

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
November 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, October 15, 2009
- B. Executive Sessions, October 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 Ratify the Audited Financial Statements for Banyan Street Manor, located at 1122 Banyan Street, Honolulu, Hawaii for Fiscal Year 2009 as submitted to the U.S. Department of Housing and Urban Development

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 related to the Banyan Street Manor Audit

- B. Decision Making: To Approve a Revision to the Hawaii Public Housing Authority's Section 8 Administrative Plan To Allow Single Persons to Hold One Bedroom Vouchers Only if Zero Bedroom Units Are Not Available

- C. Decision Making: To Grant the Department of Hawaiian Home Lands (DHHL) a Right-of-Entry for the Construction of a Sewer Line through Waimanalo Homes, Lot 146, for its Kumuhau Subdivision

- D. Decision Making: To Approve the Energy Services Agreement with Ameresco, Subject to the Approval of the Department of the Attorney General and the U.S. Department of Housing and Urban Development

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(8), and 103D-105 to discuss, deliberate or make a decision on information that must be kept confidential and section 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 related to the Energy Services Agreement with Ameresco.

V. REPORTS

- A. Report of Task Force Committees

- 1. Human Resources Task Force Update on the Status of the Executive Director Search

2. Mixed Income Task Force Report on Potential Projects for Future Mixed-Income/Mixed Finance Development
 3. Tenant/Tenant Relations Task Force Update on Resident Association Training
- B. Report of the Executive Director
1. FY 2009 Budget to Actual Comparisons
 2. Branch/Office Reports

VI. FOR INFORMATION/FOR DISCUSSION

- A. For Information: 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. For Information: *Larsen v. HPHA, et al.*, HCRC No. RE-0-0838; HUD No. 09-09-1203-8

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 *Larsen v. HPHA, et al.*, HCRC No. RE-0-0838; HUD No. 09-09-1203-8.

- C. For Discussion: Hawaii Public Housing Authority Request for Approval from the Department of the Attorney General to Hire Outside Counsel for the Mixed Income Redevelopment at Kuhio Park Terrace/Kuhio Homes and the Master Development Agreement with Michaels Development Company
- D. For Discussion: State Requirement for the Hawaii Public Housing Authority to Deposit Federal Capital American Recovery and Reinvestment Act Funds into an Account Under Control of the State
- E. For Discussion: Strategic Vision and Goals for the Hawaii Public Housing Authority
- F. For Discussion: Potential Site Visit to Pai`olu Kaiaulu Homeless Shelter by the Hawaii Public Housing Authority's Board of Directors
- G. For Information: Update of Section 8 Management Assessment Program (SEMAP) Certification for the Hawaii Public Housing Authority
- H. For Information: Congressional Appropriations for the Hawaii Public Housing Authority to Conduct Renovations in Federal Public Housing Sites
- I. For Information: Update on the Hawaii Public Housing Authority's (HPHA) Furlough Calendar and the State's Reduction in Force

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

HAWAII PUBLIC HOUSING AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, OCTOBER 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, October 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:

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

Chad Taniguchi, Executive Director
Krislen Chun, Deputy Attorney General

EXCUSED: Director Kaulana Park

STAFF PRESENT: Barbara Arashiro, Executive Assistant
Alan Sarhan, Planner
Glori Inafuku, Housing Compliance & Evaluation
Specialist
Charlene Nakamoto, Housing Compliance & Evaluation
Specialist
Marcel Audant, Acting Construction Management Chief
Michael Hee, Private Management Contracts Section
Chief
Mitchell Kawamura, Project Engineer
Rick Sogawa, Acting Contracts and Procurement Officer
Shirley Befitel, Personnel Supervisor
Sandra Miyoshi, Homeless Programs Administrator
Stephanie Fo, Property Management and Maintenance
Services Branch Chief
Steven Chang, Chief Compliance Officer
Jarrett Waa, Central Maintenance
Roven Kahalehiili, Mayor Wright Homes Maintenance
Steven Paulo, Mayor Wright Homes Maintenance
Taryn Chikamori, Secretary to the Board

OTHERS: Anas Suzuki, private resident
Annette Fashele
Ava Goldman, Michaels Development Company
Banfino Renu, Paiolu Shelter resident
Barbie Goodman
Benerio Kimiuo
Bob Nakata, Faith Action for Community Equity (FACE)
Daintry Bartolcus, private resident
Fetu Kolio, Mayor Wright Homes resident

ORDER/
ROLL CALL

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Hope Martin
Iowanes Osaki, Paiolu Shelter resident
Julia Estrella, Micronesians United
Jun Yang, Faith Action for Community Equity (FACE)
Maier Eram, Paiolu Shelter resident
Makani Maeva, Pacific Housing Advisors
Masae Kintaro, Micronesians United
Misa Sewen, Paiolu Shelter resident/translator
Roy Nakamura, Kalakaua Homes resident
Scott Wall, Makamae resident
Shon Cobb

Chairperson Thompson declared a quorum present.

QUORUM

Director Dodson moved, Director Hosino seconded,

That the minutes of the Special Meeting held on
September 9, 2009 be approved as circulated.

APPROVAL
OF MINUTES
SPECIAL
MEETING
SEPTEMBER
9, 2009

The minutes were unanimously approved.

Designee Oliva moved, Director Ignacio seconded,

That the minutes of the Regular Meeting held on
September 17, 2009 be approved as circulated.

APPROVAL
OF MINUTES
REGULAR
MEETING
SEPTEMBER
17, 2009

Director Hosino stated on page 105 where it states, "Director Beaver moved, Director Hosino seconded," she did not attend the meeting. Director Aiona stated he seconded the motion.

The minutes as amended were unanimously approved.

Chairperson Thompson requested a moment of silence to recognize David Yaw, a member of the Resident Advisory Board who passed away on September 18, 2009.

Fetu Kolio, Mayor Wright Homes resident, stated he is concerned with the tenant obligations on the lease agreement. He will be working with management on enforcing the lease agreement. The resident association's major concerns are with the use of fireworks and criminal trespassing. Many of the problems are caused by outsiders. Mr. Kolio stated there can be a written lease agreement, but if there is no accountability, then the lease agreement means nothing.

PUBLIC
TESTIMONY

Chairperson Thompson stated the Board appreciates the updates on Mayor Wright Homes, but the Board creates policies and the staff carries out the policies. Chairperson Thompson encouraged Mr. Kolio to work with management on enforcement of the policies.

Director Beaver congratulated Mr. Kolio on becoming the new tenant association president.

Masae Kintaro, Micronesians United, stated that there are eight men who are being treated unfairly at the Waianae Shelter and are afraid of retaliation. The men are constantly assigned the same working stations and are not being rotated. One man cleaned the toilets for the last two years. The men feel these jobs are given to them because they are Micronesians. Mr. Kintaro requested copies of any policies on retaliation.

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Chairperson Thompson stated that the Hawaii Public Housing Authority (HPHA) has a non-discrimination policy and that the Board does not tolerate discrimination. Chairperson Thompson recommended that the representative from Micronesians United meet with Sandra Miyoshi, Homeless Program Branch Administrator.

Director Yoshioka asked which shelter this is happening at. Mr. Kintaro responded Paiolu Kaiaulu.

Roy Nakamura, Kalakaua Homes resident, stated on August 20, 2009 he complained that flyers were not being put up and Stephanie Fo, Property Management and Maintenance Services Branch Chief, responded that the flyers were put up, but that is a lie. Management has lied three times. There has been discrimination at Kalakaua Homes. Nothing has been done to help the residents at Kalakaua Homes.

Director Smith referred Mr. Nakamura to a letter he wrote which stated "... the flyers have since been promptly posted" and asked if that was true. Mr. Nakamura stated that his letter was not correct and admitted that he should not have signed the letter.

Ava Goldman, Michaels Development Company (MDC) thanked the Board for selecting their development team to help revitalize Kuhio Park Terrace (KPT) and Kuhio Homes. They look forward to working with the HPHA.

Makani Maeva, Pacific Housing Advisors, thanked the Board for selecting their development team. They are moving forward with the master development agreement and all necessary financing.

Director Ignacio requested that the development team also focus on the social service needs at Kuhio Park Terrace/Kuhio Homes. Ms. Maeva responded that the same attention will be given to social services.

Banfino Renu, Paiolu Kaiaulu Shelter resident, stated he understands that because he lives in the shelter he needs to do his part, but he has a doctor's note and the manager still insists on giving him work that he is not supposed to be doing. Mr. Renu also stated he is not the only one who has a doctor's note.

Daintry Bartolcus, private resident, stated she is doing her practicum with Micronesians United and has seen retaliation at the Paiolu shelter. She has seen a man falsely accused of a crime, who went to court and was found innocent. Ms. Bartolcus stated that she tried to talk to Shannon Hayes, Paiolu Kaiaulu Manager, and Ms. Hayes refused to talk to her. Ms. Bartolcus stated that Ms. Hayes said Ms. Bartolcus is harassing her. Ms. Bartolcus requested copies of the shelter's policies and procedures and the shelter refused to give her a copy.

Bob Nakata, Faith Action for Community Equity (FACE), stated he feels that the KPT revitalization is great. He is glad to see the HPHA is planning to hire a Chief Financial Officer and a project manager for the KPT rehabilitation. Mr. Nakata stated the working relationship with the Board, the state administration and the residents is very important and is disappointed with the possibility of having the executive director replaced.

Chairperson Thompson clarified that the discussion on the status of the executive director is not on the agenda.

Mr. Nakata asked what the Board is looking for in an executive director and what the time table is. Director Beaver stated it is public record. Shirley Befitel, Personnel Supervisor, stated it is on the HPHA website.

Director Ignacio stated the priority for the Board are the residents of HPHA.

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Maier Eram, Paiolu Kaiaulu Shelter resident, stated through Misa Sewen, translator, that he has been a resident at Paiolu for three years. Mr. Eram stated that he is assigned to a job he is not supposed to do, because he has a doctor's note. Mr. Eram stated he wants to move to public housing.

