvement Phase IV	D	S			651,971	651,971	9/26/2008
Makani Kai Hale Physical Improvements	D	S	155,037		4,000	159,037	6/17/2008
Kaahumanu Homes, Kauiohalani, Kuhio Park Terrace, Mayor Wright ar	D	S			220,000	220,000	pending
Puuwai Momi, Electrical System Repairs	D	S	31,039		148,774	179,813	5/26/2008

FOR ACTION

SUBJECT: To Ratify the Hawaii Public Housing Authority's Participation in the City & County of Honolulu's Youthbuild Application as a Partner by Identifying Work Sites in Public Housing

I. FACTS

- A. Youthbuild is a program of the U.S. Department of Housing and Urban Development (HUD) authorized under the National Affordable Housing Act, Title IV, Subtitle D, 42 U.S.C. 8011, as amended; Housing and Community Act of 1992, Section 164, Public Law 102-550.
- B. Through the Youthbuild Program, HUD provides funding to public and private non-profit organizations, that include community-based organizations, community action agencies, state or local housing agencies, community development corporations, and any other entity including States, and units of general local government eligible to provide education and employment training.
- C. The City & County of Honolulu's (City) Youthbuild Program offers disadvantaged youth, ages 16 to 24, the opportunity to attain a high school diploma, receive vocational construction training and build leadership skills while earning an income.
- D. The City's Youthbuild participants are registered into the Windward Community College Employment Training Centers' Occupational Construction course (16 weeks), which provides classroom instruction in understanding basic construction principles. Students learn how to function in teams, work productively, demonstrate responsibility and safety.
- E. The Hawaii Public Housing Authority (HPHA) has participated with Youthbuild since December 2006 and they have fixed approximately 50 vacant units and assisted with other community service projects at our various locations.
- F. Executive Director Chad Taniguchi signed an agreement to participate on December 17, 2008.

II. DISCUSSION

- A. A partnership with the Youthbuild Honolulu Program allows participants the opportunity to receive hands-on construction work experience and utilize what they have learned through the Employment Training Center program as well as give back to their community by assisting the HPHA to prepare housing units for immediate occupancy.
- B. The next class begins on March 3, 2009.

- C. Under the City's Youthbuild Program, the HPHA is responsible for identifying public housing work sites for the program participants to gain hands-on experience. The HPHA is responsible for providing reimbursements for materials, and for inspecting and accepting the work performed.
- D. The City is responsible for providing supervision and training for the Youthbuild participants.

III. RECOMMENDATION

The HPHA recommends that the HPHA Board of Directors ratify the agreement with the City's Youthbuild Program.

Prepared by: Stephanie Fo, Acting Property Management & Maintenance Services Branch Chief SF

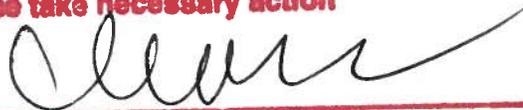
Reviewed by: Barbara E. Arashiro, Executive Assistant BA

Approved by the Board of Directors at its meeting on

FEB 19 2009

PROPERTY MANAGEMENT & MAINTENANCE BRANCH

Please take necessary action



EXECUTIVE DIRECTOR

FOR ACTION

SUBJECT: To Approve Application for Competitive Grants Under the Continuum of Care Notice of Funding Availability Which is an Annual Initiative of the U.S. Department of Housing and Urban Development

I. FACTS

- A. The Housing and Urban Development (HUD) sponsors an annual competitive grant opportunity wherein Continuums of Care may apply for funding under several HUD programs including Shelter Plus Care (S+C), Supportive Housing Program (SHP), and Single Room Occupancy (SRO).
- B. The Notice of Funding Availability (NOFA) is usually published between the months of February to June, and the deadline for applications is usually within two months of the publication.
- C. There are two continuums of care in the State of Hawaii: Partners in Care which represents the City and County of Honolulu and Bridging the Gap which represents the rural counties of Hawaii, Maui and Kauai.
- D. The amount of funding available varies based on the total authorized by the Federal Government and a formula allocation for each continuum that is based on the total population of the continuum. Hence the City and County of Honolulu has an allocation in the area of \$3 million and the rural county allocation is \$600,000 to \$1 million, annually.
- E. The Hawaii Public Housing Authority (HPHA) applies annually on behalf of Bridging the Gap, and HPHA has been successful in getting federal funds to the rural counties every year.
- G. Present recipients of funding under the Continuum of Care NOFA are Maui Economic Concerns of the Community (two grants), Women Helping Women, Office of Social Ministry, Kauai Economic Opportunity, UH Center on the Family, HPHA Homeless Management Information System, Catholic Charities Kawaihae, and Steadfast Housing (four grants).

II. DISCUSSION

- A. HPHA works with the three rural county continuums to prioritize need, solicit private provider applications, and rate the applications. HPHA then amasses the information and forms needed for the application.
- B. One required component of the application is a certificate of consistency with the Consolidated Plan signed by the Mayor of the relevant county for each project application. The Consolidated Plan is a strategic planning document, required by HUD, for each county jurisdiction and for the State of Hawaii.
- C. Matching funds must also be provided by each applicant: Dollar for dollar match for Shelter Plus Care which may be in cash or in supportive services and a 25% cash or in kind match for the Supportive Housing Program.

- D. The State Legislature has provided some funding to meet the Shelter Plus Care match requirement in the past, and they are looking to do that again this year.
- E. The Homeless Programs Branch takes \$500 in administrative fees for each successful Supportive Housing application. No administrative fees are allowed by HUD for Shelter Plus Care.
- F. The administrative fees are nominal, so the Homeless Programs budget accommodates for the administrative expense of the grants. The federal funding for programs for the homeless benefits both the Counties and the State and offsets funds that the local jurisdictions would otherwise have to shoulder.

III. RECOMMENDATION

That the HPHA Board of Directors approve HPHA Homeless Programs submittal of a grant application for the 2009 Continuum of Care Notice of Funding Availability for the three rural counties.

Prepared by: Sandra J. Miyoshi, Homeless Programs Branch Administrator ajm

Approved by the Board of Directors at its meeting on
FEB 19 2009

HOMELESS PROGRAMS SECTION

Please take necessary action



EXECUTIVE DIRECTOR

FOR ACTION

SUBJECT: To Approve the Acceptance of Conveyance of Lots 269 (Map 60) and 65-B-3-B (Map 1150), TMK No.: (1) 9-4-17: Por. 58, From the Hawaii Housing Finance and Development Corporation for the Benefit of the Adjacent Kamalu and Ho'olulu Elderly Housing Projects and Authorize the Executive Director to Take All Actions Necessary to Effectuate the Conveyance

I. FACTS:

- A. The Hawaii Housing Finance and Development Corporation (HHFDC) is the owner of the Kau'olu Properties Development in the vicinity of Mokuola Street, Wailani Stream and Paiwa Street in Waipahu, Oahu, Hawaii. The land for the Kau'olu project was purchased by the Hawaii Housing Authority (HHA) from the Crown Land Corporation in 1974.
- B. The Housing Finance and Development Corporation (HFDC) developed Kamalu and Ho'olulu State Elders projects in 1993 and 1995 respectively.
- C. The HHA operated and managed the projects upon completion for HHFDC. The State Elders program was eventually transferred to HHA.
- D. HFDC retained ownership of a large parcel of land (TMK (1) 9-4-17:por. 58 for future development. A portion of this parcel was used for parking by the Ho'olulu project.
- E. The Housing and Community Development Corporation of Hawaii (HCDCH) executed a development agreement with a developer, Plantation Town Apartments LLC, dated June 27, 2006. In accordance with the requirements of the Request for Proposal (RFP) and the development agreement, the developer subdivided the parcel. Subdivision approval was received from the City and County of Honolulu on August 11, 2006, and Land Court approval of the subdivision was granted on October 10, 2007 (Map 60) and December 27, 2007 (Map 1150).
- F. HHFDC has no need for Lots 269 and Lot 65-B-3-B and wishes to transfer the properties to HPHA for use in conjunction with the Kamalu and Ho'olulu Elders rental projects.

II. DISCUSSION

- A. Lot 269, 1.313 acres, contains a portion of a parking lot for the adjacent Ho'olulu Elderly Housing Project owned by HPHA. There is also a narrow strip of land between the Wailani Stream and the rear of the Waipahu Civic Center. See attached Exhibit A.

- B. Lot 65-B-3-B is a remnant parcel of 7 square feet which resulted from the subdivision of the Land Court and regular system properties within the unsubdivided property, TMK 9-4-17: 58. See attached Exhibit B.
- C. There is access easement for the Plantation Town Apartments over a portion of Lot 269. The easement is over the driveway to the parking area for Ho'olulu and provides access to the Plantation Town Apartments off of the end of Kau'olu Place.
- D. This For Action seeks approval to accept conveyance of Lots 269 and 65-B-3-B from the HHFDC.
- E. HHFDC is proposing to convey the parcels under the following conditions:
 - 1. Purpose: For use as a parking lot, tenant gardens or other use for the Kamalu or Ho'olulu Elderly Housing Projects;
 - 2. "AS IS";
 - 3. Lots 269 and 65-B-3-B to be conveyed together;
 - 4. Consideration: Gratis;
 - 5. Document: Quitclaim Deed.

III. RECOMMENDATION

To approve the acceptance of conveyance of Lots 269 (Map 60) and 65-B-3 (Map 1150), TMK No.: (1) 9-4-17: por. 58, from the Hawaii Housing Finance and Development Corporation for the benefit of the adjacent Kamalu and Ho'olulu Elderly Housing Projects and authorize the Executive Director to take all actions necessary to effectuate the conveyance.

Attachments: Exhibit A – Lot 269
Exhibit B – Lot 65-B-3-B

Prepared by: Michael J. Hee, Private Management Contracts Section Chief 

Reviewed by: Stephanie Fo, Acting Property Management & Maintenance Services Branch Chief 

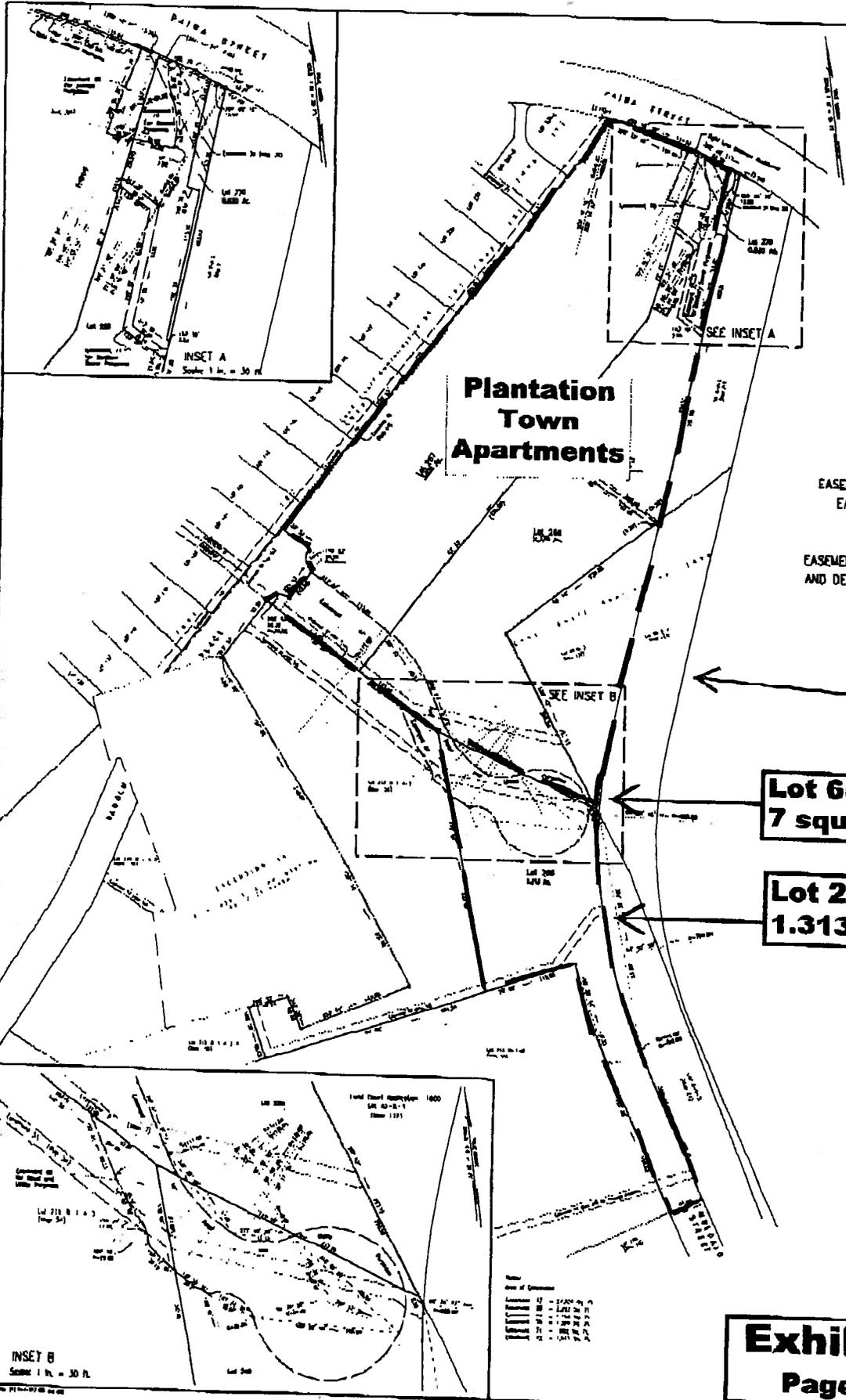
**Approved by the Board of Directors at its meeting on
FEB 19 2009**

PROPERTY MANAGEMENT & MAINTENANCE BRANCH

Please take necessary action



EXECUTIVE DIRECTOR



**Plantation
Town
Apartments**

LAND COURT
STATE OF HAWAII

LAND COURT CONSOLIDATION 38
 SUBDIVISION OF LOT 219-B-1-A-6
 AS SHOWN ON MAP 54
 INTO LOTS 267 TO 270, INCLUSIVE
 DESIGNATION OF
 EASEMENT 67 AFFECTING LOTS 267, 268 AND 269
 EASEMENT 68 AFFECTING LOT 219-B-1-A-5
 AS SHOWN ON MAP 54
 EASEMENT 69 AFFECTING LOT 267
 EASEMENTS 70, 71 AND 72 AFFECTING LOT 268
 AND DESIGNATION OF SIGHT LINE DISTANCE RESTRICTION
 AFFECTING LOTS 267, 268 AND 270
 AT WAIPIO, IWA, OAHU, HAWAII

Wailani Stream

**Lot 65-B-3-B
7 square feet**

**Lot 269
1.313 Acres**

ORDER HAVING BEEN MADE BY THE LAND COURT CONSOLIDATION 38
 HAWAIIAN QUARTERS OF TITLE 172,000

APPROVED AND APPROVED BY ORDER OF THE LAND COURT DATED FEBRUARY 14, 1957
 BY ORDER OF THE COURT

(Signature)
 CLERK OF THE LAND COURT

Exhibit "A"
Page 2 of 2

Map page 27, 1957
(Signature)

FOR ACTION

SUBJECT: To Ratify the Hawaii Public Housing Authority's Request to Rescind the Demolition of six Units at the Lanakila Homes, Hawaii

I. FACTS

- A. On December 9, 1999, the Hawaii Public Housing Authority received HUD approval to demolish 11 buildings, consisting of 108 units at Lanakila Homes. To date, the HPHA has demolished only 42 out of 108 units.
- B. Since the original request to demolish the buildings in 1999, the HPHA has reevaluated the immense need for low-income rental housing in Hawaii. After a thorough investigation of the remaining units, the HPHA has determined that the foundations, walls, roofs, and interior structures of the remaining units are in good condition and have more useful life remaining.
- C. Subsequently, on August 14, 2008, the Hawaii Public Housing Authority (HPHA) submitted a request (via electronic mail) to the U.S. Department of Housing and Urban Development (HUD) to rescind the demolition approval of three buildings at Lanakila Homes. The request was submitted to Mr. Ainars Rodins, Director of HUD's Special Applications Center in Chicago, Illinois.
- D. On January 7, 2009, HUD approved the HPHA's request to rescind the demolition approval of three buildings containing six units at Lanakila Homes. The approved buildings 59, 61 and 62 represent 2 each of a 2-, 3-, and 4 – bedroom units. See attached Exhibit A

II. RECOMMENDATION

That the HPHA Board of Directors ratify the Executive Director's request to the U.S. Department of Housing and Urban Development's Special Applications Center to rescind the demolition approval of three buildings at Lanakila Homes, Hawaii.