Director Ignacio asked for a timeframe of when the HPHA can get a response to the Board and the testifiers. Ms. Miyoshi stated within two weeks.

Director Yoshioka asked who manages the Paiolu Kaiaulu. Ms. Miyoshi responded the U.S. Vets, Inc.

Anas Suzuki, private resident, thanked the Board for housing. He has an application for Section 8. He is still waiting for help.

Iowanes Osaki, Paiolu Kaiaulu Shelter resident, stated through Mr. Sewen, translator, that the shelter called him to the office and told him his children were messing up the restroom. The police arrested him and he was not guilty. He was removed from the shelter, and even if he was not guilty he is not being allowed back into the shelter. Mr. Osaki is also asking for help, since the shelter staff will not allow him to see his children. Last week, Mr. Osaki went back to the shelter and his children were not in school and had not eaten dinner.

Designee Oliva asked where and who are the children currently with. Mr. Osaki responded through Mr. Sewen that the children are at the shelter with their older sibling.

Misa Sewen, Paiolu Shelter resident, stated he's been at the shelter for three years. He has applied for public housing, but is still waiting. This year, public housing called him for an interview. Mr. Sewen stated he was told because his brother who was on the application was not with him at the interview the HPHA would have to put him back on the waiting list. Mr. Sewen feels because he is the head of the household his brother not being at the interview should not have affected his application.

Jarrett Waa, Central Maintenance, stated the number of vacant units shows that the special teams that was put together by the executive director was effective. He believes if you give something a chance, then you will see it grow. He asked the Board to give HPHA a chance, because every time the executive director is changed, the goals change. Where are the homeless and low income families going to live if the HPHA sells the units?

Director Beaver asked where he saw that HPHA wants to sell the units. He said he got it in writing. Director Beaver stated the Board's goal is to redevelop more units and sell those units to help sustain and support the existing public housing units.

Director Hosino asked Mr. Waa if he was concerned that the special teams were discontinued. Mr. Waa responded yes, because he feels that the special teams were successful. Director Hosino stated that the Board did not have anything to do with the discontinuation of the special teams.

Roven Kahalehiili, Mayor Wright Homes Maintenance, stated he feels the goals and objectives have been met. Morale and productivity are at its highest point ever. The progress over time has been great.

Steven Paulo, Mayor Wright Homes Maintenance, stated that the vacant units have been getting fixed and that he just wants to continue doing his job.

Director Smith asked if someone informed him that he wouldn't be doing his job. Mr. Paulo responded he just wanted the Board know he is happy doing his job.

Director Dodson thanked the staff for coming and letting the Board know they

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are enjoying their work. She would like them to continue doing their job.

Chairperson Thompson called a recess at 9:59 a.m. and reconvened at 10:09 a.m.

RECESS/
RECONVENED

Director Dodson moved, Director Ignacio seconded,

To Recognize the Makamae Resident Association as a
Duly Elected Resident Association Pursuant to
Volume 24 CFR Part 964

The motion was unanimously carried.

Ms. Fo stated this is the first time that Makamae has formed a resident association.

The motion was unanimously carried.

Ms. Fo introduced Toelupe Toelupe, president; Hope Martin, vice president; Barbie Goodman, secretary; Annette Fashelle, treasurer; Robert Wall, sergeant at arms.

Chad Taniguchi, executive director, and Director Hosino presented a certificate to the Makamae Resident Association.

Director Hosino stated that the Makamae Resident Association Board has had training and worked really hard.

Mr. Toelupe thanked the Board and stated they will work with the Board on issues.

Director Berthiaume asked how many associations are there. Director Hosino stated there are 23 and working on 22 more.

Chairperson Thompson asked about how long it will take. Director Hosino was hopeful that the resident associations could be established within three months.

Director Beaver moved, Director Yoshioka seconded,

To Accept the Investment Grade Audit and Proposed
Energy Conservation Measures from Ameresco, Inc.
and To Authorize the Executive Director to Negotiate
the Scope of Work and the Terms of an Energy Services
Agreement with Ameresco, Inc., the Execution of Which
Shall Be Subject to Board Approval

The motion was withdrawn.

Director Beaver moved, Director Dodson seconded,

To Accept the Energy Audit Report from Ameresco, Inc.
and To Authorize the Executive Director to Negotiate the
Scope of Work and the Terms of an Energy Services
Agreement with Ameresco, Inc., the Execution of Which
Shall Be Subject to Board Approval

Mr. Taniguchi reported that HPHA held a four-hour energy performance contract workshop on October 14, 2009. Chairperson Thompson attended the workshop and Director Beaver participated by phone. At the end of the

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TO ACCEPT
THE ENERGY
AUDIT RE-
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AMERESCO,
INC. AND TO
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workshop, Chairperson Thompson recommended some changes on the “For Action.”

Mr. Taniguchi introduced David Anderson, Thomas Tsaros, and Kimberly Albertson from Ameresco, Inc. (Ameresco).

Mr. Anderson provided some background on the energy performance contract for the Board. He stated that in February 2008, the HPHA solicited proposals for the energy performance contract (EPC). The contract with Ameresco was signed in November 2008. There was a kick off meeting where Ameresco and the HPHA staff met to discuss the objectives of the contract.

Mr. Anderson stated there was an interim audit meeting when Ameresco presented the initial audit findings. Ameresco then met with the HPHA staff to ensure that all items were taken care of. In May 2009, there was the first workshop which included members of the Board’s finance task force. The final audit was issued on September 28, 2009 and there was a second workshop on October 14, 2009.

Mr. Anderson stated the goals of this project are to: 1) reduce and control utility expenditures; 2) fund energy conservation measures (ECMs) entirely from savings; 3) focus on renewable energy; 4) fund maintenance from savings; 5) contribute to Hawaii’s clean energy initiative; and 6) create approximately 300 jobs.

Mr. Anderson provided an overview of the U.S. Department of Housing and Urban Development (HUD) energy performance program: 1) provide conservation “incentives” for public housing authorities to reduce utility expenses; 2) encourage third party financing required to pay for energy conservation improvements; 3) HUD capital budget cannot be applied; 4) HUD operating subsidy used to pay debt service; 5) repayment term up to 20 years allowed; 6) at least 75% of savings must be used to pay EPC costs; and 7) Energy Services Company (ESCO) such as Ameresco, guarantees savings.

Mr. Anderson stated that KPT will be taken out of the EPC because of the plans for redevelopment.

Mr. Anderson explained that the way the current cash flow works is that HUD provides the HPHA with approximately \$15.54 million to pay utility expenses annually. Mr. Anderson stated with the EPC, the cash flow would be that HUD provides the HPHA with approximately \$15.54 million a year, then HPHA in turn would: 1) pay the utility bills; 2) pay the EPC financing and maintenance expenses; and 3) save about \$410,000 a year.

Mr. Tsaros stated the approach used to select the type of ECMs were: 1) payback versus life cycle; 2) deferred maintenance; and 3) disposition of buildings.

Mr. Tsaros stated that Ameresco looked at 15 ECMs, including: water conservation, lighting improvements, solar water systems, refrigerators, solar photovoltaic, etc. The proposed project requires a \$29.9 million investment and should yield a projected \$3.1 million savings in the first year. The simple payback is about 10 years.

Mr. Tsaros projected that in 2012, there will be \$12.5 million in utility expenses, \$2.6 million in finance and maintenance costs, and \$400,000 in savings. In 2031, there will be \$22.2 million in utility expenses, \$4.5 million in maintenance costs, and \$590,000 in savings. The total will be \$337.3 million in utility costs, \$70.1 million in finance and maintenance costs, and \$10 million in savings.

Chairperson Thompson stated that the Board will need to discuss whether the HPHA wants to leave future redevelopment projects in the EPC. If a project is

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TO BOARD
APPROVAL

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included in the contract and HPHA chooses to engage in redevelopment, the project will no longer be part of the EPC.

Chairperson Thompson stated in order to stay within HUD's 75% savings; the entire project will need to be completed.

Director Smith asked if someone could explain why the HPHA cannot choose the energy items that have lower simple payback. Mr. Anderson responded the HPHA can choose the shorter simple paybacks with a shorter financing term. The difference is that the HPHA would not achieve the 75% savings because it will take less than 75% to payback the investment. Mr. Anderson added that if the HPHA obtains a shorter financing, the HPHA will still save on the utilities, but will lose HUD utility subsidy payments.

Director Smith stated if the HPHA has enough HUD capital funds to do the \$3 million in ECMs the HPHA would gain \$1.5 million in savings. She questioned whether this is more valuable than the string of payments from HUD over the six through twenty years. Mr. Tsaros stated that HUD created this program to save housing authorities money and to reduce long term utility costs.

Director Beaver asked if there is a way to do the project in phases and get the same benefits. Ms. Albertson responded that the HPHA would lose the incentives of HUD's EPC program.

Mr. Tsaros stated doing all the ECMs at one time may take longer, but the HPHA will be reducing the utilities more at the end of the project.

Director Beaver asked for an analysis of the long term project versus a project which included only short term, quick payback measures. Mr. Anderson stated Ameresco will do the analysis.

Director Smith asked if some of the smaller project costs and savings measures could be removed from the project. Mr. Anderson responded yes.

Director Beaver asked for information about Ameresco's experiences, the guarantee that is provided, and how many times did Ameresco have to pay out for not meeting the guarantees. Mr. Anderson responded that Ameresco has done more ECPs than any other company in North America. Ameresco has installed ECMs in approximately 160,000 housing units. The EPC will have a specific methodology on how Ameresco will prove that the HPHA has realized utility savings. If the HPHA does not realize the savings as guaranteed, Ameresco will write a check to the HPHA for the difference. Ameresco has never had to write a check to any public housing authority.

Director Beaver asked if HUD requires Ameresco to show that it has the financial capacity to make the guarantee. Mr. Anderson responded that HUD is involved with the contract at every step of the project.

Chairperson Thompson introduced Paul Norton from the U.S. Department of Energy.