Attachments: Exhibit A – Letter from HUD dated January 7, 2009

Prepared by: Barbara Arashiro, Executive Assistant BA

Reviewed by: Chad K. Taniguchi, Executive Director CT

Approved by the Board of Directors at its meeting on

FEB 19 2009

EXECUTIVE DIRECTORS OFFICE

Please take necessary action

Chad K. Taniguchi

EXECUTIVE DIRECTOR



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

JAN 07 2009

Mr. Chad K. Taniguchi
Interim Executive Director
Hawaii Public Housing Authority
1002 North School Street
P O Box 17907
Honolulu, HI 96817

Dear Mr. Taniguchi:

The Department has reviewed the Hawaii Public Housing Authority's (HPHA) request to amend to rescind the demolition approval of three building containing six units at Lanakila Homes I, HI001000037. The Special Applications Center (SAC) received this request on August 14, 2008, via e-mail.

The project originally had 150 units in the development and demolished 42 units prior to HUD the approval. On December 9, 1999, the Department approved the demolition of remaining 11 dwelling buildings consisting 108 units at Lanakila Homes I, HI001000104. After the approval from SAC, HPHA demolished only 42 units out of 108 units. There are 62 units remain to be demolished. Details of the original approval are as follows:

Lanakila Homes I, HI001000037					
DOFA: 2/1/1952					
Bed Room	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	20	34	46	8	108
Approved Units	20	34	46	8	108
Approved Buildings: 8A, 9A, 11A, 19A, 20A, 21A, 22A, 28A, 30A, 37B, 39A, 59, 61, 62 and 1 Community Center and 1 Administration Building					

In the current request, the HPHA proposes to rescind the demolition approval for the dwelling buildings 59, 61 and 62 containing 6 units.

The HPHA has thousands of people on their waiting list which shows there is an immense need for low-income rental housing throughout Hawaii. Currently, the residents of the development have indicated that preserving existing low-income rental housing is a much higher priority than creating open space. In order to expedite re-occupancy of the units, the HPHA plans to minimally fix the units as of this time. After thorough investigation of the remaining units, the HPHA discovered that the foundations, walls, roofs and interior structures are in good conditions and have more useful life remaining. However, it will continue with its ongoing plan for complete renovation of all remaining vacant units as funds become available. There are three nonprofit and volunteer organizations have agreed to rehabilitate six units on a volunteer bases as a demonstration projects. The HUD Honolulu Field Office supports the HPHA's plan to rescind the demolition approval of the remaining three buildings containing six units.

Visit our World Wide Web Site <http://www.hud.gov/offices/pih/centers/sac/>

Based on the above information, your request to rescind the demolition approval is hereby approved as follows:

Lanakila Homes I, HI001000037					
DOFA: 2/1/1952					
Bed Room	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	20	34	46	8	108
Approved Units	20	34	46	8	108
Rescinded Approval for Units	0	2	2	2	6
Existing Approved Buildings for Demolition: 8A, 9A, 11A, 19A, 20A, 21A, 22A, 28A, 30A, 37B, 39A, 1 Community Center and 1 Administration Building					
Approved Rescind Buildings: 59, 61 and 62.					

The IMS-PIC manager informed that pending unit data for HPHA was approved on December 3, 2008. The SAC rescinded building 059, 061 and 062 containing 6 units from the Public and Indian Housing Information Center (PIC) application DDA0000922, to reflect this amendment. All other conditions of the original demolition approval dated February 27, 2001, remain as originally approved.

The HUD Honolulu Field Office of Public Housing has been informed of this approval and its staff is available to provide any technical assistance necessary for your agency to proceed with this amendment. Should you have any questions, please contact the SAC reviewer, Naitik Patel, General Engineer, at (312) 353-6236, extension 2153.

Sincerely,



Ainars Rodins, P.E.
Director

Office of Social Ministry. The SPO approved the use of volunteers, however is not responsible for any volunteer liability issues. HPHA will buy materials with HPHA State funds. HPHA will conduct the procurement for required specialty contractors (electrical, plumbing, roofing, sewer).

- C. The Department of the Attorney General has also provided an opinion on the use of volunteers. The AG opinion may be discussed in Executive Session.
- D. The HPHA intends to request HUD for a regulatory waiver from volume 24 Code of Federal Regulations, part 85.36 and Section 19 of the Annual contributions Contract between the Hawaii Public Housing Authority and HUD regarding technical conflict of interest with Office of Social Ministry whose executive director is on the HPHA Board. Office of Social Ministry is volunteering its staff time and energy to provide coordination among the volunteer groups, buy materials, and bring in volunteers of its own. In addition, HPHA will provide \$20,000 for OSM or other volunteer organization to have a project coordinator

III. RECOMMENDATION

Approve the use of volunteers to renovate vacant Units at Lanakila Homes, Hawaii and request a waiver to the U.S. Department of Housing and Urban Development regarding the possible conflict of Interest with the Office of Social Ministry

Prepared by: Barbara E. Arashiro, Executive Assistant BA

Reviewed by: Chad K. Taniguchi, Executive Director CT

Approved by the Board of Directors at its meeting on
FEB 19 2009

EXECUTIVE DIRECTORS OFFICE

Please take necessary action



EXECUTIVE DIRECTOR

Executive Director's Report
February 19, 2009

A. FY 2009 Budget (see page 123-124)

Year to Date (YTD) Financial Variance Report by Program for December, 2008

- Total positive cash flow of approximately \$50,000.
 - All programs are now on either Full Accrual Basis reporting (Federal low rent, state family, state elderly, and central office) or Modified Accrual Basis reporting (Section 8 Housing Choice Voucher, Project Based Program, State Rent Supplement, and Homeless). Thanks to the Fiscal Office for meeting this deadline.
 - All liabilities have been estimated via accruals, but for Modified Accrual Basis reporting all state appropriations are required by GAAP (Generally Accepted Accounting Procedures) to be listed when they come in, so revenues continue to be overstated as required, such as for the Homeless Program.
 - Therefore, although the total agency appears to have a \$6,036,231 positive cash flow on year to date actual (subtotal operations), this is negated by 5,539,908 in Homeless program funds being overstated as current income. As a result, the real positive cash flow is approximately \$50,000.
 - Attention needs to be paid to expediting design and construction of federal and capital funds.

B. Rent Collection Rate from 7/01/08 – 1/30/2009 [Property Branch report from emPHAsys]. (see page 125-130)

- The collections percentage (Federal) dropped to 91%, but occupancy rose to 94%.
- The collections percentage (State) dropped to 91%, but occupancy rose to 92%.

HPHA Island Overview Report as of 10/31/08 Federal
HPHA Island Overview Report as of 10/31/08 State

C. Vacant Units Repairs Federal and State combined (see page 131-134)
[Manually compiled reports from Special Teams, Derek Kimura; Construction Management Services, Marcel Audant; Property Branch, Stephanie Fo]

- 345 "old vacant units" of 537 units vacant as of 6/30/08 have been repaired in six months.
- Remaining 192 scheduled to be repaired by 6/30/09 (85 to be under contract but not completed by then).
- Since 7/1/08 379 additional units became vacant, 260 repaired, 119 unrepaired. AMPs are responsible to keep up with turnarounds of newly vacated units, now to be assisted by Correctional Industries and Special Teams (when old units are completed).

D. Elevator Repair Report (see page 135-137)
Elevator Modernization Report

E. Hearings-Results of Eviction Referrals (see page 138)

F. Procurement Including Contract Status (see page 140)

G. Section 8 Subsidy Program Branch (see page 141-146)

H. Homeless Programs Branch (see page 147-148)

I. Personnel Issues (see page 149-155)

HAWAII PUBLIC HOUSING AUTHORITY
G/L BUDGET COMPARISON REPORT
MAJOR PROGRAMS

	Dec-09				Year-To-Date				Total Year Budget
	Budget	Actual	Difference	%	Budget	Actual	Difference	%	
FEDERAL LOW RENT PROGRAM (Full Accrual)									
Rental Program	1,412,527	1,410,973	(1,554)	100%	8,475,162	8,423,009	(52,153)	99%	16,950,324
State and Federal Subsidy	1,614,756	2,196,155	581,399	136%	9,688,536	10,422,630	734,094	108%	19,377,072
Other Revenue	36,705	55,273	18,568	151%	220,230	184,860	(35,370)	84%	440,460
Expenses	3,192,147	4,302,207	(1,110,060)	135%	19,152,882	17,370,641	1,782,241	91%	38,305,764
NET CHANGE	(128,159)	(639,806)	(511,647)	499%	(768,954)	1,659,858	2,428,812	-216%	(1,537,908)
STATE FAMILY PROGRAM (Full Accrual)									
Rental Program	65,981	70,528	4,547	107%	395,886	438,486	42,600	111%	791,772
State Subsidy	0	0	0	--	0	0	0	--	0
Other Revenue	190	19,183	18,993	10096%	1,140	30,240	29,100	2653%	2,280
Expenses	200,204	294,342	(94,138)	147%	1,201,224	970,090	231,134	81%	2,402,448
NET CHANGE	(134,033)	(204,631)	(70,598)	153%	(804,198)	(501,364)	302,834	62%	(1,608,396)
STATE ELDERLY PROGRAM (Full Accrual)									
Rental Program	156,034	164,385	8,351	105%	936,204	952,772	16,568	102%	1,872,408
State Subsidy	0	0	0	--	0	0	0	--	0
Other Revenue	0	27,520	27,520	--	0	23,088	23,088	--	0
Expenses	200,619	568,663	(368,044)	283%	1,203,714	1,455,417	(251,703)	121%	2,407,428
NET CHANGE	(44,585)	(376,758)	(332,173)	845%	(267,510)	(479,557)	(212,047)	179%	(535,020)
CENTRAL OFFICE COST CENTER (Full Accrual)									
Other Revenue (Fees)	482,894	1,142,459	659,565	237%	2,897,367	3,286,040	388,674	113%	5,794,733
Expenses	521,712	651,373	(129,661)	125%	3,130,274	3,592,313	(462,039)	115%	6,260,548
NET CHANGE	(38,818)	491,086	529,904	-1265%	(232,908)	(306,273)	(73,365)	131%	(465,815)
SECTION 8 HOUSING CHOICE VOUCHER (Modified Accrual)									
Federal Subsidy	1,687,210	1,582,899	(104,311)	94%	10,123,260	9,497,394	(625,866)	94%	20,246,520
Other Revenue	188,135	165,603	(22,532)	88%	1,128,810	971,681	(157,129)	86%	2,257,620
Expenses	1,899,114	1,693,703	205,411	89%	11,394,684	9,775,171	1,619,513	86%	22,789,368
NET CHANGE	(23,769)	54,799	(332,254)	-231%	(142,614)	693,904	836,518	-487%	(285,228)
SECTION 8 PROJECT BASED PROGRAM (Modified Accrual)									
Federal Subsidy	1,499,994	1,789,920	289,926	119%	8,999,964	10,721,098	1,721,134	119%	17,999,928
Other Revenue	131,441	295,456	164,015	225%	788,646	868,580	79,934	110%	1,577,292
Expenses	1,621,681	2,579,397	(957,716)	159%	9,730,086	11,880,764	(2,150,678)	122%	19,460,172
NET CHANGE	9,754	(494,021)	1,411,657	-5065%	58,524	(291,086)	(349,610)	-497%	117,048
STATE RENT SUPPLEMENT (Modified Accrual)									
State Subsidy	0	0	0	--	0	248,341	248,341	--	0
Other Revenue	98,794	0	(98,794)	0%	592,764	59,916	(532,848)	10%	1,185,528
Expenses	103,768	97,260	6,508	94%	622,608	587,417	35,191	94%	1,245,216
NET CHANGE	(4,974)	(97,260)	(105,302)	1955%	(29,844)	(279,160)	(249,316)	935%	(59,688)
HOMELESS PROGRAMS (Modified Accrual)									
State and Federal Subsidy	1,818,167	0	(1,818,167)	0%	10,909,002	12,572,266	1,663,264	115%	21,818,004
Other Revenue	101,155	0	(101,155)	0%	606,930	2,009	(604,921)	0%	1,213,860
Expenses	1,906,496	767,749	1,138,747	40%	11,438,976	7,034,366	4,404,610	61%	22,877,952
NET CHANGE	12,826	(767,749)	(3,058,069)	-5986%	76,956	5,539,908	5,462,952	7199%	153,912
SUB-TOTAL OPERATIONS	(351,758)	(2,034,340)	(1,682,582)	578%	(2,110,548)	6,036,231	8,146,778	-286%	(4,221,095)
CAPITAL FUND									
State and Federal Subsidy	4,606,353	0	(4,606,353)	0%	27,638,118	2,135,226	(25,502,892)	8%	55,276,236
Expenses	4,606,353	57,379	4,548,974	1%	27,638,118	4,872,960	22,765,158	18%	55,276,236
NET CHANGE	0	(57,379)	(9,155,327)		0	(2,737,733)	(2,737,733)		0
GRAND TOTAL AGENCY	(351,758)	(2,091,719)	(1,739,961)	595%	(2,110,548)	3,298,497	5,409,045	-156%	(4,221,095)

YTD Financial Variance Report by Program December 2008

Federal Low Rent:

Rental Program revenues show a negative YTD variance to budget of \$52K with seven AMPs showing shortfalls to budgeted expectations. This shortfall has remained consistent for the past several months and again, the major challenge remains the Hilo AMP which is generating only 42% of its budgeted rental revenues. **Subsidy Income** is now ahead of budget by \$734K due to the increase in monthly draw-downs since October as a result of the change in pro-ration by HUD from 82% to 89%.