Mr. Norton stated he is the senior project leader with the National Renewable Energy Lab. Mr. Norton is helping the State with the Hawaii Clean Energy bill. The goal of the Hawaii Clean Energy bill is to achieve 30% energy efficiency improvements by 2030. The way to achieve the 30% goal is to use ESCO arrangements. If the shorter project costs and savings measures are chosen, the HPHA would have a short term gain, but will not achieve the 30% efficiency improvement. Also if you do the short term project, the HPHA would create a benefit for HUD, but not for the HPHA.

Director Smith asked if there was someone from Budget and Finance (B & F) in attendance at the workshop yesterday. Chairperson Thompson responded that B&F was invited, but did not attend. Chairperson Thompson noted that Ernest

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Lau of DAGS attended the workshop and remarked that HUD's subsidy program for housing authority EPCs was a big advantage for the HPHA.

Ayes: Chairperson Thompson
Designee Oliva
Director Aiona
Director Beaver
Director Berthiaume
Director Dodson
Director Ignacio
Director Yoshioka

Nays: Director Smith

Abstained: Director Hosino

The motion was carried.

Director Beaver moved, Director Ignacio seconded,

To Authorize the Engagement of Crews & Associates, Inc. for Financing of the Energy Services Agreement with Ameresco, Inc., and to Enter into an Engagement Letter with Standard & Poor's for Rating Services Required by the Energy Services Contract

Ms. Albertson stated the lender looks at the HPHA as a separate entity from the State, because the HPHA has its own statutory obligations for the financing.

Ms. Albertson stated that the financiers will review the HPHA's public housing assessment system (PHAS) score, the term of the financing, size of the financing, and collateral.

Ms. Albertson stated that Ameresco competitively solicited financing from Bank of Hawaii, First Hawaiian Bank, Hawaii National Bank, Bank of America, and others. Crew and Associates, Inc. (Crews) was identified as a qualified lender.

Ms. Albertson stated some of the limitations that Crews need to meet are: it must be a lease; lease payments shall not exceed savings and terms of the proposal. Crews recommended Build America Bond designation as a subsidy.

Ms. Albertson stated Crews wants Standard and Poor's (S&P) to provide the rating for the HPHA because S&P considers the federal government financing as a factor. Crews feels that the HPHA should be able to receive an A- rating from S&P.

Chairperson Thompson asked if Build America Bonds does not proceed, what happens. Ms. Albertson stated that Crews will still have the same criteria and if they cannot meet the criteria, then the project stops and the HPHA can look at the tax exempt market. The HPHA will always have to take the risk of the market, no matter how the project is funded.

Ms. Albertson clarified that today's request is for HPHA's Board to allow the executive director to engage Crews & Associates. Crews will not complete the work until the HPHA has HUD approval and the Board approves the financing cost. The Governor and the Director of Finance are also statutorily required to approve the project.

Chairperson Thompson asked how exposed the HPHA is financially. Ms. Albertson reported that Crews has agreed to waive its fees and costs if the financing does not happen. She explained that S&P charges two different fees.

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If S&P provides a credit rating, then the cost would be \$45,000. If the financing is not completed, the transaction and surveillance rating for the financing would cost the HPHA nothing.

Director Smith stated that Crews reported the net project cost was \$70 million, and then it changed to \$44 million, and now it's \$29.5 million, why did the amount change. Mr. Anderson explained that Ameresco came up with the \$70 million figure because at the time the scope of work was undetermined and Ameresco used the maximum amount. If Crews was given an amount that was too low, then the process for financing would need to be restarted. The project changed to \$44 million with a more detailed scope of work. With the removal of KPT from the project, it changed to \$29.5 million.

Director Smith asked when the Board would have an opportunity to discuss the ECMs. Ms. Albertson stated that the Board could review the ECMs anytime, until the energy services agreement is signed.

Director Smith stated there are three factors to the scope of work which should be considered: 1) which housing projects; 2) which ECMs; and 3) whether it should be a long term or short term project.

Chairperson Thompson stated he feels that the HPHA was given the audit report and can refine the package in the negotiating process. He does not feel the Board should go back to look at each of the ECMs.

Director Smith stated she wants to review whether there are differences between the proposed ECMs and policies the State is using for energy conservation. As an example, if the HPHA decides to have the tenants take more responsibility on how the tenants manage their units, this implies that individual meters be installed. She noted that one of the ECMs calls for consolidating the meters. The Board needs to look at the policies and the measures. Mr. Tsaros explained that for this example that project currently has individual meters but utilities are paid by the HPHA instead of the tenant. Under the proposed energy conservation project the HPHA would convert to one commercial meter at lower rates. Ameresco will review this measure with the HPHA staff and consider converting to individual tenant paid utility bills. The HPHA would provide tenants with utility allowances as required by HUD.

Director Smith asked if B & F will have a chance to review the contract. Ms. Albertson stated that B & F should be involved at every step, from now to the signing of the contract.

Director Smith asked whether Crews is providing the financing or placing financing. Ms. Albertson stated that Crews can do both, or they can underwrite the project.

Ayes: Chairperson Thompson
 Designee Oliva
 Director Aiona
 Director Beaver
 Director Berthiaume
 Director Dodson
 Director Ignacio
 Director Yoshioka

Nays: Director Hosino
 Director Smith

The motion was carried.

Chairperson Thompson called a recess at 11:59 a.m. and reconvened at 12:08 p.m.

RECESS/
RECONVENED

HAWAII PUBLIC HOUSING AUTHORITY

Director Dodson moved, Director Aiona seconded,

EXECUTIVE
SESSION

To go into executive session at 12:08 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 12:49 p.m.

RECONVENED

Chairperson Thompson stated the Board received an update on the KPT lawsuit.

Director Dodson moved, Director Ignacio seconded,

EXECUTIVE
SESSION

To go into executive session at 12:50 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 the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved.

The motion was unanimously carried.

The Board reconvened from Executive Session at 1:19 p.m.

RECONVENED

Chairperson Thompson reported that the Board discussed personnel issues; actions will be reported back to the Board in the future.

Director Beaver moved, Director Ignacio seconded,

To Request Legislative Approval for the Transfer of 1.99 Acres of Vacant Land at Lanakila Homes III, HI001000037, HA 1014, Hilo, Hawaii to the County of Hawaii for the Construction of a Fire Station

TO REQUEST
LEGISLATIVE
APPROVAL
FOR THE
TRANSFER OF
1.99 ACRES OF
VACANT
LAND AT
LANAKILA
HOMES III,
HI001000037,
HA 1014,
HILO,
HAWAII
TO THE
COUNTY OF
HAWAII FOR
THE CON-
STRUCTION
OF A FIRE

Mr. Taniguchi stated that residents and staff agreed that the County fire station is a good idea.

Chairperson Thompson asked if this needs approval from the legislature. Krislen Chun, Deputy Attorney General, responded that the transfer required legislative approval because there is only an exemption for State to State transfers.

Director Dodson asked whether the County ever offered to pay for the land. Mitchell Kawamura, Project Engineer, stated that the County has not offered to pay for the land.

Director Yoshioka stated she is concerned because: 1) the last discussion with the residents was in 2006 and she would like to see current discussions with the residents; 2) this project was started when the HPHA was the Housing and Community Development Corporation of Hawaii (HCDCH); and 3) this is contrary to the policy to sell off land to give the HPHA more funds.

Director Dodson stated she is concerned with the lack of exchange of money.

Designee Oliva stated having a fire station in close proximity lowers the insurance, but it could also keep the residents up all night.

Director Beaver acknowledged that the residents were part of the discussion, but that was in 2006, and asked if there were more recent meetings.

Mr. Taniguchi stated that the HPHA reported to the residents at the resident community meeting two weeks ago that HUD has approved the transaction. There were 30 residents in attendance and no one questioned the transfer.

Mr. Taniguchi stated the other issue is that the County is counting on the transfer. The HPHA can have another discussion with residents. He believes the residents want the fire station.

Director Beaver asked once HUD approves the transfer, would the HPHA send out a flyer informing all residents. Mr. Taniguchi responded there is a newsletter that goes to the residents. Mr. Taniguchi stated he will make sure the flyer goes out, if it has not been done yet.

Director Smith asked if this was a two step process. Step one was to dispose of the land and now that HUD has approved the disposal, the HPHA is now giving the land to the County. Mr. Taniguchi responded yes, but in the request to HUD the purpose of the disposition was to give the property to the County. Mr. Taniguchi stated HUD took two and a half years to approve the disposition application. Mr. Taniguchi stated he believes that HUD approves the disposition, not necessarily who the HPHA chooses to give the property to.

Chairperson Thompson asked if the units have been demolished on the property. Mr. Taniguchi responded, yes.

Director Ignacio stated the demolition was based on the County getting the property. Mr. Kawamura stated no, the original demolition did not even consider the fire station.

Director Smith asked if a new appraisal will need to be done before the transfer. Mr. Kawamura clarified that there was no appraisal completed. Ms. Chun stated that an appraisal will need to be done, as required by law.

The motion was unanimously carried.

Chairperson Thompson stated last month the Board asked for input from the Department of Budget & Finance (B & F), HUD, and Department of Accounting and General Services (DAGS) on the HPHA's internal control policy, and asked whether the HPHA received any input. Mr. Taniguchi responded that no comments were received as of yet.

Chairperson Thompson requested that the internal control policy be put back on the agenda once the input has been received.

Director Aiona and Director Dodson left at 1:30 p.m.

Chairperson Thompson reported that the Finance/Audit task force had no report.

HAWAII PUBLIC HOUSING AUTHORITY

Designee Oliva reported that the executive director's position has been advertised in the local and national media. There were 26 resumes received for the executive director's position. The State Housing Development Administrator's position has been approved to fill and the interviews have been concluded. The reduction in force (RIF) placements are continuing with the search for vacancies statewide.

FINANCE/
AUDIT

HUMAN
RESOURCES

Director Ignacio reported that the Homelessness task force has no report.

HOMELESS-
NESS

Director Hosino reported that the Tenant Relations and Operations task force asked whether the application process for the tenant monitoring program and the pilot program for Palolo Valley Homes started. Ms. Fo responded the application process has not started because there was a problem with the way the rent was to be credited. Ms. Fo stated she is working with HUD to resolve their concerns regarding the rent credit.