Expenses continue to show a positive variance to budget YTD of \$1.8M with all major accruals being recorded in the financials as of this month. Wages and benefits are down to budget by \$350K due to reduced staffing being in effect. Bad debt expense accruals are down \$986K to budget as we are only accruing for possible write offs expenses for the current year. There are also savings in PILOT (payment in lieu of taxes) expenses of \$551K and extraordinary maintenance expenses of \$789K.

However, these savings are offset by increases in utilities expenses of \$938K. The increase in utilities expenses are expected to continue and HPHA has started on the energy savings audit with the Ameresco, Inc. consultants that were retained.

The program is operating at a profit of \$1.7M. Expenses for the Special Teams have yet to be transferred from COCC to the AMPs as we are still in the process of detailing the cost components.

State Family Program:

Rental Program revenue is slightly ahead of budget by \$42K. **Expenses** show a \$231K positive variance to budget. There is a savings of \$303K in bad debt expenses, which is partially offset by \$186K increase in utilities expenses. Despite the positive variance in revenues and expenses, the program is still operating with a structural deficit of \$501K for the first half of FY2009. Revenues are barely sufficient to cover wage and benefits cost and insufficient to support other operating expenses.

State Elderly Program:

Rental Program revenues are slightly ahead of budget by \$16K. **Expenses** show an increase to budget of \$251K due primarily to increases in private management company expenses. This State program is also still running at a deficit of \$479K.

Section 8 Housing Choice Voucher:

Revenue shortfalls total \$625K due to decreases in subsidy payments as a result of final HUD calculations. **Expenses** show a \$1.6M positive variance to budget due to decreases in payouts for housing assistance payments of \$1.2M as a result of planned underutilization of vouchers. Voucher utilization is currently at 93% and the resulting savings will be kept in reserve to support the payouts from January due to the reduction in subsidy support from HUD.

Section 8 Project Based Program:

Subsidy Revenues show an increase to budget of \$1.7M due to increases in subsidy receipts. **Expenses** in total, show a negative variance to budget of <\$2.1M> due to increased housing assistance payment expenditures of \$1.7M and expenses for tenant services of \$360K which were not budgeted .

State Rent Supplement:

Revenues in total show a \$284K decrease to budgeted expectations. **Expenses** show a positive variance to budget of \$35K because of savings in various expenses. The program is incurring an operating loss of \$279K.

Homeless Programs:

Subsidy incomes show an increase of \$1.6M due to a \$12M state allotment recorded in July. This subsidy is actually for the whole year. **Expenses** are down \$4.4M due to a reduction in administrative other expenses as a result of timing differences to budget in vendor payments. In addition, wages and benefits are down \$164K to budgeted guidelines due to the hiring freeze in effect. Both revenues and expenses will end FY2009 down to budget by \$8.5M as one of the programs included in the Homeless budget (Temporary Aid to Needy Families – TANF) was actually to be administered by DHS.

Central Office Cost Center:

Revenues are up \$388K to budget as a portion of the appropriate fees have been charged out to other funds. The only costs that need to be expensed to the AMPs would be for the fees for services cost of wages and benefits for the Special Teams group working on the A and B vacant unit turn around project. We are presently finalizing these costs.

Expenses show an increase to budget of \$462K due to increased utilities expenses \$317K and increased contract expenses. We believe these increases are due to payments for AMP expenses, which were incorrectly charged to COCC during the first two months of year. We are presently researching these payments. Wages and benefits show a savings to budget of \$28K.

The COCC cost center is currently in a deficit situation but we expect this to be improved with the charge out for the Special Teams and other fees for services costs.

Capital Fund:

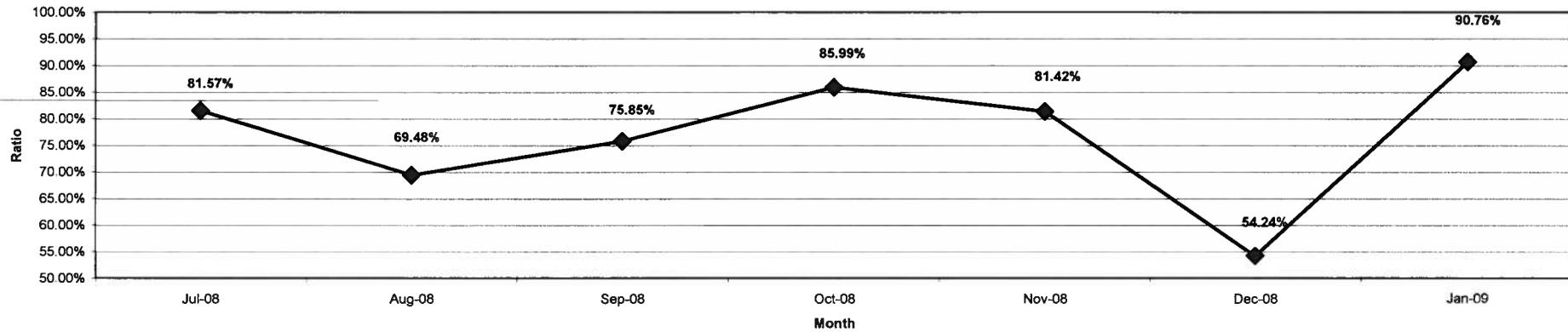
Subsidy income of \$2.1M partially offsets expenditures of \$4.8M. These are not actual operating costs, and income and expenses will offset after timing differences are negated. However, current utilization of the available capital funds is point of concern to HPHA and HUD. HPHA has \$41M in Federal Capital and Replacement Housing Funds available but only \$6M has been disbursed. Additionally, of the \$41M available in State CIP monies, only \$2M has been encumbered. Of the \$5M available in State R&M only \$466K has been encumbered. We are presently formulating a plan to expedite projects, especially in light of the anticipated influx of \$20M in additional Federal Stimulus funds.

FEDERAL PUBLIC HOUSING

Rent Collection from 07/01/2008 to 1/31/09

	Jul-08			Aug-08			Sep-08			Oct-08			Nov-08			Dec-08			Jan-09			Total		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio												
Hawaii	\$ 116,470.00	107,095.25	91.95%	\$ 120,477.92	81,287.55	67.47%	\$ 125,439.00	94,326.70	75.20%	\$ 125,869.00	108,267.67	86.02%	\$ 131,048.00	107,317.90	81.89%	\$ 133,281.27	75,796.56	56.87%	\$ 133,656.78	\$ 109,112.00	81.64%	\$ 886,241.97	\$ 683,203.63	77.09%
Kauai	\$ 79,207.00	64,949.79	82.00%	\$ 79,485.00	64,233.72	80.81%	\$ 75,965.00	53,117.73	69.92%	\$ 78,673.00	67,731.37	86.09%	\$ 79,849.00	68,190.49	85.40%	\$ 80,041.00	44,791.94	55.96%	\$ 83,368.00	\$ 83,213.62	99.81%	\$ 556,588.00	\$ 446,228.66	80.17%
Maui	\$ 51,024.00	39,016.72	76.47%	\$ 49,455.00	39,995.96	80.87%	\$ 48,272.00	33,860.88	70.15%	\$ 46,012.00	38,586.48	83.86%	\$ 47,977.00	36,284.13	75.63%	\$ 46,632.00	30,886.45	66.23%	\$ 47,501.00	\$ 40,211.48	84.65%	\$ 336,873.00	\$ 258,842.10	76.84%
Oahu	\$ 1,197,434.34	966,885.35	80.75%	\$ 1,197,981.61	820,100.06	68.46%	\$ 1,200,629.45	918,749.82	76.52%	\$ 1,204,135.22	1,036,333.16	86.06%	\$ 1,214,272.36	987,707.86	81.34%	\$ 1,221,838.55	652,213.86	53.38%	\$ 1,225,392.10	\$ 1,119,650.53	91.37%	\$ 8,461,683.63	\$ 6,501,640.64	76.84%
Total	\$ 1,444,135.34	\$ 1,177,947.11	81.57%	\$ 1,447,399.53	\$ 1,005,617.29	69.48%	\$ 1,450,305.45	\$ 1,100,055.13	75.85%	\$ 1,454,689.22	\$ 1,250,918.68	85.99%	\$ 1,473,146.36	\$ 1,199,500.38	81.42%	\$ 1,481,792.82	\$ 803,688.81	54.24%	\$ 1,489,917.88	\$ 1,352,187.63	90.76%	\$ 10,241,386.60	\$ 7,889,915.03	77.04%

Rent Collection Rate

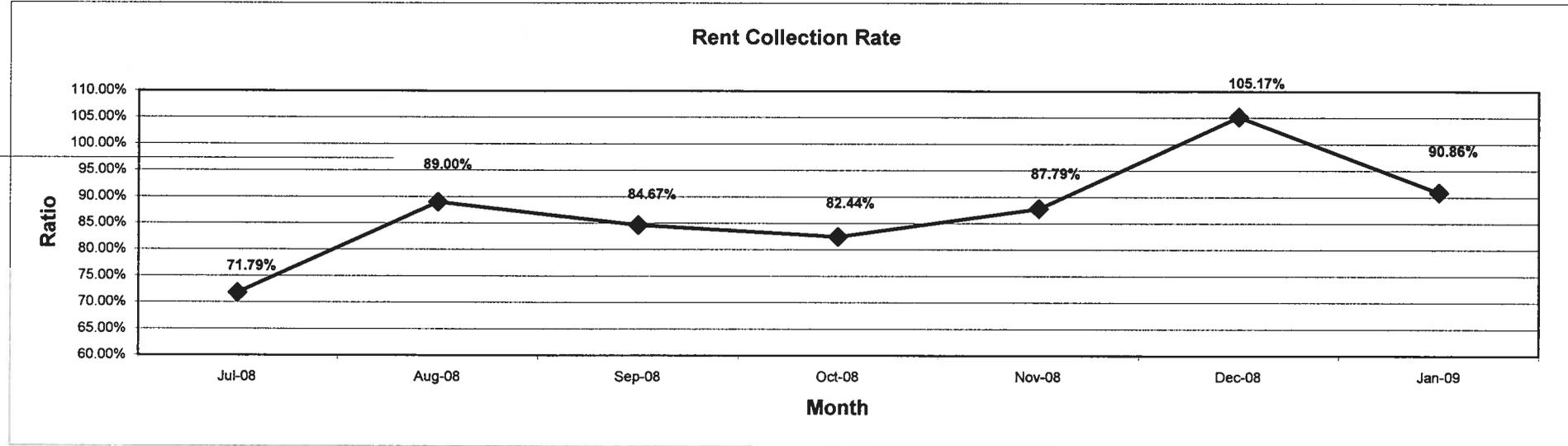


Delinquent rents paid are reflected in the month it is received.

STATE PUBLIC HOUSING

Rent Collection from 07/01/2008 to 1/31/2009

	Jul-08			Aug-08			Sep-08			Oct-08			Nov-08			Dec-08			Jan-09			Total		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio															
Hawaii	\$ 11,693.00	\$ 9,638.83	82.43%	\$ 11,028.00	\$ 8,727.00	79.13%	\$ 10,906.00	\$ 8,419.00	77.20%	\$ 10,906.00	\$ 8,886.00	81.48%	\$ 11,223.00	\$ 7,547.00	67.25%	\$ 11,620.00	\$ 9,042.00	77.81%	\$ 11,429.00	\$ 7,994.00	69.94%	\$ 78,805.00	\$ 60,253.83	76.46%
Kauai	\$ 5,861.00	\$ 3,776.95	64.44%	\$ 6,313.00	\$ 5,928.95	93.92%	\$ 6,444.00	\$ 5,153.00	79.97%	\$ 6,279.00	\$ 5,891.00	93.82%	\$ 6,854.00	\$ 5,551.00	80.99%	\$ 6,859.00	\$ 7,431.00	108.34%	\$ 6,290.00	\$ 5,308.00	84.39%	\$ 44,900.00	\$ 39,039.90	86.95%
Maui	\$ 4,477.00	\$ 3,567.00	79.67%	\$ 4,508.00	\$ 3,230.94	71.67%	\$ 4,556.00	\$ 4,326.00	94.95%	\$ 4,380.00	\$ 2,718.00	62.05%	\$ 4,304.00	\$ 2,891.00	67.17%	\$ 4,203.00	\$ 3,124.00	74.33%	\$ 4,316.00	\$ 4,101.00	95.02%	\$ 30,744.00	\$ 23,957.94	77.93%
Oahu	\$ 210,603.00	\$ 150,031.62	71.24%	\$ 210,679.00	\$ 189,059.95	89.74%	\$ 213,530.00	\$ 181,451.41	84.98%	\$ 213,586.00	\$ 176,353.30	82.57%	\$ 214,258.00	\$ 191,755.89	89.50%	\$ 214,175.00	\$ 229,516.49	107.16%	\$ 218,982.00	\$ 201,592.69	92.06%	\$ 1,495,813.00	\$ 1,319,761.35	88.23%
Total	\$ 232,634.00	\$ 167,014.40	71.79%	\$ 232,528.00	\$ 206,946.84	89.00%	\$ 235,436.00	\$ 199,349.41	84.67%	\$ 235,151.00	\$ 193,848.30	82.44%	\$ 236,639.00	\$ 207,744.89	87.79%	\$ 236,857.00	\$ 249,113.49	105.17%	\$ 241,017.00	\$ 218,995.69	90.86%	\$ 1,650,262.00	\$ 1,443,013.02	87.44%



Delinquent rents paid are reflected in the month it is received.