TENANT/
TENANT
RELATIONS/
OPERATIONS

Director Ignacio asked if it has taken over a year to start the tenant monitoring program. Director Hosino responded yes, it was supposed to be an easy program, but ran into problems. Ms. Fo stated the problem is that it is a new program, so the program (e.g. rules, procedures) needs to be created. There are laws that need to be followed.

Director Hosino stated that the Resident Advisory Board (RAB) has started to meet. There are supposed to be 19 members, but there are only 9 members. The RAB need two members from Kauai and Maui, and one member from Kona.

Director Beaver reported that the mixed income task force has no report, but asked Mr. Taniguchi to report on the progress with Michaels Development. Mr. Taniguchi reported that Michaels Development has gone to KPT and spoken to the management and Parents and Children Together (PACT). The HPHA was going to apply for HOPE VI, but after review of the application, the HPHA realized the HPHA did not have time to meet some of program criteria. Mr. Taniguchi added that the HPHA will try to apply next year.

MIXED
INCOME

Chairperson Thompson asked for examples of some of the criteria the HPHA does not meet. Mr. Taniguchi reported that, as an example, there needs to be five substantive planning meetings with residents to discuss and plan the redevelopment.

Director Ignacio asked who would be writing the proposal. Mr. Taniguchi stated that Michaels Development would be doing most of the work.

Director Smith reported that the Goals and Objectives task force has no report.

GOALS AND
OBJECTIVES

Chairperson Thompson asked if the HPHA compared the cost of hiring contractors versus the cost of central maintenance performing the work. Ms. Fo responded it is difficult to compare costs because contractors repair type C units and central maintenance repairs type A and B units.

EXECUTIVE
DIRECTOR
REPORT/
VACANT/
FIXING/
FILLING UNITS

Director Smith asked about the status of the special teams. Ms. Fo reported that

HAWAII PUBLIC HOUSING AUTHORITY

the special teams were disbanded because there was agreement with the Department of Human Services (DHS) Personnel and the union that the special teams would be a one year pilot program and the AMPs needed their staff members back from the special teams.

Director Ignacio asked why the HPHA couldn't put the special teams together again. Mr. Taniguchi responded that the HPHA would need to complete a major reorganization. The Asset Management Projects (AMPs) should be able to do their work at this point, with additional help from Central Maintenance and contractors.

Director Ignacio asked if the Asset Management Project (AMP) staff know how many units staff are capable fixing and in what time frame. Mr. Taniguchi responded that the AMPs are expected to repair vacant units on a timely basis, within 20 days. When the AMPs cannot do so they will contract out repairs to Central Maintenance, Correctional Industries or contractors

Chairperson Thompson asked why Kalanihuiua's elevator required 40 repairs. Director Hosino responded she spoke to the elevator repair man and he stated it is because the elevators are old and parts need to be replaced due to wear and tear.

ELEVATORS

Director Berthiaume asked whether there is a plan for Kalanihuiua, if both elevators go down. Director Hosino responded the fire department has agreed to help if they are not busy.

Chairperson Thompson stated that the elevator has been down too often. Ms. Fo clarified that the report of 40 repairs at Kalanihuiua was for the past two years, not just for the last month.

Director Smith asked Ms. Miyoshi if this is the first time she has heard of the concerns at Paiolu Kaiulu. Ms. Miyoshi responded yes. Ms. Miyoshi reported that the children of Mr. Osaki were reprimanded by Paiolu staff for playing in the showers. Mr. Osaki was called to the office and proceeded to hit one of the girls in the head, she flew and hit the wall. The staff informed Mr. Osaki that he cannot hit his children, as it is considered child abuse. Mr. Osaki then began verbally abusing staff and the police were called. The daughter did sign a document confirming her father hit her in the head and child protective services (CPS) was contacted. The children have now been placed with their older sister, who also lives at the Paiolu shelter. There has been a case manager who has been assigned the case, and who is ensuring that the children are attending school and being taken care of. Mr. Osaki has had two grievance hearings. One was scheduled this morning and he did not attend.

HOMELESS PROGRAMS

Chairperson Thompson asked if language is a barrier. Ms. Miyoshi responded there is a case manager at Paiolu Kaiulu who is bilingual and is trying to help the residents to understand the culture.

Ms. Smith asked about the work assignments. Ms. Miyoshi responded that all adult members need to be working or in a training program unless they have a disability or are elderly. These residents are given work around the shelter; it may be as a floor monitor, playground monitor, cleaning the facilities, etc. The residents are assigned duties based on their abilities.

Designee Oliva asked about the rotation schedule. Ms. Miyoshi responded she was not here for that testimony; she will follow up.

Director Thompson stated the testimony was about retaliation and questioned if there is retaliation or not. Ms. Miyoshi responded that there needs to be better communication with the residents; it is difficult because of the language barrier.

HAWAII PUBLIC HOUSING AUTHORITY

Director Ignacio stated she believes in advocates, but some time because of the culture differences it becomes a problem. For example, at one of her shelters, all able bodied adults who can work are required to work. However, there was one father who said he wanted to be able to pick up his child from school every day. He was offered work, but he turned it down because it conflicted with his desire to pick up his child. Micronesians United came to the shelter and alleged that he was being discriminated against. She believes that Micronesians United is a great advocate, but they need to listen to both sides of the story.

Ms. Miyoshi stated she will ensure that the residents get the rules in their language.

Director Smith stated that the U.S. Vets has a track record in the state of Hawaii. She would like an opportunity for the U.S. Vets to explain their policies, procedures, and rules. Director Berthiaume stated he will ask Tim Cantwell to come and give an overview of the program.

Chairperson Thompson stated the Board will discuss the "For Information" on the Corrective Action Order (CAO).

CORRECTIVE
ACTION
ORDER

Barbara Arashiro, executive assistant, stated the CAO was issued in September 2002. There was a memorandum of agreement (MOA) with the Housing and Community Development Corporation of Hawaii (HCDCH) and HUD. The MOA included over 100 items. The HPHA was required to report monthly on each item and as the item was corrected, it was closed out. The MOA was closed and the HPHA was put on an improvement plan. Several weeks ago, the HPHA met with HUD on the status of closing the CAO. HPHA took a look at the improvement plan and will submit to HUD the areas that the HPHA feels there needs to be work. HUD agreed to meet with HPHA in six months on possibly closing the CAO. HUD and the HPHA also met about obligating the stimulus money and where HPHA is in terms of the environmental review.

Chairperson Thompson stated that because the CAO is open, it seems that HUD adds on additional items. He stated he is willing to help talk to HUD to have this order closed.

Ms. Arashiro stated there were two main issues that served as the basis for the CAO. One was the inability to obligate the capital funds and the second issue was procurement. When the MOA was opened, HUD felt that if the HPHA was having problems in these two areas, there may be other areas that are problematic and added those items to the MOA.

Director Smith asked if the discussions were held with the local HUD office or the national office. Ms. Arashiro responded that discussions were with the local HUD office.

Director Smith stated she spoke to the national HUD office and asked if Lanakila can be removed from demolition. HUD would not entertain that motion because it would make the HPHA's vacancies tally go up.

Chairperson Thompson stated he will work with Ms. Arashiro on speaking to HUD.

Chairperson Thompson stated the Board will discuss the Shelter Plus Care Program.

SHELTER
PLUS CARE
PROGRAM

Ms. Miyoshi stated HUD performed an audit on three programs. Three agencies were audited: the Office of Social Ministry, Steadfast Housing, and Kauai Economic Opportunity. There were two findings which were 1) documentation of homelessness and 2) participation of a homeless person. There was also one concern with progress on leasing up.

HAWAII PUBLIC HOUSING AUTHORITY

Ms Miyoshi stated for the finding of documentation of homelessness, there was documentation at initial contact but HUD wanted re-documentation just before placement. This was at Steadfast Housing and Office of Social Ministry. Both agencies have corrected the finding.

The other finding was participation of a homeless or formerly homeless person on the agency's Board and involvement in the decision making process. Steadfast Housing's internal rules did not allow for a homeless person to be on their Board. Steadfast is currently rewriting the rules.

The concern with progress on leasing up on the vouchers provided under Shelter Plus Care. There was a delay once HUD informed the HPHA that they are getting the grant voucher and getting a contract signed with a contractor, then the contractor proceeds to get the lease up. The HPHA was aware of this problem before HUD conducted their audit and the problem was already being addressed. Steadfast Housing will be over leased and have 32 instead of 17; Kauai is a new program and is doing okay.

Director Smith asked if Mr. Taniguchi gave HUD a deadline for feedback. Mr. Taniguchi asked when she would like the feedback by. Director Smith responded she would like the feedback before the end of the month so the task force can meet.

Mr. Taniguchi asked if the Board wants the goals and objectives shared with the residents. Director Smith stated she feels it premature to share it with the residents.

Director Hosino stated she feels that the staff has the wrong the impression on the vision of the Board. They think that the Board wants to sell public housing.

Michael Hee, Private Management Contracts Section Chief, stated that the HPHA has just received the purchase and sale agreement for Wilikina this afternoon. The AG's office is currently reviewing it. There do not seem to be major changes.

Chairperson Thompson stated he received the letter and it will be distributed to the Board members.

Marcel Audant, Acting Construction Management Chief, is conscious of the funds that need to be spent. The caution is that there is so much money to spend and Construction Management Services (CMS) is under staffed.

Chairperson Thompson stated the Board is aware that the HPHA is under staffed and must face those challenges.

Shirley Befitel, Personnel Supervisor, stated the HPHA is working to hire with approval from Department of Human Services and the Governor's office.

Mr. Taniguchi introduced Steven Chang as the HPHA's new Chief Compliance Officer.

GOALS AND
OBJECTIVES

OTHER
ITEMS

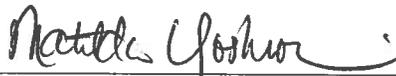
HAWAII PUBLIC HOUSING AUTHORITY

There being no further items to be discussed,

Director Beaver moved, Director Berthiaume seconded,

That the meeting be adjourned at 3:04 p.m.

The motion was unanimously carried.



MATILDA YOSHIOKA

Secretary

Approved

ADJOURN-
MENT

FOR ACTION

SUBJECT: To Ratify the Audit of Banyan Street Manor for Fiscal Year 2009

I. FACTS

- A. The auditors have performed the audit of the project for the fiscal year ending on June 30, 2009 in accordance with Government Auditing Standards and the provisions of OMB Circular A-133.
- B. The auditors have indicated that detailed accounting records have not been maintained and certain prior-year records and supporting data were not available for the audit period.
- C. The audit for fiscal year ending 2006 (transmitted in April 2009) recommended audit adjustments. New audit adjustments and supporting data, therefore, were not available for the Fiscal Year 2009 audit.
- D. Because of the significance of the matters noted in the two previous paragraphs, the auditors did not express an opinion on the financial statements for the current fiscal year 2009.

II. DISCUSSION

- A. Staff has consulted with the auditors and the principal accounting staff of the current management agent, EAH Inc., to ensure that the 2006 audit adjustments are fully incorporated into the future financial statements and that financial record keeping would meet the requirements for an auditor to express an opinion on the financial statements in the future. The accounting staff of EAH Inc. indicated that they maintain the financial records of approximately 35 similar projects and have not had any negative findings.
- B. Audits are required sixty days after the end of the fiscal year, and although the auditors were able to prepare the financials by August 31, 2009, there was a delay in getting the management certifications.
- C. In order to comply with HUD requirements, HPHA staff electronically uploaded the FY 2009 audit to the U.S. Department of Housing and Urban Development (HUD) on October 22, 2009, immediately after it became possible to do so after the FY 2007 and FY 2008 reports were filed electronically. Final copies of the fiscal year 2009 audit were received on October 27, 2009.

III. RECOMMENDATION

That the Board of Directors ratify the acceptance of the audited financial statement of the Banyan Street Manor for the fiscal year ending June 30, 2009.

Attachment: Audit Report for Banyan Street Manor for FY 2009

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

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

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
State of Hawaii
Hawaii Public Housing Authority
Banyan Street Manor

We were engaged to audit the accompanying *Statement of Net Assets* of Banyan Street Manor, F.H.A. Project No. 140-35073-LDI-L8, as of June 30, 2009, and the related *Statement of Activities and Cash Flows* for the year then ended. These financial statements are the responsibility of the Project'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. 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 opinion.

Detailed accounting records have not been maintained and certain prior-year records and supporting data were not available for our audit. Fiscal year ended 2006 proposed audit adjustments were unrecorded and are not reflected in the financial statements presented herein. Therefore, we were not able to satisfy ourselves about the amounts at which assets, liabilities, and equity are recorded in the accompanying balance sheet at June 30, 2009.

Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with *Government Auditing Standards*, and the *Consolidated Audit Guide for Audits of HUD Programs*, issued by the U.S. Department of Housing and Urban Development, we have also issued reports, dated August 31, 2009, on our consideration of the Project's internal control over financial reporting and on its compliance with specific requirements applicable to Fair Housing and Non-Discrimination and specific requirements applicable to non-major HUD program transactions. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The management's discussion and analysis and the accompanying supplementary information are presented for purposes of additional analysis and are not required parts of the basic financial statements of the Project. Such supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, for the reasons stated in the third paragraph, we do not express an opinion on its relation to the financial statements taken as a whole.

RC Holsinger Associates, P.C.

Honolulu, Hawaii
August 31, 2009

Audit Partner: John Holt
Firm EIN: 23-2939307

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2009 AND 2008

Overview of the Financial Statements - Continued

Other Reports

Additional reports are as follows:

- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Report on Compliance with Specific Requirements Applicable to Non-Major HUD Programs
- Report on Compliance with Specific Requirements Applicable to Fair Housing and Non-Discrimination

Financial Analysis

As mentioned previously, the *Statement of Net Assets* serves as an indicator of the Project's financial position. The *Statement of Net Assets* includes all of the Project's assets and liabilities, and provides information about the nature and the amounts of investment in resources (assets) and the obligations (liabilities) of the Project.

As of June 30, 2009 and 2008, the Project's net assets were as follows:

	<u>ASSETS</u>	
	<u>2009</u>	<u>2008</u>
Assets:		
Current assets	\$ 100,394	\$ (40,102)
Deposits held in trust	8,652	9,643
Restricted deposits and funded reserves	1,528,180	1,979,405
Net capital assets	3,259,978	2,960,573
Other assets	<u>57,484</u>	<u>57,484</u>
Total Assets	<u>\$ 4,954,688</u>	<u>\$ 4,967,003</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:		
Current liabilities	\$ 415,645	\$ 128,830
Long-term liabilities	<u>321,691</u>	<u>422,741</u>
Total Liabilities	<u>737,336</u>	<u>551,571</u>
Net Assets:		
Invested in capital assets, net of debt	2,853,892	2,453,832
Restricted	1,363,460	1,767,874
Unrestricted	<u>-</u>	<u>193,726</u>
Total Net Assets	<u>4,217,352</u>	<u>4,415,432</u>
Total Liabilities and Net Assets	<u>\$ 4,954,688</u>	<u>\$ 4,967,003</u>

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2009 AND 2008

Financial Analysis - Continued

Net assets of the Project decreased by 4.5% in 2009 over 2008. Investment in capital assets (i.e., land improvements, building, building equipment, and furnishings), less the related debt used to construct the assets represents a large portion of the Project's net assets; 67% in 2009 and 56% in 2008. Capital assets are used to provide housing to low and moderate income persons. Although the Project's investment in its capital assets is reported net of debt, the resources needed to repay this debt must be provided by other sources, since the capital assets, mainly the building, cannot be used to liquidate these liabilities. Restricted assets consist principally of deposits required under the Regulatory Agreement for the replacement of property and other project expenditures approved by HUD. Restricted assets are held in separate accounts with the mortgagee and are generally not available for operating purposes. The remaining unrestricted assets may be used to finance day to day operations without any constraints established by debt or other legal requirements. The changes in net assets reflect the Project's current year revenues and expenses on an accrual basis of accounting. The changes in net assets for the years ended June 30, 2009 and 2008 are as follows:

	2009	2008
Revenues:		
Rental income	\$ 217,549	\$ 247,512
Financial revenues	-	-
Other revenues	5,225	7,822
Total Revenues	222,774	255,334
Expenses:		
General operating and administrative expenses	316,767	279,438
Depreciation	104,087	140,393
Total Expenses	420,854	419,831
(Decrease) Increase in Net Assets	\$ (198,080)	\$ (164,497)

The Project's rental revenues are subject to constraints contained in the Regulatory Agreement and the Project may not increase rents charged to tenant without the prior approval by HUD.

General operating and administrative expenses increased 13.4% from 2008 to 2009 or by \$37,329.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
JUNE 30, 2009 AND 2008

Capital Assets and Debt Administration

Capital Assets

The Project's investment in net capital assets amounts to \$3,259,978 and \$2,960,573, net of accumulated depreciation of \$2,772,210 and \$2,668,123 as of June 30, 2009 and 2008, respectively. Capital assets includes land improvements, building, furnishings, and portable building equipment. Building represents 99% in 2009 and 97% in 2008. See Note 2 of the Project's financial statements for additional information regarding the Project's capital assets.

The Project's capital assets, net of the accumulated depreciation are as follows:

	<u>2009</u>	<u>2008</u>
Capital Assets, net of accumulated depreciation		
Building	\$ 3,259,463	\$ 2,946,608
Miscellaneous - land improvements	-	13,366
Building equipment - portable	515	634
Furnishings	-	(35)
	<u> </u>	<u> </u>
Total Net Capital Assets	<u>\$ 3,259,978</u>	<u>\$ 2,960,573</u>

Debt Administration

As of June 30, 2009 and 2008, the Project had long-term debt of \$405,691 and \$506,741, respectively, which is comprised of a HUD insured mortgage note. See Note 3 of the Project's notes to financial statements for additional information on the mortgage note.

	<u>2009</u>	<u>2008</u>
Mortgage payable - current portion	\$ 84,000	\$ 84,000
Mortgage payable - long-term portion	<u>321,691</u>	<u>422,741</u>
	<u> </u>	<u> </u>
Total Mortgage Payment	<u>\$ 405,691</u>	<u>\$ 506,741</u>

The Project's total debt decreased by \$101,050 in 2009 and decreased by \$69,260 in 2008.

Contacting the HPHA

If you have any questions about this report or need additional financial information, contact Executive Director Chad.K.Taniguichi@hawaii.gov, or call (808) 832-4694.