Federal LHM
 HPHA Island Overview Report
 As of January 31, 2009

AMP	Occupancy					Monthly Activity				*Federal Waiting List			
	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Family	Elderly	Transf. to LIPH Family	Transf. to LIPH-Elderly
30P-Aiea	361	355	98.34%	6	3	1	3	1	0	4782	0	6	0
31P-KVH	332	311	93.67%	21	1	4	4	3	0	4782	0	0	0
32P-MWH	363	351	96.69%	12	1	4	2	1	0	4782	0	0	0
33P-Kam/Kaamanu	371	363	97.84%	8	2	1	1	0	0	4782	0	0	0
34P-Kalakaua	568	557	98.06%	11	0	4	1	0	0	4782	1599	0	9
35P-Kalanihua	581	520	89.50%	61	26	3	12	3	0	4782	1599	0	0
37P-Hilo	292	268	91.78%	24	0	4	10	1	1	668	143	5	5
38P-Kauai	315	309	98.10%	6	1	2	2	0	1	107	51	3	0
39P-Maui	196	139	70.92%	57	1	3	3	1	0	169	73	2	0
40P-KPT	738	703	95.26%	35	3	2	1	1	1	4782	0	0	0
43P-Kona	200	194	97.00%	6	2	0	4	1	0	928	34	5	1
44P-Leeward Oahu	247	225	91.09%	22	9	0	1	0	0	2245	0	2	0
45P-Windward Oahu	226	214	94.69%	12	0	1	5	1	0	1525	0	4	0
46P-Kamuela	101	89	88.12%	12	2	1	0	0	0	658	143	0	0
49P-Central Oahu	147	133	90.48%	14	3	2	4	2	0	1178	197	1	1
50P-Palolo	114	111	97.37%	3	0	0	0	0	0	4782	0	0	0
Total	5,152	4,842	93.98%	310	54	32	53	15	3	8110	1913	28	16

AMP	**Non Vacated Delinquencies				***Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	56	28,286.87	15	10,866.01	\$ 154,889.00	143,138.23	92.41%
31P-KVH	84	72,517.97	39	336,166.94	\$ 111,660.00	80,521.41	72.11%
32P-MWH	33	21,515.09	16	41,476.20	\$ 115,891.01	113,991.16	98.36%
33P-Kam/Kaamanu	48	21,003.90	13	40,982.97	\$ 108,986.85	100,999.39	92.67%
34P-Kalakaua	18	4,179.00	1	710.78	\$ 131,341.03	118,023.85	89.86%
35P-Kalanihua	28	11,278.18	19	62,456.87	\$ 124,329.00	118,218.81	95.09%
37P-Hilo	45	21,234.94	19	16,230.32	\$ 62,648.78	53,597.78	85.55%
38P-Kauai	33	19,144.33	17	16,321.37	\$ 83,368.00	83,213.62	99.81%
39P-Maui	34	22,833.00	38	78,350.38	\$ 47,501.00	40,211.48	84.65%
40P-KPT	211	124,716.18	82	79,344.70	\$ 275,898.00	261,407.03	94.75%
43P-Kona	37	26,963.00	21	40,420.98	\$ 46,186.00	35,714.02	77.33%
44P-Leeward Oahu	94	53,771.57	67	216,369.33	\$ 52,417.00	43,696.10	83.36%
45P-Windward Oahu	62	54,749.78	34	47,828.62	\$ 79,539.00	69,408.60	87.26%
46P-Kamuela	36	17,330.14	27	55,379.19	\$ 24,822.00	19,800.20	79.77%
49P-Central Oahu	23	17,230.00	15	28,759.76	\$ 38,666.00	42,054.38	108.76%
50P-Palolo	13	6,642.73	9	9,667.43	\$ 31,775.21	28,191.57	88.72%
Total	855	\$ 523,396.68	432	\$ 1,081,331.85	\$ 1,489,917.88	\$ 1,352,187.63	90.76%

* - Please notice waitlist count does not sum up as applicants may apply on more than 1 listing.

** - Delinquencies reflect only Rents and Payment Agreements (Bill Code 0001 and 0006).

*** - The collection charges reflect only the dwelling rental collections and Rent Payment Agreements. Excluded are Work Orders, Pet Fees, Monthly Pet Fees, Miscellaneous Charges, etc.; prepaies are subtracted. Collections Rate uses the same month for calculations. Example: 11/2008 charges are compared against 11/2008 collected.

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Federal LIPH
HPHA Island Overview Report
As of January 31, 2009

Island	Occupancy					Monthly Activity				*Federal Waiting List			
	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	New Families	New Elderly	Transf. to LIPH-Family	Transf. to LIPH Elderly
Hawaii	593	551	92.92%	42	4	5	14	2	1	1,479	168	10	6
Kauai	315	309	98.10%	6	1	2	2	0	1	107	51	3	0
Maui	196	139	70.92%	57	1	3	3	1	0	169	73	2	0
Oahu	4,048	3,843	94.94%	205	48	22	34	12	1	6,516	1,655	13	10
Total	5,152	4,842	93.98%	310	54	32	53	15	3	8,110	1,913	28	16

Island	**Non Vacated Delinquencies				***Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	118	\$ 65,528.08	67	\$ 112,030.49	\$ 133,656.78	\$ 109,112.00	81.64%
Kauai	33	\$ 19,144.33	17	\$ 16,321.37	\$ 83,368.00	\$ 83,213.62	99.81%
Maui	34	\$ 22,833.00	38	\$ 78,350.38	\$ 47,501.00	\$ 40,211.48	84.65%
Oahu	670	\$ 415,891.27	310	\$ 874,629.61	\$ 1,225,392.10	\$ 1,119,650.53	91.37%
Total	855	\$ 523,396.68	432	\$ 1,081,331.85	\$ 1,489,917.88	\$ 1,352,187.63	90.76%

* - Please notice waitlist count does not sum up as applicants may apply on more than 1 listing.

** - Delinquencies reflect only Rents and Payment Agreements (Bill Code 0001 and 0006).

*** - The collection charges reflect only the dwelling rental collections and Rent Payment Agreements. Excluded are Work Orders, Pet Fees, Monthly Pet Fees, Miscellaneous Charges, etc.; prepaids are subtracted. Collections Rate uses the same month for calculations. Example: 11/2008 charges are compared against 11/2008 collected.

STATE DATA
HPHA Island Overview Report
 As of January 31, 2009

Island	Occupancy					Monthly Activity				*State Waiting List			
	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Family	Elderly	Transf. to LIPH-Family	Transf. to LIPH Elderly
2201-Hauiki	46	43	93.48%	3	1	1	0	0	0	7431	0	0	0
2202-Puahala Homes	128	98	76.56%	30	9	0	1	1	0	557	0	0	0
2204-Kawailehua	26	25	96.15%	1	0	0	0	0	0	32	0	0	0
2205-Kahale Mua	32	27	84.38%	5	0	1	0	0	0	36	0	0	0
2206-Lokahi	30	17	56.67%	13	0	0	0	0	0	665	0	0	0
2207-Ke Kumu Elua	26	12	46.15%	14	0	0	0	0	0	655	0	0	0
2401-Hale Po'ai	206	205	99.51%	1	0	0	0	0	0	0	330	0	0
2402-La'iola	109	107	98.17%	2	0	0	4	0	0	0	69	0	4
2403-Kamalu-Ho'olulu	221	220	99.55%	1	1	0	3	0	0	0	133	0	3
2404-Halia Hale	41	39	95.12%	2	1	1	0	0	0	0	133	0	0
Total	865	793	91.68%	72	12	3	8	1	0	8,723	501	0	7

Island	** Non Vacated Delinquencies				***Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	11	\$ 10,588.20	21	\$ 136,154.40	\$ 21,137.00	20,470.61	96.85%
2202-Puahala Homes	21	\$ 14,130.12	34	\$ 190,317.11	\$ 34,803.00	30,730.88	88.30%
2204-Kawailehua	6	\$ 1,398.00	2	\$ 433.46	\$ 6,290.00	5,308.00	84.39%
2205-Kahale Mua	9	\$ 2,218.00	19	\$ 16,735.37	\$ 4,316.00	4,101.00	95.02%
2206-Lokahi	5	\$ 2,842.00	3	\$ 16,124.50	\$ 7,566.00	6,472.00	85.54%
2207-Ke Kumu Elua	7	\$ 4,170.00	8	\$ 4,695.97	\$ 3,863.00	1,522.00	39.40%
2401-Hale Po'ai	0	\$ -	5	\$ 2,284.00	\$ 56,604.00	54,217.00	95.78%
2402-La'iola	1	\$ 299.00	9	\$ 3,174.26	\$ 31,750.00	30,497.20	96.05%
2403-Kamalu-Ho'olulu	0	\$ -	3	\$ 29.39	\$ 62,253.00	54,894.00	88.18%
2404-Halia Hale	0	\$ -	0	\$ -	\$ 12,435.00	10,783.00	86.71%
Total	60	\$ 35,645.32	104	\$ 369,948.46	\$ 241,017.00	\$ 218,995.69	90.86%

* - Please notice waitlist count does not sum up as applicants may apply on more than 1 listing.

** - Delinquencies reflect only Rents and Payment Agreements (Bill Code 0001 and 0006).

*** - The collection charges reflect only the dwelling rental collections and Rent Payment Agreements. Excluded are Work Orders, Pet Fees, Monthly Pet Fees, Miscellaneous Charges, etc.; prepaids are subtracted. Collections Rate uses the same month for calculations. Example: 11/2008 charges are compared against 11/2008 collected.

State LIPH
 HPHA Island Overview Report
 As of January 31, 2009

Island	Occupancy					Monthly Activity				*State Waiting List			
	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Family	Elderly	Transf. to LIPH-Family	Transf. to LIPH-Elderly
Hawaii	56	29	51.79%	27	0	0	0	0	0	1,258	0	0	0
Kauai	26	25	96.15%	1	0	0	0	0	0	32	0	0	0
Maui	32	27	84.38%	5	0	1	0	0	0	36	0	0	0
Oahu	751	712	94.81%	39	12	2	8	1	0	7,505	501	0	7
Total	865	793	91.68%	72	12	3	8	1	0	8,723	501	0	7

Island	** Non Vacated Delinquencies				***Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	12	\$ 7,012.00	11	\$ 20,820.47	\$ 11,429.00	\$ 7,994.00	69.94%
Kauai	6	\$ 1,398.00	2	\$ 433.46	\$ 6,290.00	\$ 5,308.00	84.39%
Maui	9	\$ 2,218.00	19	\$ 16,735.37	\$ 4,316.00	\$ 4,101.00	95.02%
Oahu	33	\$ 25,017.32	72	\$ 331,959.16	\$ 218,982.00	\$ 201,592.69	92.06%
Total	60	\$ 35,645.32	104	\$ 369,948.46	\$ 241,017.00	\$ 218,995.69	90.86%

* - Please notice waitlist count does not sum up as applicants may apply on more than 1 listing

** - Delinquencies reflect only Rents and Payment Agreements (Bill Code 0001 and 0006).

*** - The collection charges reflect only the dwelling rental collections and Rent Payment Agreements. Excluded are Work Orders, Pet Fees, Monthly Pet Fees, Miscellaneous Charges, etc.; prepaids are subtracted. Collections Rate uses the same month for calculations. Example: 11/2008 charges are compared against 11/2008 collected.

Vacant Unit Completion Status
 Units Vacated After 7/1/08
 As of 1/31/09

Project	Total Vacant Units from 7/1/08	Completed	To be completed	Feb '09	Mar '09	Apr '09	May '09	Jun '09	FY 09-10
AMP 30 (Halawa)	30	30	0						
AMP 31 (Kalihi Valley Homes)	24	13	11	1	2	8			
AMP 32 & 33 (Mayor Wright Homes)	28	23	5	4	1				
AMP 34 (Kalakaua)	19	11	8	5	3				
AMP 35 (Punchbowl)	40	19	21	11	10				
AMP 37 (Hilo)	32	9	23	4	7				12
AMP 38 (Kauai)	20	17	3	3					
AMP 39 (Maui)	25	14	11	3	7				1
AMP 40 (Kuhio Park Terrace)	38	31	7	3	4				
MU 42 (State Elderly)	47	46	1	1					
AMP 43 (Kona)	13	12	1	1					
AMP 44 (Leeward Coast)	13	8	5	3	1			1	
AMP 45 (Windward Oahu)	10	10	0						
AMP 46 (North Hawaii)	4	3	1	1					
AMP 49 (Wahiawa/Waiialua)	18	9	9	3				6	
AMP 50 (Palolo)	2	0	2		2				
State Public Housing	16	5	11	7	3			1	
Totals	379	260	119	50	40	8	0	8	13

VACANT UNIT REPAIRS

Project	Actual						Projected											
	Vacant Units	Completed	To Be Completed	Assigned to AMP, Team, Others	Assigned to CMS	Assigned to CMS/Team	July 2008	Aug. 2008	Sept. 2008	Oct. 2008	Nov. 2008	Dec. 2008	Jan. 2009	Feb. 2009	Mar. 2009	Apr. 2009	May 2009	June 2009
AMP 30 (Halawa)	4	4	0	0	0		3 A		1 A									
AMP 31 (Kalihi Valley Homes)	130	81	49	0	49	0	1 A 49 C/T	3 T	16 C/T 10 C/T	2 T					27 C			22 C (2/10)
AMP 32 (Mayor Wright Homes)	11	4	7	1	6		3 A					1 T			1 A	6 C		
AMP 33 (Kaahumanu/Kam)	15	13	2	1	1		7 A	3 A	3 A						1 C/A 1 C			
AMP 34 (Kalakaua)	22	9	13	0	13	0	1 A 2 C	2 A			4 T							13 C
AMP 35 (Punchbowl)	44	40	4	0	4	0	1 A			11 A		24 C/T	3 C/T 1 A					4 C
AMP 37 (Hilo)	51	32	19	7	12			1 A	2 A		16 C	9 T	4 T	7 T		12 C		
AMP 38 (Kauai)	22	14	8	0	8		6 A	3 A	2 A	1 A			2 A		4 C			4 C
AMP 39 (Maui)	61	39	22	1	21		8 A	5 A 6 C	12 C			5 C			5 C		1 T	16 C
AMP 40 (Kuhio Park Terrace)	32	8	24	0	24		6 A			2 A							1 A/C	23 C
AMP 43 (Kona)	33	28	5	2	3		10 A 18 C							3 C 2 T				
AMP 44 (Leeward Coast)	25	11	14	5	9		4 A						2 A 5 I		7 C 5 T			2 C
AMP 45 (Windward Oahu)	22	18	4	4	0		2 A 4 C		3 A	1 T/A		8 T/A		4 A				
AMP 46 (North Hawaii)	31	14	17	15	2		3 A	3 A	2 A	5 A			1 A	15 A				2 C
MU 48 (Waipahu)	15	15	0	0	0		2 A		5 A 7 V			1 T						
AMP 49 (Wahiawa/Waiialua)	16	13	3	0	3		9 A					4 T						3 C
AMP 50 (Palolo)	3	2	1	0	1			2 V						1 C				
Total	537	345	192	36	156	0	139	28	53	32	20	52	21	32	39	34	2	85