FINANCIAL STATEMENTS

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
STATEMENT OF NET ASSETS
JUNE 30, 2009

ASSETS

Current Assets:

1120	Cash - operations	\$	27,071
1130	Tenant accounts receivable		6,714
1131	Allowance for doubtful accounts		<u>(6,433)</u>
1130N	Net Tenant Accounts Receivable		281
1135	Accounts receivable - HUD		67,023
1200	Prepaid expenses		<u>6,019</u>
1100T	Total Current Assets		100,394

Tenant Deposits Held in Trust:

1191	Tenant deposits held in trust		8,652
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Restricted Deposits and Funded Reserves:

1310	Escrow deposits		6,503
1320	Replacement reserve		597,987
1340	Residual receipts reserve		<u>923,690</u>
1300T	Total Restricted Deposits and Funded Reserves		1,528,180

Capital Assets:

1410	Miscellaneous - land improvements		-
1420	Building		5,943,235
1440	Building equipment		77,588
1460	Furnishings		<u>11,365</u>
1400T	Total Capital Assets		6,032,188
1495	Accumulated depreciation		<u>(2,772,210)</u>
1400N	Net Capital Assets		3,259,978

Other Assets:

1520	Deferred financing costs, net		<u>57,484</u>
1500T	Total Other Assets		<u>57,484</u>
1000T	Total Assets		<u>\$ 4,954,688</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
STATEMENT OF NET ASSETS - CONTINUED
JUNE 30, 2009

LIABILITIES

Current Liabilities:

2110	Accounts payable - operations	\$	218,198
2123	Accrued management fee payable		104,779
2170	Current portion of mortgage payable		<u>84,000</u>
2122T	Total Current Liabilities		<u>406,977</u>

Tenant Deposits Held in Trust:

2191	Tenant deposits held in trust		8,668
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Long-term Liabilities:

2320	Mortgage payable		<u>321,691</u>
2300T	Total Long-term Liabilities		<u>321,691</u>

2000T	Total Liabilities		737,336
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NET ASSETS

Net Assets:

3131	Unrestricted net assets		-
3132	Temporarily restricted net assets		1,363,460
3133	Invested in capital assets, net of related debt		<u>2,853,892</u>

3130	Total Net Assets		<u>4,217,352</u>
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2033T	Total Liabilities and Net Assets	\$	<u><u>4,954,688</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Revenue:		
5120	Revenue - gross potential	\$ 217,549
5900T	Other revenue	<u>5,225</u>
5000T	Total Revenue	222,774
Expenses:		
6263T	Administrative	96,806
6400T	Utilities	65,898
6500T	Operating and maintenance	93,641
6700T	Taxes and insurance	32,250
6800T	Financial	<u>28,172</u>
6000T	Total Costs of Operations Before Depreciation and Amortization	<u>316,767</u>
5060T	Change in Net Assets Before Depreciation and Amortization	(93,993)
6600	Less: Depreciation Expense	<u>104,087</u>
3250	Change in Net Assets	(198,080)
Total Net Assets - Beginning of Year		<u>4,415,432</u>
Total Net Assets - End of Year		<u>\$ 4,217,352</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009

Operating Activities:

S1200-010	Rental receipts	\$ 217,549
S1200-030	Other operating receipts	<u>5,225</u>
S1200-040	Total Receipts	222,774
S1200-050	Administrative	15,210
S1200-070	Management fee	42,446
S1200-090	Utilities	65,898
S1200-100	Salaries and wages	70,061
S1200-110	Operating and maintenance	62,730
S1200-150	Miscellaneous taxes and insurance	32,250
S1200-180	Interest on first mortgage	<u>28,172</u>
S1200-230	Total Disbursements	<u>316,767</u>
S1200-240	Net Cash Used in Operating Activities	(93,993)

Investing Activities:

S1200-250	Net deposits to the reserve for replacement account	(44,736)
S1200-330	Net purchase of capital asset	(462,389)
S1200-340	Net withdrawal from residual receipts account	774,663
S1200-580	Net change in tenant deposits held in trust	<u>991</u>
S1200-350	Net Cash Provided by Investing Activities	268,529

Capital and Related Financing Activities:

S1200-360	Principal payments of capital debt	<u>(101,049)</u>
S1200-460	Net Cash Used by Capital and Related Financing	<u>(101,049)</u>
S1200-470	Net Increase in Cash	73,487
S1200-480	Cash - Beginning of Year	<u>(46,416)</u>
S1200T	Cash - End of Year	<u>\$ 27,071</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
STATEMENT OF CASH FLOWS - CONTINUED
YEAR ENDED JUNE 30, 2009

Reconciliation of Change in Total Net Assets to Net Cash Used
in Operating Activities:

3250	Change in total net assets from operations	\$ (198,080)
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Adjustments to Reconcile Change in Total Net Assets to Net
Cash Used in Operating Activities:

6600	Depreciation expense	104,087
1200-602	Allowance for doubtful accounts	-

(Increase) Decrease in Certain Asset Accounts:

S1200-490	Tenant accounts receivable	-
S1200-500	Accounts receivable - other	-
S1200-510	Accounts receivable - interest	-

Increase (Decrease) in Certain Liability Accounts:

S1200-540	Accounts payable - operations	-
S1200-560	Accrued liabilities	-
S1200-590	Prepaid revenue	-

Net Cash Used in Operating Activities	<u>\$ (93,993)</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - HISTORY OF THE PROJECT

Banyan Street Manor (Project) is a low-income residential housing project owned by the Hawaii Public Housing Authority (HPHA). Effective July 1, 2006, the Hawaii State legislature bifurcated the HPHA from the former Housing and Community Development Corporation of Hawaii (HCDCH). The accompanying financial statements are those of the Project and do not represent the financial statements of the HPHA.

Since August 4, 1997, the Project has been operating under the provisions of the U.S. Department of Housing and Urban Development's (HUD) Section 8 Housing Assistance Payment Program and Section 221 (d)(3) Multi-family Rental Housing for Moderate Income Families Program, both of which are the Project's non-major HUD programs. Under these programs the Project provides housing to low and moderate income persons, subject to regulation by HUD as to rental charges and operating methods. Lower rental charges are recovered by the Project through rent subsidies provided by HUD. The Project is located in the Honolulu district and consists of 12 one-bedroom and 43 two-bedroom apartments including a two-bedroom apartment that is being used as the resident manager's lodging.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Project are summarized below:

Basis of Accounting - The financial statements of the Project are prepared on the accrual basis of accounting.

Reporting Entity - The HPHA is administratively attached to the State of Hawaii's Department of Human Services. The HPHA's Board of Directors consists of eleven members.

Deferred Costs - Deferred costs represent costs incurred in connection with obtaining the mortgage loan. The deferred costs are amortized on the straight-line method over the 40 year term of the mortgage loan.

Capital Assets - Building, land improvements, equipment and furniture are reflected in the *Statement of Net Assets* at cost. Depreciation is provided for in amounts sufficient to relate the cost of the depreciable assets to operations over the estimated lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the *Statement of Activities*. Depreciation expense for the year ended June 30, 2009 was \$104,087. Depreciation expense is computed by the straight-line method over estimated lives from 3 to 40 years, as follows:

	Years
Building	40
Miscellaneous - land improvements	25 - 40
Equipment	4 - 10
Furniture for project/tenant use	3 - 7

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of impaired assets and of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rental Income - A significant portion of the Project's rent revenue is received as rental subsidies from HUD. Rental income from leases is recognized under the operating method whereby income is recognized when rent becomes due and expenses, including depreciation, are charged against such revenue as incurred. Generally, rental arrangements with tenants are initially for a one year period. The resident manager is given free rent and a salary for services rendered.

Statement of Cash Flows - For purposes of the *Statement of Cash Flows*, the Project considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Project maintains cash and cash equivalents which are insured by the FDIC up to \$250,000.

NOTE 3 - MORTGAGE PAYABLE

The Project entered into a HUD insured mortgage note agreement in October, 1976, in the amount of \$1,727,800 held in First Hawaiian Bank. On June 1, 2003, USGI Inc. (USGI) became the new servicing agent and mortgagee. The mortgage loan bears interest at 7.5% and is collateralized by the rental property. The monthly installments for principal and interest are \$11,370, with a maturity date of January 1, 2018. It is expected that the loan will be paid off by June 2011.

The mortgage payable recorded by the Project is summarized as follows:

Mortgage payable	\$ 405,691
Less: Current portion	<u>84,000</u>
Long-term Portion	<u>\$ 321,691</u>

USGI confirmed mortgage balances which differed from the Project's amounts recorded in the books. According to USGI, the principal balance as of June 30, 2009, was \$245,455 per the mortgage loan amortization schedule.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2009

NOTE 3 - MORTGAGE PAYABLE - Continued

As of June 30, 2009, according to USGI, aggregate principal and interest payments for the next two years are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 122,176	\$ 14,266	\$ 136,442
2011	<u>123,279</u>	<u>4,781</u>	<u>128,060</u>
Total Future Loan Payments	<u>\$ 245,455</u>	<u>\$ 19,047</u>	<u>\$ 264,502</u>

On November 20, 1990, HCDCH purchased the Project's building and residual receipts. Of the total residual receipts, amounting to \$571,327, HCDCH paid cash of \$400,000 and executed a non-negotiable, unsecured promissory note payable to the former owner of the Project for the remaining balance of \$171,327. The principal plus interest are accrued at the same rate as the residual receipts funds, which are held by the mortgagee and are due within 45 days of full payment of the mortgage note. The promissory note payable is not reflected on the Project's financial statements as HUD does not consider the payment of this note to be a Project expense. Therefore, the obligation is reflected on HPHA's financial statements.

NOTE 4 - HUD RESTRICTED DEPOSITS

Under the Regulatory Agreement, the Project is required to set aside amounts for the replacement of property and other project expenditures approved by HUD. HUD-restricted replacement reserve and residual receipts funds recorded by the Project of \$1,521,677 on June 30, 2009, are held in separate accounts and generally are not available for operating purposes. USGI confirmed restricted deposit balances which differed from the Project's amounts recorded in the books. According to USGI, the principal balances as of June 30, 2009 total \$1,363,460. Use of the replacement reserves and residual receipts is contingent upon HUD's prior written approval.

NOTE 5 - RENT INCREASES

Under the Regulatory Agreement, the Project may not increase rent charged to tenants without the prior approval by HUD. The last approved rent increase was effective August 1, 2003.

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2009

NOTE 11 - CURRENTLY KNOWN FACTS OR CONDITIONS

On April 15, 2009, a motion for default judgment was granted, to the U.S. Department of Housing and Urban Development against the Hawaii Public Housing Authority (HPHA). HPHA was ordered to pay \$50,000 in civil penalties for failure to submit audited financial reports for the Project for the fiscal years ended June 30, 2006 and 2007.

In 2009, HPHA was named as a defendant in two class action lawsuits, one in State Circuit Court and one in Federal District Court. The lawsuits seek orders to correct numerous shortcomings in living conditions in Kuhio Park Terrace and Kuhio Homes, two HUD Projects. The firm managing these projects is Realty Laua, Inc., which was the same management agent contracted for Banyan Street Manor in November 2007. The outcome of the lawsuits has not been determined at the time of this report. In 2009, Hawaii state lawmakers passed a resolution demanding a management audit of all state public housing projects.