A - AMP C - CMS I - Inmates (Dept. of Public Safety) T - Team V - VIP (Volunteers)

OAHU POOL OF WAIT LIST APPLICANTS

HONOLULU	TOTAL
ELDERLY 0	7
ELDERLY 1	15
ELDERLY 2	1
HONOLULU FAMILY	
1 BEDROOM	14
2 BEDROOM	15
3 BEDROOM	22
4 BEDROOM	26
5 BEDROOM	3
CENTRAL	TOTAL
ELDERLY 0	6
ELDERLY 1	3
CENTRAL FAMILY	
1 BEDROOM	9
2 BEDROOM	9
3 BEDROOM	5
4 BEDROOM	2
LEEWARD FAMILY	TOTAL
1 BEDROOM	4
2 BEDROOM	14
3 BEDROOM	10
4 BEDROOM	7
WINDWARD FAMILY	TOTAL
1 BEDROOM	11
2 BEDROOM	15
3 BEDROOM	7
4 BEDROOM	3

TOTAL: 208
 DUPLICATED: 8

Elevator Repair Report: Hawaii Public Housing Authority Elevators reported as of 2/6/09

Name	Type	Elevator No.	Repair	No. and duration of Repairs to Elevator for month of December			No. and duration of Repairs to Elevator between 7/1/07 to 12/31/08			Start Date	Date or Estimated Completion of Major Repair	Total Repair Cost as of Report Date
				Less than one day	2 to 7 days	More than 7 days	Less than one day	2 to 7 days	More than 7 days			
Kuhio Park Terrace A	Family	1		2			27	3	2			\$ 114,613.11
		2		6			26	4	2			\$ 68,646.00
		3					2					\$ 2,475.06
Kuhio Park Terrace B	Family	4	Parts used to repair #5	Cannot be repaired.					1	06/29/07	Cannot be repaired.	
		5					12	1	2		02/05/09	\$ 138,931.39
		6		1			45					\$ 6,118.74
Paoakalani	Elderly	1		1			3					
		2					1		1			\$ 17,038.90
Kalakaua Home	Elderly	1					14	1	1			
		2		2			7	1				\$ 14,538.60
Ho'olulu Elderly	Elderly	1							1			\$ 12,140.20
		2					3					
Kalanihuia	Elderly	1		8			23	1	1			\$ 27,626.25
		2		2			17					\$ 137.50
Kamalu Elderly	Elderly	1					5	2	1			\$ 9,467.50
		2					3					
Makamae	Elderly	1					4		1			\$ 2,722.51
		2					2					
Makua Alii	Elderly	1		1			11	2	1			\$ 137.50
		2		1			4					
Punchbowl Homes	Elderly	1		1			9	2				\$ 23,350.78
		2					6	1	1			\$ 137.50
Banyan St Manor	Family	1		1			4					\$ 20,624.00
Hale Poai	Elderly	1					8	2				\$ 206.00
		2		1			4					
Halia Hale	Elderly	1					1					\$ 3,323.02
Kulaokahua	Homeless	1		1			6					\$ 310.00
Laiola	Elderly	1					1					\$ 412.00
		2					4					
Pumehana	Elderly	1					7	2				\$ 17,726.24
		2					5					\$ 240.63
Salt Lake Apts	Family	1					2					\$ 23,350.78
Wilikina Apts	Family	1		1			6	1				\$ 3,323.02
		2		2			6					\$ 17,038.90
Total		34		31	0	0	278	23	15			
Total Cost for Repairs to date											\$ 524,636.12	

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 1/30/09

Note: All dates and costs are subject to change

MODERNIZATION (REBUILDING) OF HPHA ELEVATORS													
Name	Housing Type	Elevator No.	Year Elevator Installed	Age of Elevators in Years	Number of Units	Number of Floors	Modernizations Planned		Construction Cost	Funding Source	Design Start	Construction Start	Estimated Construction Completion
							Major	Minor					
Kuhio Park Terrace A	Family	1	1964	44	271	16	3		\$4,152,919	To be funded w/ FY08 Elevator CIP	Sep-07	Dec-09	Dec-10
		2	1964	44							Sep-07	Jul-10	Jul-11
		3	1981	27							Sep-07	Jun-09	Jun-09
Kuhio Park Terrace B	Family	4	1964	44	298	16	3			To be funded w/ FY08 Elevator CIP	Sep-07	Jun-09	Jun-10
		5	1964	44							Sep-07	Dec-09	Jan-11
		6	1981	27							Sep-07	Jul-10	Aug-11
Kalanihulia	Elderly	1	1968	40	151	15	2		\$520,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-09	Jul-10
		2	1968	40							Aug-08	Aug-10	Mar-10
Kalakaua Home	Elderly	1	1983	25	221	10	2		\$650,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-13	Jul-14
		2	1983	25							Aug-08	Aug-14	Jul-15
Punchbowl Homes	Elderly	1	1961	47	144	7	2		\$400,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Jul-12
		2	1961	47							Aug-08	Aug-12	Jul-13
Paoakalani	Elderly	1	1970	38	151	17	2		\$550,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Jul-12
		2	1970	38							Aug-08	Aug-12	Jul-13
Pumehana	Elderly	1	1972	36	139	21	2		\$540,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Jul-12
		2	1972	36							Aug-08	Aug-12	Jul-13
Makua Alii	Elderly	1	1967	41	211	20	2		\$540,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-09	Jul-10
		2	1967	41							Aug-08	Aug-10	Jul-11
Salt Lake Apts	Family	1	1970	38	28	8	1		\$750,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-09	Jul-10

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Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 1/30/09

Note: All dates and costs are subject to change

MODERNIZATION (REBUILDING) OF HPHA ELEVATORS													
Name	Housing Type	Elevator No.	Year Elevator Installed	Age of Elevators in Years	Number of Units	Number of Floors	Modernizations Planned		Construction Cost	Funding Source	Design Start	Construction Start	Estimated Construction Completion
							Major	Minor					
Makamae	Elderly	1	1971	37	124	4	2		\$630,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-09	Jul-10
		2	1971	37							Aug-08	Aug-10	Jul-11
Wilikina Apts	Family	1	1977	31	119	9	2		\$475,000	To be funded w/ Wilikina Funds	Aug-08	Aug-09	Jul-10
		2	1977	31							Aug-08	Aug-10	Jul-11
Hale Poai	Elderly	1	1989	19	206	7		2	\$320,000	To be funded w/ FY09 Elevator CIP	May-09	Oct-09	Mar-10
		2	1989	19							May-09	Dec-09	May-10
Halia Hale	Elderly	1	1995	13	41	5		1	\$255,000	To be funded w/ FY09 Elevator CIP	May-09	Oct-10	Mar-11
Laiola	Elderly	1	1991	17	108	6		2	\$220,000	To be funded w/ FY09 Elevator CIP	May-09	Dec-09	Feb-10
		2	1991	17							May-09	Mar-10	May-10
Kulaokahua	Homeless	1	1992	16	30	3		1	\$60,000	To be funded w/ FY09 Elevator CIP	May-09	Oct-09	Mar-10
Ho`olulu Elderly	Elderly	1	1994	14	112	7		2	\$245,000	To be funded w/ FY09 Elevator CIP	May-09	Oct-10	Mar-11
		2	1994	14							May-09	Dec-10	May-11
Kamalu Elderly	Elderly	1	1993	15	109	7		2	\$240,000	To be funded w/ FY09 Elevator CIP	May-09	Oct-10	Mar-11
		2	1993	15							May-09	Dec-10	May-11
Banyan St Manor	Family	1	1977	31	55	3							
	TOTAL	34			2,518	181	23	10	\$10,547,919				

Average age of elevators

31

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Hearings Office

RESULTS OF EVICTION REFERRALS July 2007 – January 2009

MONTH	REFERRALS			RESULT OF EVICTION REFERRAL					
	TOTAL	REASON FOR REFERRAL		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
		Rent	Other						
July 07	21	11	10	9	3	2	0	7	14
Aug 07	12	7	5	2	5	2	1	2	10
Sept 07	13	7	6	6	1	0	0	6	7
Oct 07	13	5	8	6	3	2	0	2	11
Nov 07	21	15	6	12	3	1	1	4	17
Dec 07	3	2	1	1	0	1	1	0	3
Jan 08	10	10	0	5	3	0	0	2	8
Feb 08	10	9	1	3	2	1	0	4	6
Mar 08	7	6	1	2	1	1	0	3	4
Apr 08	30	27	3	9	13	0	1	7	23
May 08	14	11	3	4	6	0	0	4	10
June 08	12	9	3	6	2	0	1	3	9
July 08	0	0	0	0	0	0	0	0	0
Aug 08	13	9	4	5	2	0	1	5	8
Sept 08	14	12	2	4	2	1	3	4	10
Oct 08	22	15	7	5	7	0	2	8	14
Nov 08	14	10	4	9	2	0	1	2	12
Dec 08	11	10	1	7	2	0	0	2	9
Jan 09	5	4	1	3	0	1	0	1	4
TOTALS	245	179	66	98	57	12	12	66	179

**Total # of Cases Heard for the Month of January 2009: 5
(Oahu & Neighbor Island)**

Rent Violation: 4

Decisions rendered:

Eviction	3
Evict w/cond	0
10-day cure	0
Dismissal	0
Continued	1

Delinquent balances for Rent cases ordered evicted for month of January 2009:

40	\$ 994.47
40	\$ 4,455.99
40	\$ 1,348.00
<u>Ttl</u>	<u>\$ 6,798.46</u>

**Contract & Procurement Office
Monthly Status Report for January 2009**

Solicitations Issued in January 2009:

Solicitation No.	Project	Bid Opening/Proposal Deadline
IFB-CMS-2008-15	IFB-Upgrade fire alarm system at Laiola Job No. 07-027-402-S	February 26, 2009
IFB-CMS-2008-22	IFB-Replace existing booster pump system at Makua Alii Job No. 08-038-112-S	February 17, 2009

Contracts Executed in January 2009:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
HPS 07-08 SA02	Kauai Economic Opportunities, Inc. Stipend Program January 1, 2009 to July 31, 2009	\$112,480.00	
HPS 08-27	Catholic Charities Hawaii Supportive Housing Program February 1, 2008 to January 31, 2009 <i>Note: HUD grant agreement received Aug 2008; contract execution delayed due to untimely submission of contract documents (scope of service, budget) from the contractor.</i>		\$41,788.00
HPS 08-28	Alternative Structures International Stipend Program October 1, 2008 to July 31, 2009 <i>Note: Contract execution delayed due to untimely submission of contract documents (scope of service, budget) from the contractor.</i>		\$1,111,727.00
HPB 09-01	Honolulu Community Action Program Early Education and Child Care Services August 1, 2008 to November 31, 2008 <i>Note: Contract execution delayed due to untimely submission of contract documents (scope of service, budget) from the contractor.</i>		\$70,712.00
HPB 09-02	Women Helping Women Supportive Housing Program February 1, 2008 to January 31, 2009 <i>Note: HUD grant agreement received Oct 2008; contract execution delayed due to untimely submission of contract documents (scope of service, budget) from the contractor.</i>		\$77,036.00
HPB 09-03	Parents and Children Together Early Education and Child Care Services August 1, 2008 to November 31, 2008 <i>Note: Contract execution delayed due to untimely submission of contract documents (scope of service, budget) from the contractor.</i>		\$33,795.00
HPB 09-04	Hybrid International, Inc. Homeless Management Information System February 1, 2009 to October 31, 2009		\$27,520.00
HPB 09-05	Catholic Charities Hawaii Supportive Housing Program February 1, 2009 to January 31, 2010 <i>Note: Contract amount to be determined upon receipt of HUD grant agreement in Mar 2009.</i>		*tbd

PMB 09-01	EAH, Inc. Property Mgmt. & Maint. Svcs. – Banyan Street Manor January 30, 2009 – January 30, 2010		\$251,469.71
PMB 07-11 SA02	Alvarez & Marsal REAS, LLC Sale of Banyan Street Manor February 1, 2009 – July 31, 2009	\$-0-	\$216,200.00

Status Reports:

1. Sale of Wilikina Apartments

- a. The Dept of the Attorney General (AG) has finalized the re-draft of the purchase and sales agreement.
- b. Alvarez & Marsal Real Estate Advisory Services (A&M) has forwarded the agreement for review by the potential buyer.
- c. The review by the interested buyer is expected to be complete in two weeks.
- d. The interested buyer has completed due diligence activities that may have involved cost estimates for renovations and exploration of any issues that were not visible to avoid delay of the sale of the property.
- e. A&M to negotiate a projected completion of the sale date of June 2009 with the interested buyer and incorporate the date in the purchase and sales agreement.
- f. Staff shall continue to communicate with and monitor A&M's activities to avoid delay of the sale of the property.

2. Sale of Banyan Street Manor

- a. Staff has completed its review of the draft Request For Proposal (RFP).
- b. The RFP is to be issued the week of February 9, 2009 with a proposal deadline to be nine weeks from the issuance date.
- c. Evaluation and recommendation of a buyer and a presentation to the HPHA Board of Directors to occur 30 days after the proposal deadline.
- d. Staff will continue to communicate with and monitor A&M's activities to avoid any delay of the issuance of the RFP.

3. Sale of Vacant Parcel, Hana, Maui:

- a. Hana Coast Realty has shown the property to two interested parties.
- b. Hana Coast Realty has recommended clearing of the parcel to increase the value of the parcel. PMMSB is looking exploring the possibility of hiring Hawaii Correctional Industries to clear the parcel.
- c. Staff will continue to communicate with Hana Coast Realty, the real estate broker for the sale of the vacant parcel in Hana.