SUPPLEMENTAL INFORMATION
AND SUPPORTING DATA
REQUIRED BY HUD

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
SUPPLEMENTAL DATA REQUIRED BY HUD
JUNE 30, 2009

Accounts and Notes Receivable (Other than Tenant)

Accounts and notes receivable - balances were unrecorded as of June 30, 2009.

Tenant Rent and HUD Receivable

As of June 30, 2009, tenant rent and HUD receivable was \$73,737 and the allowance for doubtful accounts was \$6,433. The tenant rent and HUD receivable aging is summarized:

<u>Days Outstanding</u>	<u>Amount</u>
0 - 30	\$ 15,090
31 - 60	13,652
61 - 90	13,261
Over 90	<u>31,734</u>
Total Tenant Rent and HUD Receivable	73,737
Less: Allowance for doubtful accounts	<u>(6,433)</u>
Net Tenant Rent and HUD Receivable	<u>\$ 67,304</u>

Tenant Security Deposit

Tenant security deposits are held in a separate bank account in the name of the Project. As of June 30, 2009, the account balance was \$8,652, held in and confirmed by Bank of Hawaii.

Replacement Reserves and Residual Receipts Funds

In accordance with the provisions of the Regulatory Agreement, a reserve fund for replacement reserves and residual receipts are maintained with the mortgagee, USGI. The confirmed amounts for replacement reserves and residual receipts by USGI differ from the amounts recorded by the Project. Disbursements from the funds may be made only with the prior approval of HUD. Disbursements were made from the residual receipts fund during 2009 for mortgage payments and construction improvements. The following is a summary of the funds according to USGI:

	<u>Replacement Reserve</u>	<u>Residual Receipts</u>
Balance, June 30, 2008	\$ 644,642	\$ 1,123,232
Deposits made during the year	43,590	-
Interest income	<u>1,146</u>	<u>1,376</u>
Less: Withdrawals	<u>-</u>	<u>(450,526)</u>
Balance, June 30, 2009, as confirmed by mortgagee	<u>\$ 689,378</u>	<u>\$ 674,082</u>

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
SUPPLEMENTAL DATA REQUIRED BY HUD - CONTINUED
YEAR ENDED JUNE 30, 2009

Statement of Activities Data - Continued

Operating and Maintenance Expenses:

6510	Payroll	\$ 30,911
6515	Supplies	447
6520	Contracts	23,763
6525	Garbage and trash removal	7,052
6530	Security contract	18,735
6590	Miscellaneous	<u>12,733</u>

6500T Total Operating And Maintenance Expenses 93,641

Taxes and Insurance:

6711	Payroll taxes (Project's share)	13,112
6720	Property and liability insurance	1,224
6723	Health insurance and other employment benefits	17,914
6790	Miscellaneous	<u>-</u>

6700T Total Taxes and Insurance 32,250

Financial Expenses:

6820	Interest on mortgage payable	24,023
6850	Mortgage insurance premium/service charge	<u>4,149</u>

6800T Total Financial Expenses 28,172

6000T Total Cost of Operations Before Depreciation and Amortization 316,767

5060T Change in Net Assets Before Depreciation and Amortization (93,993)

6600	Depreciation	104,087
6610	Amortization	<u>-</u>

5060N Operating Loss (198,080)

3250 Change in Net Assets \$ (198,080)

1000-010 Total mortgage principal payments required during audit year \$ 123,279

1000-020 Total of 12 monthly deposits in the audit year into the replacement reserve account, as required by the Regulatory Agreement \$ 43,590

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
State of Hawaii
Hawaii Public Housing Authority
Banyan Street Manor

We were engaged to audit the financial statements of Banyan Street Manor, F.H.A. Project No. 140-35073-LDI-L8, as of and for the year ended June 30, 2009 and have issued our report thereon dated August 31, 2009. 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 and the *Consolidated Audit Guide for Audits of HUD Programs (Guide)*, issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Project's internal control over financial reporting as a basis for designing our auditing procedures for the purposes of expressing our opinion on the financial statements, but not for the purpose for expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over financial reporting.

Our consideration of the internal control over the financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Project's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there

is more than a remote likelihood that a misstatement of Banyan Street Manors' financial statements that is more than inconsequential will not be prevented or detected by the Project's internal controls. These conditions were considered in determining that the system of financial accounting and reporting in operation for the Project for the year ended June 30, 2009 was inadequate. There were significant failures in the operation of the internal control structure related to general accounting and Project administration. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Project's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including applicable provisions of the Hawaii Public Procurement Code (Chapter 103D of the Hawaii Revised Statutes) and procurement rules, directives, and circulars, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2009-1. The effects of the instance of noncompliance have not been corrected in the 2009 financial statements of Banyan Street Manor.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

RC Holsinger Associates, P.C.

Honolulu, Hawaii
August 31, 2009

Audit Partner: John Holt
Firm EIN: 23-2939307

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

<u>Finding 2009-1</u>	<u>General Ledger, Trial Balance, Accounts, and Files</u>	<u>Questioned Costs</u>
Statement of condition:	The Project's accounting system has not been properly maintained.	
Criteria:	Sound internal control procedures and Federal regulations require that the books and records of the Project be adequately maintained on a regular monthly basis.	
Effect of condition:	The financial status of the Project and compliance with HUD requirements could not be verified nor determined.	\$ -
Cause of condition:	Accounting records were inadequately maintained and not reviewed.	
Recommendation:	We recommend the managing agency implements the policy of recording all transactions in accordance with GAAP, including reconciling monthly bank statements, produces complete monthly financial statements, and HPHA reviews the statements for accuracy, completeness, and compliance.	

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
State of Hawaii
Hawaii Public Housing Authority
Banyan Street Manor

We were engaged to audit the financial statements of Banyan Street Manor, F.H.A. Project No. 140-35073-LDI-L8, as of and for the year ended June 30, 2009 and have issued our report thereon dated August 31, 2009. 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 and the *Consolidated Audit Guide for Audits of HUD Programs (Guide)*, issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Project's internal control over financial reporting as a basis for designing our auditing procedures for the purposes of expressing our opinion on the financial statements, but not for the purpose for expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over financial reporting.

Our consideration of the internal control over the financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Project's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there

is more than a remote likelihood that a misstatement of Banyan Street Manors' financial statements that is more than inconsequential will not be prevented or detected by the Project's internal controls. These conditions were considered in determining that the system of financial accounting and reporting in operation for the Project for the year ended June 30, 2009 was inadequate. There were significant failures in the operation of the internal control structure related to general accounting and Project administration. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Project's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including applicable provisions of the Hawaii Public Procurement Code (Chapter 103D of the Hawaii Revised Statutes) and procurement rules, directives, and circulars, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2009-1. The effects of the instance of noncompliance have not been corrected in the 2009 financial statements of Banyan Street Manor.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

RC Holsinger Associates, P.C.

Honolulu, Hawaii
August 31, 2009

Audit Partner: John Holt
Firm EIN: 23-2939307

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009

<u>Finding 2009-1</u>	<u>General Ledger, Trial Balance, Accounts, and Files</u>	<u>Questioned Costs</u>
Statement of condition:	The Project's accounting system has not been properly maintained.	
Criteria:	Sound internal control procedures and Federal regulations require that the books and records of the Project be adequately maintained on a regular monthly basis.	
Effect of condition:	The financial status of the Project and compliance with HUD requirements could not be verified nor determined.	\$ -
Cause of condition:	Accounting records were inadequately maintained and not reviewed.	
Recommendation:	We recommend the managing agency implements the policy of recording all transactions in accordance with GAAP, including reconciling monthly bank statements, produces complete monthly financial statements, and HPHA reviews the statements for accuracy, completeness, and compliance.	

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35073-LDI-L8)
MANAGEMENT'S CORRECTIVE ACTION PLAN
JUNE 30, 2009

2009-1 The Project is under new management as of February 2009. All operating policies, procedures, and the accounting system are being revised to reflect proper documentation/recording and compliance with GAAP and HUD.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
NON-MAJOR HUD PROGRAMS

To the Board of Commissioners
State of Hawaii
Hawaii Public Housing Authority
Banyan Street Manor

We were engaged to audit the financial statements of Banyan Street Manor, F.H.A. Project No. 140-35073-LDI-L8 (Project), as of and for the year ended June 30, 2009, and have issued our report thereon dated August 31, 2009. In addition, we were engaged to audit the Project's compliance with specific program requirements governing:

- Reporting requirements
- Mortgage status
- Replacement reserves
- Residual receipts
- Security deposits
- Cash receipts and disbursements
- Tenant application, eligibility, and recertification
- Management functions
- Management, maintenance, and reexamination of tenants

that are applicable to each of its non-major HUD programs, for the year ended June 30, 2009. Compliance with those requirements is the responsibility of the Project's management. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Consolidated Audit Guide for Audits of HUD Programs (Guide)*, issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above have occurred. An audit includes examining, on a test basis, evidence about the Project's compliance with those requirements.

The scope of our audit work was limited due to detailed accounting records of the Project were not maintained and certain prior-year records and supporting data were not available. Of the limited testing we were able to perform, the results of our tests disclosed instances of noncompliance with these requirements and are described in the accompanying schedule of findings and questioned costs as items 2009-2 and 2009-3.

Because of the matter described in the preceding paragraph, the scope of our audit work was not sufficient to enable us to express, and we do not express, an opinion on the Project's compliance with the requirements described above that are applicable to each of its non-major HUD programs for the year ended June 30, 2009.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than those specified parties.

RC Holsinger Associates, P.C.