Section 8 Subsidy Programs Branch
as of January 31, 2009

Federal Housing Choice Voucher (Section 8) Program

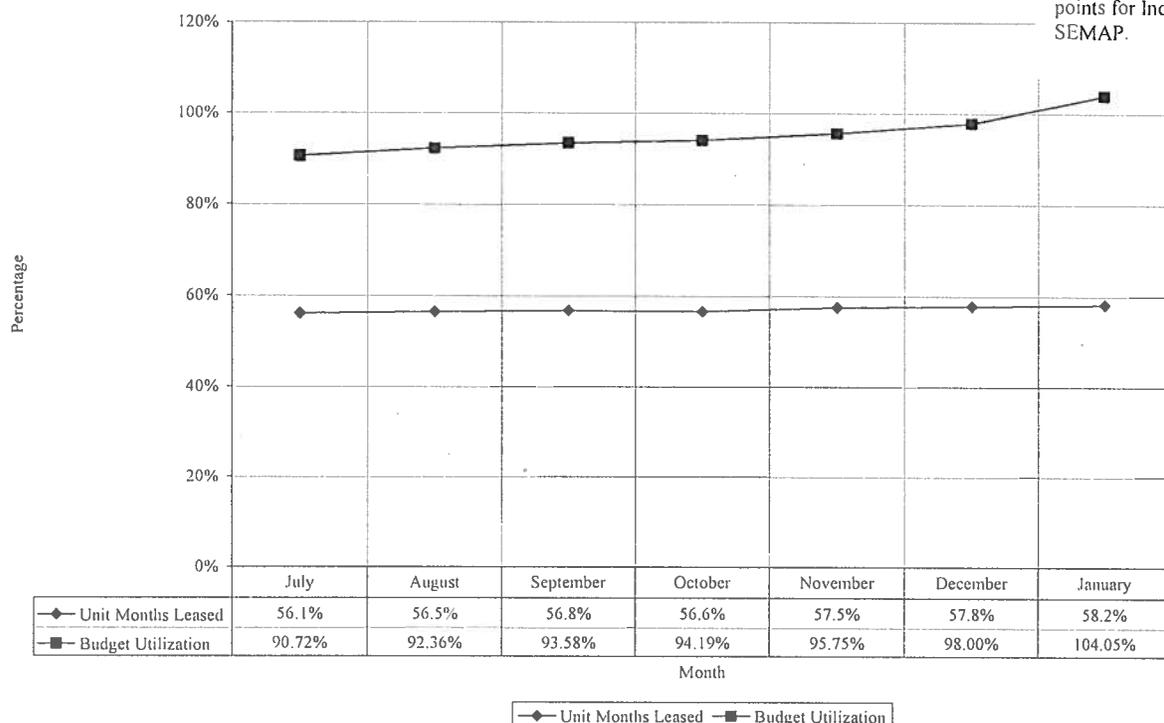
2009 Fiscal Year Report (Cumulative Trend)

- For FY 2009, unadjusted average monthly voucher lease up is 1,780 or 58.2% of the total 3,058 baseline vouchers.
- The Housing Assistance Payments (HAP) unadjusted average annual budget utilization is 95.52% of the total annual allocated budget of \$18,486,075 or \$1,540,506 per month.
- The monthly average per unit cost subsidy is \$860.00 per month. The amount reflects the difference between what the family pays towards rent and the approved payment standard. Payment standards vary among bedroom sizes.
- January 2009 subsidy payments show a 6.05% monthly increase in subsidy expenditures from the previous month and a .4% increase in voucher usage.
- 10 Housing Choice Vouchers were issued for January 2009, bringing total FY 2009 voucher issuances to 61.
- The values for previous reports may not be the same as currently reported due to retroactive adjustments in lease up and subsidy payments.
- The Section 8 received \$1,495,458 and \$1,495,459 respectively for January and February 2009. The amount falls short of the average HAP expenses of \$1,528,712. The unspent HAP reserves for CY2008 of \$1,804,711 should be sufficient to cover FY 2009 HAP anticipated expenses. With the decrease in budget authority for January 2009, the budget utilization shows an over-utilization for this month.
- The anticipated prorated share of HAP budget authority has been calculated at 95% of the eligible allotment for CY 2009 as reported by the Department of Housing and Urban Development, Financial Management Center. However, the Branch will attempt to reach and maintain a 95% to 98% of the budget authority without exceeding 100% of the budget authority as Congress has yet to approve the CY 2009 budget.
- The Section 8 received \$4,000 as an administrative fee bonus for closing of 4 families for the Homeownership Option Program (HOP). In CY 2008, the Section 8 received \$6,000 in HOP administrative fee bonus.

Monthly Report (Monthly Snapshots)

FY 2009 Section 8 Budget Utilization and Unit Months Leased

Current average budget utilization is 94%. HPHA's goal is 95% to attain 15 points for Indicator 13 in SEMAP.

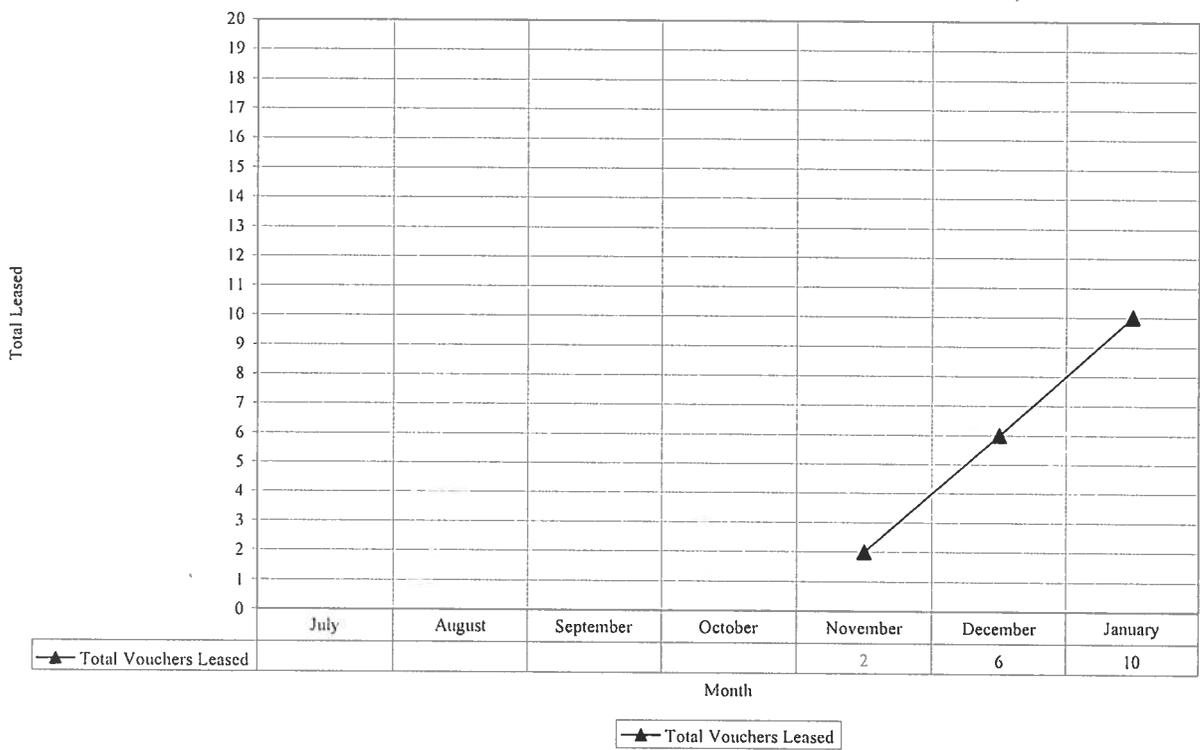


Federal Housing Choice Voucher (Section 8) Program
 Veterans Assisted Supportive Housing (VASH)

- HPHA has been awarded 70 Veterans Affairs Supportive Housing Vouchers to assist Veterans with housing assistance.
- Eligible applicants under this program are referred to HPHA from Veteran Affairs.
- Veterans Affairs coordinator has referred 4 families for January 2009. The Branch issued 3 VASH vouchers and 5 veteran families were able to attain housing assistance. To date, a total of 10 veteran families are receiving VASH assistance. VASH has another 2 veteran families pending housing inspections for February 2009.
- VASH voucher holders are now residing on Oahu, Maui and Kauai.

Monthly VASH Report (Monthly Snapshots)

FY 2009 VASH Vouchers



Federal Housing Choice Voucher (Section 8) Program
 Quarterly Update of Section 8 Management Assessment Program (SEMAP)

The United States Department of Housing and Urban Development (HUD) established the Section 8 Management Program (SEMAP) to assess performance and delivery of the Section 8 Rental Assistance Program. SEMAP consists of 15 measurement indicators. Hawaii Public Housing Authority's (HPHA) performance for each indicator through December 31, 2008 and respective strategies to achieve maximum points are itemized below.

Indicator	Requirement	Max Score	07-08 Score	08-09 Anticipated Score	Status
1	Wait List Selection (>98% = 15)	15	15	15	Applicants are pulled from the Waiting List in compliance with the Hawaii Administrative Rules Chapter 15-185.
2	Reasonable Rent (>98% = 20; 80-97% = 15)	20	15	20	HPHA's rent comparable data base is updated on a real time basis and reasonable rent is done during lease-up and re-certification. Random audits will be performed to ensure full compliance. 88% files contain no errors. EmPHAsys (ECS) Elite contains a rent comparable module to assist the HQS inspectors when making this determination and improving on this indicator.
3	Adjusted Income (>90% = 20; 80-89% = 15)	20	15	20	Rent computations are formulated via ECS and backed up by manual calculations. This procedure is automated. Section 8 recipients' (S8R) file audits (10%) are conducted to ensure accuracy of the calculation. Current error rate is at 76%, however, the full quarter has not been reviewed as there is a time lag of two months to review tenant files.
4	Utility Allowance	5	5	5	All utility allowance schedules have been made current.
5	Housing Quality Standards (HQS) Control	5	5	5	Although all the required inspections have not been completed, each month based on initial inspections, 2% of the inspections are reviewed.
6	HQS Enforcement	10	0	10	An extremely small percentage of the units have life threatening deficiencies reported during the HQS inspections. The Housing Inspectors immediately call to inform the landlord of all the deficiencies (life threatening and non-life threatening). Furthermore, a copy of the report and corrective actions required is mailed shortly thereafter. The inspectors schedule a follow-up inspection to ensure compliance. Any deficiencies that have not been corrected within 15 days, the HQS clerk contacts the owner/landlord to ensure that corrections were made or not. If corrections not made after 30 days, the HAP will be abated.

Indicator		Requirement	Max Score	07-08 Score	08-09 Anticipated Score	Status
7	Expand Housing Opportunities	Encourage landlord participation in minimal and poverty participating areas through outreach strategies	5	5	5	HPHA and the City & County of Honolulu will co-sponsor a Landlord Outreach Seminar in 2009. The date has not been determined. These seminars are for landlords, property managers and service providers.
8	Fair Market Rent (FMR) Limit & Payment Standards	At least 98% of gross rents are less than or equal to current FMR or Payment Standard	5	5	5	HUD has issued a 2009 FMR update and HPHA has updated the payment standard equivalent to approximately 95% of the FMR. Exception is that for studio units, 100% of the FMR will be used to assist the elderly and disabled households. The intent is to assist families with overcoming high rent barriers.
9	Annual Re-examinations (<5% = 10; 5-10% = 5)	Complete annual recertification on time / less than 5% overdue	10	10	10	PIC SEMAP indicator shows 100% or number of families reported to be in compliance with annual re-certifications completed timely.
10	Tenant Rent Calculations	Calculations are done correctly / error rate of less than 2%	5	5	5	Monthly QC will determine whether tenant rent calculations are within the 2% error rate report.
11	Pre-contract HQS (<2%)	98% of units must pass HQS inspection before lease signed	5	5	5	QC audits will indicate whether a unit passed inspection before HAP payments are made.
12	Annual HQS Inspection	Each unit must be inspected annually / error rate of less than 2%	10	10	10	PIC Ad Hoc reports will determine whether unit inspected was completed within 12 months. QC audits will back up data.

Indicator	Requirement	Max Score	07-08 Score	08-09 Anticipated Score	Status	
13	Lease Up (>98% = 30; 95-97% = 15)	Maximize lease up and utilization of Section 8 budget allocation.	20	0	15	As of 01/31/2009: Adjusted Voucher Lease-Up Analysis: Mainstream (175 / 175 or 100%) Section 8 (2,883 / 1,605 or 55.67%) VASH (70/10 or 14.3%) Lease-Up (3,128/1,790 or 57.23%) Budget Authority to date (\$10,992,852/\$10,493.184 or 95.52%) Improvement strategies <ul style="list-style-type: none"> • Increase payment standard to 95% of FMR. This will increase S8R opportunity to find affordable housing. • Continue to mass contact applicants on wait list and to conduct mass orientations. • Exhaust the "homeless" preference applicants to reach lease in placed applicants. • HUD is operating under a Continuing Resolution at this time and is authorized to only spend at the FY 2008 levels and in accordance with the requirements of the FY 2008 Appropriations Act. The estimated eligibility for all PHA has been totaled and compared to funds available to determine a standard pro-ration, which has been applied to each PHA's eligibility; that pro-ration was approximately 95%. Based on this information, HPHA will receive \$87,440 less for the month of January and February 2009. Should the trend continue, the HCV program anticipates meeting indicator 13.
14	FSS (Oahu) (>80% & 30% escrow = 10; 60-79% & 30% escrow = 8; >80% & <30% escrow, or <60% & >30% escrow = 5; 60-79% & <60% escrow = 3)	Maximize enrollment up to budget allocation	10	8	8	The FSS coordinator has been receiving newly leased up referrals to increase the FSS program participants. It is anticipated to have 86 families under contract.
			145	103	138	
15	Deconcentration Bonus (Oahu)	Utilize Section 8 Vouchers to deconcentrate urban areas of poverty	5	5	0	PIC information not available. Points will be determined at the end of the FY 2009.
TOTAL SCORE PLUS BONUS POINTS			150	108	138	

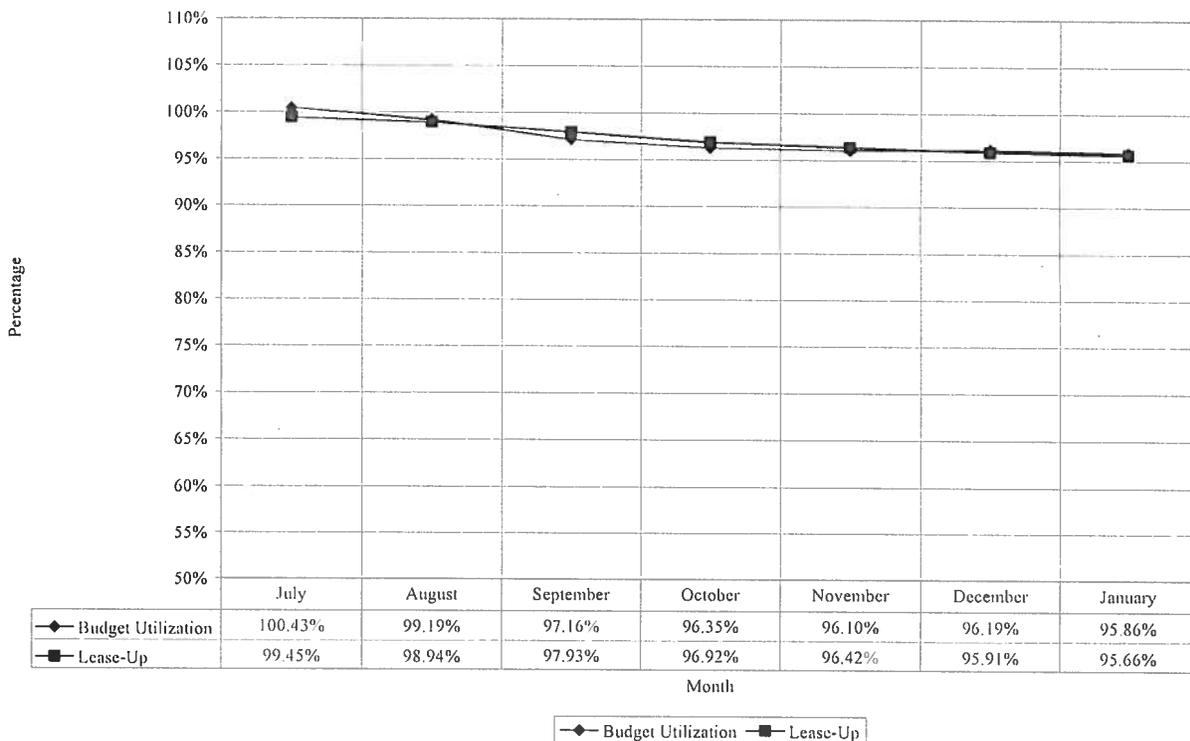
State Rent Supplement Program

2009 Fiscal Year Report (Cumulative Trend)

- For FY 2009, unadjusted average monthly lease up is 379 families or 97.3% of the total 396 possible families when based on the average subsidy payments.
- The Rent Supplement unadjusted average annual budget utilization is 97.33% of the total annual allocated budget of \$924,720 or \$77,060 per month.
- The monthly average per unit cost subsidy is \$195.00 per month. The amount reflects the difference between what the family pays towards rent and the maximum subsidy amount of \$230.00 per month.
- January 2009 Rent Supplement Subsidy payments show a .3% monthly decrease in from the previous month due to 1 family who left the program, which caused a reduction in the budget utilization.
- One family has pending items to submit in order to complete their eligibility and another 10 families are scheduled to be contacted for this program.
- For FY 2010, the Department of Human Services anticipates elimination of 3 permanent general funded positions. Should personnel is loss due to elimination of these positions, the Branch would have to reduce the amount of eligible Rent Supplement assisted families to approximately 340 families.
- The values for previous reports may not be the same as the current reported due to retroactive adjustments in lease up and subsidy payments.

Monthly Report (Monthly Snapshots)

FY 2009 Rent Supplement Program Budget Utilization and Lease Up



HOMELESS PROGRAMS BRANCH

February 19, 2009

I. ACCOMPLISHMENTS

A. Shelter Occupancy Report

This report is updated weekly and available on line at www.homeless.hpha.hawaii.gov

This report is effective as of February 3, 2009, because of the internal deadline for Board items.

The shelters with an asterisk are leased or owned by HPHA.

Shelter Name(s)	Total Number of units /beds	Number of vacant units	Wait List
*Weinberg Village Waimanalo (Waimanalo, Oahu) Family Shelter	30 units	1	210 singles 61 families
*Nakolea (McCully, Oahu) Working singles	64 units	0	1 single
*Kulaokahua (Makiki, Oahu)	29 units	0	36 singles
*Next Step Shelter (Kakaako, Oahu) Emergency shelter for singles & families	200 beds	0	n/a
Next Step – Puahala	13 units	0	n/a
*Onelau'ena (Kalaeloa, Oahu) Emergency shelter for singles & families	40 units	0	105 singles 45 families
*Onemalu (Kalaeloa, Oahu) Transitional shelter for singles & families	44 units	5	175 singles 59 families
*Hale Ulu Pono (Kalaeloa, Oahu)	26 units	10 beds	20 singles
*Paiolu Kaialu (Leeward Oahu) Emergency shelter for singles & families	125 units	8 singles	0
*Kumuhonua (Kalaeloa, Oahu) Transitional shelter for adult families Currently taking applications	65 units	0	0
*Ulu Ke Kukui (Leeward Oahu) Transitional shelter for families Currently taking applications	80 units	0	0
Kawaihae (Big Island, Hawaii) Transitional for families	24 units	0	35 singles 8 families
Maililand (Waianae, Oahu) Transitional for families	44 units	0	25 singles 7 families
Faith Against Drugs (Hilo, Hawaii) Transitional for singles & families	20 units	0	16 singles
Ho'olanani (Kahului, Maui) Emergency for singles & families	28 beds	0	0
Honolulu Family Center (Oahu) Emergency for singles & Families	28 beds	0	261 singles 63 families

Shelter Name(s)	Total Number of units/beds	Number of vacant units	Wait List
Windward Family Center (Kailua, Oahu) Emergency for singles & families	14 beds	1	94 singles 27 families
Gregory House (Honolulu, Oahu) Transitional for singles	11 units	1	43 singles 3 families
Waipahu House (Waipahu, Oahu) Transitional for singles	9 units	3	43 singles 3 families
TLP Young Men's Keeaumoku (Honolulu, Oahu) Transitional for young mens	2 units	1	0
TLP Young Men's Maka'aloa (Ewa Beach, Oahu) Transitional for young mens	4 units	1	0
TLP Young Women Apaa (Ewa Beach, Oahu) Transitional for young women	4 units	0	0
Loliana (Honolulu, Oahu) Transitional for families	42 units	0	6 families
Vancouver House (Honolulu, Oahu) Transitional for students with or without families	33 units	0	27 families
IHS Ka'aahi Street (Honolulu, Oahu) Emergency for women & children	120 beds	18	0
IHS Sumner Street (Honolulu, Oahu) Emergency for men	190 beds		0
Kahikolu Ohana Hale O Waianae (Oahu) Emergency for singles & families	17 units	0	7 families
Kahikolu Ohana Hale O Waianae (Oahu) Transitional for singles & families	48 units 42 beds	0	0
Mana'olana (Lihue, Kauai) Emergency for	20 units	0	0
Mana'olana (Lihue, Kauai) Transitional for	8 units	3	0
Komohana Group Home (Lihue, Kauai) Transitional for singles	5 units	0	0
Lihue Court (Lihue, Kauai) Transitional for families	8 units	5	0
Ka Hale A Ke Ola Homeless Resource Ctr. (Wailuku, Maui) Emergency/Transitional for singles & families	72 units	0	152 singles 33 families
Na Hale O Wainee Resource Center (Lahaina, Maui) Emergency/Transitional for singles & families	48 units 42 beds	0	13 families

Shelter Name(s)	Total Number of units/beds	Number of vacant units	Wait List
Safe Haven (Honolulu, Oahu) Transitional for singles	25 units	0	5 singles
Beyond Shelter (Hilo, Hawaii) Transitional for singles & families	8 units	2	2 families
Kiheipua Emergency Shelter (Hilo, Hawaii) Emergency for singles & families	79 beds	0	0
Wilder House (Hilo, Hawaii) Transitional for families	1 units	0	0
Kuleana House (Hilo, Hawaii) Transitional for families	1 units	1	2 families
Lighthouse Outreach Center (Waipahu, Oahu) Emergency for singles & families	85 beds		
Veteran's in Progress (Kalaeloa, Oahu) Transitional for veterans	25 units	0	0
Bridge to Success Transitional for families	5 units	0	3 families
Family House Transitional for women & children	7 units	1	0
Ohana Ola O Kahuamanu (Waianae, Oahu) Transitional for families	48 units	1	21 families
Total:	1205 units 628 beds	123	1221 singles 390 families

B. Program Administration – (Stipend, Outreach and Grants Program)

1. February, March and April ar months set aside for site monitoring with contracted provider agencies. Monitoring reports are generated and corrective action required when there are negative findings from the site visits.
2. All contracted agencies are required to submit their semi annual activity and financial reports.
3. Monitoring legislation and responding to Legislative hearing notices.

C. Federal Programs

1. Working with the three rural counties to produce a draft of the New Five Year Consolidated Plan for the years 2010 to 2014.
2. The bi-annual statewide homeless point-in-time count for the last week of January 2009 was completed. Agencies are now entering their encounters into the Homeless Management Information System and submitting their interview sheets to HPHA.
3. Each County is reviewing the applications submitted for funding under the 2009 Emergency Shelter Grants and Housing Opportunities for Person with Aids allocations.

HPHA PERSONNEL REPORT
For the Period January 1, 2009 – January 31, 2009

I. Staffing:

- **Goal: Continue to attract and retain highly qualified workforce throughout this fiscal year.**
- During the month of January positions filled: Building Maintenance Worker I (AMP34/50), and Social Service Aide IV (AMP 30).
- Sent exit survey for employees who left the agency in January.
- In accordance to the Senate Concurrent Resolution 222, Pers completed the B-1 and B-2 request to fill for the Homeless Secretary.
- Additional positions identified as critical to fill: Procurement Officer, Contract Specialist, Project Engineers, Construction Mgt. Secretary, FMO Secretary, and Accountant III.
- 29 positions identified to fill.
- Currently HPHA has 270 full time employees statewide and 104 vacant positions.
- Currently HPHA has 22 Tenant Aides and 18 vacant positions.
- Completed interviews and recommended the following positions: Hearings Officer, PMMSB Chief, General Laborer I (AMP 34/50), and Public Housing Specialist (Application Unit)
- Termination: one employee
- Received nominations for fourth quarter recognition award.
- Continue to network with various community colleges for intern students spring semester.

II. Employee Safety:

- **Goal: Continue to maintain safety in the workplace, and continue to promote non-violence in all aspect of HPHA work.**
- No injuries reported for January.
- Light duty work continues to be assigned to employees to foster a quick return to work.
- On-going Bargaining Unit 1 Random Drug and Alcohol testing.
- Continue to work on updating the HPHA Disaster Plan. Assigned 3 HPHA employees as designated Disaster Coordinators (Personnel, PMMSB, and Planning Office).
- At February PMMSB Managers meeting, the HPHA Disaster Coordinators will require managers to revise their plan if needed. Recommended revisions includes: Identifying disaster workers and non-disaster workers, evacuation plan, communication to residents etc. etc.

III. Training and Development:

- **Goal: Assist Branch Chiefs and supervisors identifying training programs to address specific training needs for individual employees. Ensure staff attends all mandatory training.**
- Developing supervisory training program covering topics on position classification, recruitment, performance management, workers compensation, safety, and labor relations. Timeline to implement and train: 2/09.
- For the month of January employees attended the following training and conference:
Train the Trainer in communication skills, Construction Procurement, Competitive Sealed Bids, SPO Price and Vendor Lists, Small Purchases, Affordable Housing Programs and Conducting Investigation 101.

IV. Performance Management:

Goal: Continue monitoring Performance Appraisal System (PAS); send out reminder notices for delinquent appraisals.

- Reviewed all completed appraisals for accuracy and rating periods.
- Continue to remind managers to submit delinquent Appraisals.
- Provided consultation and guidance to managers regarding individual and group performance and productivity issues.

V. Labor Relations:

Goal: Continue to provide consultation to supervisors regarding individual and group employee performance and productivity issues. When disciplinary action is appropriate advise supervisors on the appropriate level of action to take.

- Continue to represent the Agency on a Prohibited Complaint Hearing. Next hearing on February 2, 2009.
- Met with complainant and Manager on 1/12/09. After the meeting Complainant's intent to withdraw soon.
- Provided assistance to supervisor on disciplinary action write-up and investigation report.

**DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY (HPHA)
STAFFING REPORT
As of February 1, 2009**

Branch	Section	Total Full Time Positions			% Vacant			Active Recruitment	
		Civil Svc	Exempt	Total	Occupied	Vacant	Vacant	Yes	No
Office of the Executive Director		5	3	8	7	1	12.50%	1	0
		5	3	8	7	1	12.50%	1	0
Planning and Evaluation Office		1	2	3	1	2	66.67%	0	2
		1	2	3	1	2	66.67%	0	2
Compliance Office		1	3	4	2	2	50.00%	1	1
		1	3	4	2	2	50.00%	1	1
Housing Information Office		0	2	2	1	1	50.00%	0	1
		0	2	2	1	1	50.00%	0	1
Hearings Office		1	2	3	3	0	0.00%	0	0
		1	2	3	3	0	0.00%	0	0
Fiscal Management Office	FM Office	4	0	4	2	2	50.00%	0	2
	Acctg Sec	10	0	10	6	4	40.00%	0	4
	Pay & Disb	4	0	4	4	0	0.00%	0	0
	Budget	1	1	2	2	0	0.00%	0	0
	Asset Mgt	1	0	1	0	1	100.00%	0	1
		20	1	21	14	7	33.33%	0	7
Information Technology		1	5	6	3	3	50.00%	0	3
		1	5	6	3	3	50.00%	0	3
Personnel Office		4	1	5	4	1	20.00%	0	1
		4	1	5	4	1	20.00%	0	1
Procurement Office		5	4	9	5	4	44.44%	1	3
		5	4	9	5	4	44.44%	1	3
Construction Mgt. Branch		2	0	2	1	1	50.00%	1	0
	CMS	3	0	3	1	2	66.67%	2	0
	CMS I	2	7	9	5	4	44.44%	0	4
	CMS 2	4	3	7	6	1	14.29%	0	1
	DSS	1	2	3	2	1	33.33%	0	1
	12	12	24	15	9	37.50%	3	6	
Homeless Branch	Homeless	1	10	11	10	1	9.09%	1	0
		1	10	11	10	1	9.09%	1	0
Section 8 Branch	Sec 8 Office	2	0	2	2	0	0.00%	0	0
	Insp Unit	1	7	8	6	2	25.00%	0	2
	Rent Sub Sec 1	15	0	15	9	6	40.00%	1	5
	Rent Sub Sec 2	13	0	13	6	7	53.85%	0	8
		31	7	38	23	15	39.47%	1	14
Property Management & Maint. Services Branch	PMMSB	3	2	5	1	4	80.00%	1	3
	MGT SEC	2	0	2	2	0	0.00%	0	0
	APP	7	0	7	5	2	28.57%	2	0
	RSS	3	8	11	7	4	36.36%	0	4
	PMCS	2	5	7	4	3	42.86%	0	3
	CMSS	23	0	23	19	4	17.39%	0	4
	OAHU 1	25	0	25	20	5	20.00%	1	4
	OAHU 2	28	0	28	21	7	25.00%	2	5
	OAHU 3	35	0	35	29	6	17.14%	3	3
	OAHU 4	28	0	28	22	6	21.43%	4	2
	OAHU 5	30	0	30	21	9	30.00%	3	6
	HAWAII 7	16	0	16	13	3	18.75%	1	2
	KAUAI 8	10	0	10	8	2	20.00%	2	0
MAUI 9	13	0	13	10	3	23.08%	1	2	
	225	15	240	182	58	24.17%	20	38	
TOTAL		307	67	374	270	104	27.81%	28	76

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES

As of February 1, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
OFFICE OF THE EXECUTIVE DIRECTOR						
19104	CS	N	P	Secretary III	SR16	Employee accepted Temp Intra-government transfer for 2 yrs.
COMPLIANCE OFFICE						
103020	EX	N	T	Chief Compliance Officer	SRNA	Pending interviews.
42104	CS	W	P	Secretary I	SR12	No action; cost savings.
FISCAL MANAGEMENT OFFICE						
41253	CS	N	P	Secretary II	SR14	Position description in review at DHS Office.
98903K	CS	N	P	Office Assistant III	SR08	No action; cost savings.
ACCOUNTING SECTION						
41252	CS	N	P	Accountant IV	SR22	No action; cost savings.
46278	CS	W	P	Accountant II	SR18	Unable to fill; state funded.
22265	CS	W	P	Account Clerk III	SR11	Unable to fill; state funded.
111496	CS	N	P	Accountant III	SR20	Pending internal vacancy announcement.
ASSET MANAGEMENT OFFICE						
96908K	T	N	P	Office Assistant III	SR10	No action; cost savings.
HEARINGS OFFICE						
103012	EX	N	T	Hearings Officer	SRNA	Interview completed; pending recommendation.
HOUSING INFORMATION OFFICE						
102041	EX	W	T	Housing Information Officer	SRNA	No action; cost savings.
PROCUREMENT OFFICE						
117691	EX	N	T	Contract Specialist	SRNA	No action; cost savings.
100882	EX	N	T	Contracts & Procurement Officer	SRNA	Recruitment start 2/8/09.
31664	CS	W	P	Procurement & Supply Specialist II	SR20	No action; cost savings.
96903K	CS	N	P	Office Assistant III	SR10	No action; cost savings.
CONSTRUCTION MANAGEMENT BRANCH						
25649	CS	N	P	State Housing Dev Administrator	EM07	Received eligilbe listing; pending interviews.
2800	CS	W	P	Secretary II	SR14	No action; cost savings.
102205	SH	N	T	Student Helper II	NA	No action; cost savings.
CONSTRUCTION MANAGEMENT SECTION						
5857	CS	N	P	Secretary II	SR14	Recommendation made for 89day hire.
48707	CS	N	T	Office Assistant III	SR08	Pending eligible listing from DHS.
CONSTRUCTION MGMT UNIT 1						
103024	EX	N	T	Contract Administrator	SRNA	No action; cost savings.
100439	EX	W	T	Housing Warranty & Inspection Asst.	SRNA	State funded unable to fill.
100202	EX	W	T	Project Engineer	SRNA	State funded unable to fill.
102383	EX	N	T	Project Engineer	SR26	Advertised on HPHA website and newspaper.
CONSTRUCTION MGMT UNIT 2						
102676	EX	W	T	Engineer (Building) IV	SRNA	State funded unable to fill.
DEVELOPMENT SUPPORT SECTION						
100886	EX	W	T	Housing Development Specialist I	SRNA	State funded unable to fill.
HOMELESS PROGRAM BRANCH						
103011	EX	A	P	Homeless Program Specialist	SRNA	Continuous recruitment.
INFORMATION TECHNOLOGY OFFICE						
51820	CS	N	T	Office Assistant III	SR08	No action cost savings.
100388	EX	N	T	HPHA Systems Analyst	99	No action cost savings.
106429	EX	N	T	HPHA Systems Analyst	99	No action cost savings.
PERSONNEL OFFICE						
51784	CS	N	T	Office Assistant III	SR08	No action; cost savings.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES

As of February 1, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. PT	Authorized Position Title	SR	Status
PLANNING AND EVALUATION OFFICE						
107934	EX	N	T	Housing Planner	SRNA	No action; cost savings.
98902K	EX	N	P	Office Assistant III	SR08	No action; cost savings.
PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH						
101072	CS	N	T	Public Hsg Mgr VII	SRNA	Pending recommendation.
96904K	EX	N	T	Hsg Maintenance Manager	SR26	No action; cost savings.
96905K	CS	N	T	Secretary II	SR14	No action; cost savings.
32210	CS	W	P	Office Assistant III	SR08	No action; cost savings.
CENTRAL MAINTENANCE SERVICES						
5968	CS	N	P	Welder I	BC10	No action; cost savings.
5647	CS	A	P	Office Assistant IV	SR10	State funded unable to fill.
8756	CS	N	P	Bldg Maint Wkr I	BC09	No action; cost savings.
17576	CS	N	P	Bldg Maint Wkr I	BC09	No action; cost savings.
PMMSB-APPLICATION SERVICES UNIT						
117850	CS	N	T	Public Hsg Spclt II	SR18	Pending request from Supervisor.
9648	CS	N	P	Public Hsg Spclt II	SR18	Recommendation made; pending hire date.
ASSET MANAGEMENT PROJECT 30 (MU 1)						
5636	CS	N	P	Public Housing Spclt II	SR18	No action; cost savings.
6171	CS	N	P	Account Clerk II	SR08	No action; cost savings.
6791	CS	N	P	General Laborer II	BC03	No action; cost savings.
4940	CS	N	P	General Laborer I	BC02	No action; cost savings.
105749	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
105756	TA	N	T	General Laborer I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 31 (MU 2)						
5855	CS	W	P	Secretary I	SR12	Stated funded unable to recruit.
30242	CS	N	P	Office Assistant III	SR08	Recommendation for 89day hire.
11626	CS	N	P	Building Maintenance Worker II	WS09	No eligible listing; DHRD recruitment 3/09.
10879	CS	N	P	Building Maint. Worker I	BC09	No action; cost savings.
4939	CS	N	P	General Laborer II	BC03	No action; cost savings.
32407	CS	N	P	General Laborer I	BC02	No action; cost savings.
6642	CS	N	P	Truck Driver	BC06	No action; cost savings.
105752	TA	N	T	Janitor II	BC02	No action; cost savings.
101119	TA	N	T	General Laborer I	BC02	No action; cost savings.
101137	TA	N	T	Janitor II	BC02	No action; cost savings.
101128	TA	N	T	Social Services Aide I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 32/33 (MU 3)						
5035	CS	N	P	Public Housing Supr. IV	SR22	Pending request to fill from AMP Supervisor.
9619	CS	N	P	Secretary I	SR12	Pending request to fill from AMP Supervisor.
6286	CS	N	P	Public Housing Specialist II	SR18	No action; cost savings.
46195	CS	N	P	Social Service Asst IV	SR11	Pending request to fill from AMP Supervisor.
8834	CS	N	P	Bldg Maint Wkr I	BC09	No action; cost savings.
10541	CS	N	P	Bldg Maint Wkr I	BC09	No action; cost savings.
101126	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 34 (MU 4)						
6693	CS	W	P	Public Hsg Spvr IV	SR22	State funded unable to fill.
23696	CS	W	P	Public Hsg Spclt II	SR18	State funded unable to fill.
6792	CS	W	P	Building Maint. Helper	BC05	State funded unable to fill.
8842	CS	N	P	Painter I	BC09	DHRD open recruitment 2/22/09.
12703	CS	N	P	General Laborer II	BC03	Start date 2/18/09.
101127	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
119175	CS	N	T	Building Maint. Wkr I	BC09	Pending eligible listing.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES

As of February 1, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
ASSET MANAGEMENT PROJECT 35 (MU 5)						
41238	CS	N	P	Bldg. Maint. Wkr II	WS09	Pending request to fill from AMP Supervisor.
23574	CS	N	P	Bldg. Maint Wkr I	BC09	Position description in review at DHS Office.
5640	CS	N	P	Bldg. Maint Wkr I	BC09	No action; cost savings.
10866	CS	N	P	Bldg. Maint Wkr I	BC09	No action; cost savings.
43948	CS	N	P	General Laborer II	BC03	No action; cost savings.
15486	CS	N	P	General Laborer I	BC02	No action; cost savings.
23698	CS	W	P	Public Hsg Spct I	SR16	State funded unable to fill.
41666	CS	N	P	Public Hsg Spct II	SR18	Pending request to fill from AMP Supervisor.
8846	CS	N	P	Bldg. Maint. Wkr I	BC09	No action; cost savings.
101115	TA	N	T	General Laborer I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 37 (MU 7)						
8719	CS	N	P	Secretary I	SR12	No action; cost savings.
6934	CS	N	P	Bldg. Maint. Supervisor I	F109	Pending start date.
119121	CS	N	T	Building Maint Worker I	BC09	Pending 89day recommendation.
ASSET MANAGEMENT PROJECT 38 (MU 8)						
8830	CS	N	P	Secretary I	SR12	Pending start date.
41349	CS	N	P	Public Housing Supervisor III	SR20	Pending request to fill from AMP Supervisor.
102241	TA	N	T	General Laborer I	SRNA	No action; cost savings.
102242	TA	N	T	General Laborer I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 39 (MU 9)						
23050	CS	N	P	Public Hsg Spvr III	SR20	No action; cost savings.
6352	CS	N	P	Secretary I	SR12	No action; cost savings.
4938	CS	N	P	Bldg. Maint. Wkr I	BC09	Pending eligible listing from DHRD.
101121	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101122	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101134	TA	N	T	Clerk I	SR04	No action; cost savings.
105750	TA	N	T	General Laborer I	SRNA	No action; cost savings.
PRIVATE MANAGEMENT CONTRACTS SECTION (PMCS)						
102048	EX	W	P	Property Management Specialist	SR22	No action; cost savings.
42096	CS	W	P	Secretary I	SR12	State funded unable to fill.
96903K	EX	N	T	Office Assistant III	SRNA	No action; cost savings.
RESIDENT SERVICES SECTION						
41254	CS	N	T	Secretary I	SR12	No action; cost savings.
51818	CS	N	T	Office Assistant III	SR08	No action; cost savings.
103036	EX	N	T	Resident Services Pgm Specialist	99	No action; cost savings.
111874	EX	N	T	Resident Services Pgm Specialist	99	No action; cost savings.
103043	TA	N	T	Social Service Aide I	SR05	No action; cost savings.
SECTION 8 - INSPECTION UNIT						
101214	EX	N	T	Lead Housing Inspector	99	No action; cost savings.
100572	EX	N	T	Housing Inspector	SRNA	No action; cost savings.
101130	TA	N	T	Office Assistant II	SR04	No action; cost savings.
RENT SUBSIDYSECTION 1						
29009	CS	N	P	Office Assistant III	SR08	No action; cost savings.
23029	CS	N	P	Public Hsg Spct II	SR18	Position description in review at DHS Office.
28657	CS	A	P	Public Hsg Spct II	SR18	No action; cost savings.
46983	CS	A	P	Public Hsg Spct II	SR18	No action; cost savings.
28995	CS	N	T	Public Housing Specialist I	SR16	No action; cost savings.
14977	CS	N	P	Office Assistant III	SR08	No action; cost savings.
RENT SUBSIDY SECTION 2						
28654	CS	N	T	Office Assistant III	SR08	No action; cost savings.
35416	CS	N	T	Public Hsg Spct II	SR18	No action; cost savings.
23103	CS	A	P	Public Hsg Spct II	SR18	No action; cost savings.
111465	CS	N	T	Public Hsg Spct II	SR18	No action; cost savings.
111467	CS	N	T	Public Hsg Spct II	SR18	No action; cost savings.
111468	CS	N	T	Public Hsg Spct II	SR18	No action; cost savings.
111469	CS	N	T	Public Hsg Spct II	SR18	No action; cost savings.
101132	TA	N	T	Office Assistant II	SRNA	Pending recommendation.

Capital Planning Descriptions

Description	Federal	State
Fund Name	Capital Fund Program aka "CFP" or "Cap Fund"	Capital Improvement Program aka "CIP"
Authorizing Body	Appropriated by Congress and subject to approval by the U.S. Department of Housing and Urban Development.	Appropriated by the Hawaii State Legislature and subject to the Governor's Budget Execution Policies (EM 97-07)
Governing Statutes	24 CFR part 85; Administrative Requirements 24 CFR part 5, General HUD Requirements 24 CFR part 968, Public Housing Modernization	§37-42, Hawaii Revised Statutes §103, Hawaii Revised Statutes
Eligible Uses	<ul style="list-style-type: none"> · Design & construction of major capital projects for federal public housing · Operating costs (NTE 30%) · Management Improvements · Administrative Costs · Replacement of demolished housing units · Financing of redevelopment costs (under CFFP) 	<ul style="list-style-type: none"> · Design and Construction of major capital projects. · Currently, used for State and federal public housing and homeless facilities
Ineligible uses	Routine maintenance; costs that would normally be charged to the tenant.	Operating expenses, salaries, repair and maintenance costs; costs that would normally be charged to the tenant.
Fund terms	Funds are <i>obligated</i> once contracted. Funds are <i>expended</i> once paid.	Funds are <i>encumbered</i> once contracted. Funds are <i>expended</i> once paid.
Status	<p>Each grants provides approximately \$8.0M in funds for capital projects.</p> <p>Grants Obligated & Being Expended: 715 Grants Available for Obligation: 716, 717, 718 HUD Stimulus Appropriation: approx. \$16.2 M Grants Budgeted for Future Use: 719, 720, 721, 722, 723, 724, 725, 726</p>	<p>Encumbered & Being Expended: FY 2007 (\$5.0M + \$4.0 M elevators + \$2.0 M LCCC)</p> <p>Allotted for Encumbrance: FY 2008 (\$20.0 M + \$6.0 M elevators) FY 2009 (\$10.0 M)</p> <p>Requested for Biennium: FY 2010 (\$7.0 M) FY 2011 (\$10.0 M)</p>