Honolulu, Hawaii
August 31, 2009

Audit Partner: John Holt
Firm EIN: 23-2939307

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35703-LDI-L8)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NON-MAJOR HUD PROGRAMS
JUNE 30, 2009

<u>Finding 2009-2</u>	<u>Vacancies</u>	<u>Questioned Costs</u>
Statement of condition:	The Project had a high rate of vacant units. The estimated loss of rental income for FY 2009 was approximately \$162,000.	
Criteria:	The Project's purpose is to provide housing to the disabled, elderly and low income individuals.	
Effect of condition:	The consistent loss of rental revenue and poor cash flow inhibits the Project's ability to meet its daily operating expenses. Housing is not being provided to qualified applicants.	\$ -
Cause of condition	Ineffective monitoring of the Project by HPHA and the managing agent.	
Recommendation:	We recommend HPHA and the managing agent review operational policies and procedures.	
<u>Finding 2009-3</u>	<u>Completeness of Tenant Files and Documentation for Eligibility for Rental Assistance</u>	
Statement of condition:	Tenant files were incomplete.	
Criteria:	The Project is required to certify and recertify on an annual basis tenant eligibility for rental assistance. The Project is required to have documentation reflecting that the tenant income and household information was verified. The tenant files should be complete with for all the required documentation, e.g. model lease agreement, lead-paint disclosure forms, residents rights and responsibility acknowledgment, declaration of citizenship or eligible immigrant status, move-in inspection, annual inspection, house rules disclosures, social security identification verification, etc.	
	The timely recertification of tenants and the submission of the data to HUD affects the Project ability to receive HAP payments. In order to receive HAP payments, the Project needs to maintain 85% occupancy. If the Project is below the occupancy percentage, HAP payments are suspended until 85% occupancy is achieved.	

BANYAN STREET MANOR
(F.H.A. PROJECT NO. 140-35703-LDI-L8)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NON-MAJOR HUD PROGRAMS - CONTINUED
JUNE 30, 2009

<u>Finding 2009-3</u>	<u>Completeness of Tenant Files and Documentation for Eligibility for Rental Assistance - Continued</u>	<u>Questioned Costs</u>
Effect of condition:	Incomplete tenant files and documentation could result in the tenant being deemed ineligible for rental assistance and the Project would be liable to repay previous rental assistance payments received. Tenants not recertified on a timely basis results in loss of rental assistance for the tenant.	\$ -
Cause of condition:	Tenant files and supporting documentation were inadequately maintained.	
Recommendation:	We recommend the managing agency perform a quality review over tenant files to ensure completeness and HUD compliance.	

BANYAN STREET MANOR
(F.H.A PROJECT NO. 140-35073-LDI-L8)
MANAGEMENT'S CORRECTIVE ACTION PLAN
NON-MAJOR HUD PROGRAMS
JUNE 30, 2009

- 2009-2 The Project is under new management as of February 2009. All operating policies, procedures, and the accounting system are being revised to reflect proper documentation/recording and compliance with GAAP and HUD.
- 2009-3 The Project is under new management as of February 2009. All operating policies, procedures, and the accounting system are being revised to reflect proper documentation/recording and compliance with GAAP and HUD.

BANYAN STREET MANOR
(F.H.A PROJECT NO. 140-35073-LDI-L8)
STATUS OF PRIOR YEAR'S RESPONSE
JUNE 30, 2008

- 2008-1 The Project is under new management. All operating policies and procedures along with the accounting system are being reviewed and improved.
- 2008-2 The Project is under new management. All operating policies and procedures along with the accounting system are being reviewed and improved.
- 2008-3 The Project is under new management. All operating policies and procedures along with the accounting system are being reviewed and improved.
- 2008-4 The Project is under new management. All operating policies and procedures along with the accounting system are being reviewed and improved.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
FAIR HOUSING AND NON-DISCRIMINATION

To the Board of Commissioners
State of Hawaii
Hawaii Public Housing Authority
Banyan Street Manor

We were engaged to audit the financial statements of Banyan Street Manor, F.H.A. Project No. 140-35073-LDI-L8 (Project), as of and for the year ended June 30, 2009, and have issued our report thereon date August 31, 2009.

We have also applied procedures to test the Project's compliance with the Fair Housing and Non-Discrimination requirements applicable to its HUD programs for the year ended June 30, 2009.

Except as discussed in the following paragraph, our procedures were limited to the applicable compliance requirement described by the *Consolidated Audit Guide for Audits of HUD Programs (Guide)* issued by the U.S. Department of Housing and Urban Development, Office of Inspector General. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Project's compliance with the Fair Housing and Non-Discrimination requirements. Accordingly, we do not express such an opinion.

We were unable to obtain a copy of the Project's Affirmative Fair Housing Marketing Plan from the management company, nor were we able to determine whether policies and procedures for marketing the units were placed in operation. We were unable to satisfy ourselves by alternative procedures as to the Project's compliance with those requirements.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

RC Holsinger Associates, P.C.

Honolulu, Hawaii
August 31, 2009

Audit Partner: John Holt
Firm EIN: 23-2939307

CERTIFICATES OF OWNER
AND MANAGEMENT AGENTS



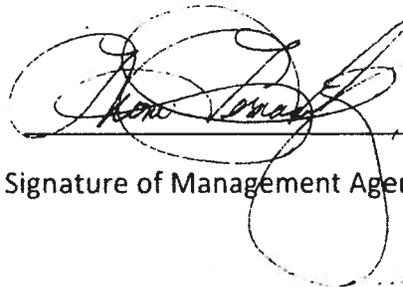
BANYAN STREET MANOR

1122 BANYAN STREET MANOR, HONOLULU HI. 96817
MAILING ADDRESS: 480 N. BERETANIA ST., HONOLULU, HI 96817
TELEPHONE (808) 532-0025 FAX (808) 532-0031 TDD (877) 447-5991
BSM-MANAGER@EAHHOUSING.ORG
Creating community by developing, managing and promoting quality affordable housing since 1968.

Banyan Street Manor
(F.H.A. PROJECT NO. 140-35073-LDI-L8)

MANAGEMENT AGENT'S CERTIFICATE

We hereby certify that we have examined the accompanying financial statements and supplemental information required by HUD of the Banyan Street Manor, (F.H.S. Project No. 140-35073-LDI-L8) and to the best of our knowledge and belief, the same are complete and accurate as of June 30, 2009.


EAH Co.

Signature of Management Agent & Representative

MANAGEMENT AGENT EIN: 941699153

FOR ACTION

SUBJECT: To Approve a Revision to the Hawaii Public Housing Authority's Section 8 Administrative Plan To Allow Single Persons to Hold One Bedroom Vouchers Only if Zero Bedroom Units Are Not Available

I. FACTS

- A. The Hawaii Public Housing Agency (HPHA) must adopt a written administrative plan that establishes local policies for administration of the program in accordance with U.S. Department of Housing and Urban Development (HUD) requirements.
- B. The administrative plan must be in accordance with HUD regulations and requirements. The administrative plan is a supporting document to the HPHA's Five Year Annual Plan and must be available for public review.
- C. The HPHA must revise the administrative plan, if needed, to comply with HUD requirements and administer the program in accordance with the administrative plan.
- D. Chapter 5 of the Section 8 Administrative Plan covers policies and procedures that relate to determination of family unit (voucher) size.

II. DISCUSSION

- A. The proposed change to the Section 8 Housing Choice Voucher Program Administrative Plan is intended to make the Administrative Plan consistent with the Hawaii Administrative Rules and provides clearer guidance for the public and the staff.
- B. Under the current administrative rules, the HPHA is able to issue 0-bedroom vouchers to single person families. The proposed change to the Section 8 Administrative Plan, Chapter 5, page 5-12 will make the plan consistent with that current practice. Single person families will be issued a voucher for a one-bedroom unit only if there are no studio units available in the area.
- C. This change will allow the HPHA to continue to stretch its resources and still ensure that families are appropriately housed.

III. RECOMMENDATION

That the Hawaii Public Housing Authority approve the amendment to Chapter 5 of the Section 8 Administrative Plan to issue a 0-bedroom voucher to single person families and a 1-bedroom voucher only when there are no 0/studio bedroom dwellings available in the area.

Attachment: Chapter 5, pages 5-11 and 5-12

Prepared by: Norhana Schumacher, Acting Chief, Section 8 Subsidy Programs Branch *NS*.

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

SECTION 8 SUBSIDY PROGRAMS BRANCH

Please take necessary action



EXECUTIVE DIRECTOR

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

The PHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. The PHA also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, the PHA determines the appropriate number of bedrooms under the PHA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when the PHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;

- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA subsidy standards.

PHA Policy

The PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Persons of the opposite sex (other than spouses and/or significant other) will be allocated separate bedrooms.

Live-in aides will be allocated a separate bedroom.

~~Single person families will be allocated one bedroom.~~

The PHS will reference the following chart in determining the appropriate voucher size for a family:

Voucher Size	Persons in Household (Minimum – Maximum)
0 Bedroom	1 – 1
1 Bedroom	1 – 2 <u>1* – 2</u>
2 Bedrooms	2 – 4
3 Bedrooms	3 – 6
4 Bedrooms	4 – 8
5 Bedrooms	6 – 10

*Single person families will be allocated a one-bedroom voucher only when there are no 0/studio bedroom dwellings available in the area.

FOR ACTION

SUBJECT: To Grant the Department of Hawaiian Home Lands (DHHL) a Right-of-Entry for the Construction of a Sewer Line through Waimanalo Homes, Lot 146, for its Kumuhau Subdivision

I. FACTS

- A. The Department of Hawaiian Home Lands (DHHL) has requested a perpetual, non-exclusive sewer easement through Lot 146 at 41-555 Humuna Place, Waimanalo Homes (hereinafter "Lot 146"), to the existing sewer manhole in the Humuna Place cul-de-sac for DHHL's Kumuhau Residential Subdivision.
- B. The DHHL-requested sewer easement (hereinafter "easement") is proposed to service the Kumuhau Residential Subdivision and the easement will be transferred to the City and County of Honolulu along with the subdivision's roads and sidewalks when the subdivision is completed.
- C. In April 2007, the DHHL prepared an environmental assessment (EA) for their Kumuhau Subdivision which indicated that the wastewater would be handled by the Waimanalo Wastewater Treatment Plant. According to the City and County of Honolulu's Department of Environmental Services, the existing sewer lines in the area are sufficient to accommodate the additional flow from the subdivision and will not require any upgrades.
- D. In June 2009, the DHHL amended the Supplemental EA for their Kumuhau Subdivision which includes the construction of the sewer line through Lot 146. The Supplemental EA addresses the environmental impacts on the Waimanalo Homes project and how these problems will be mitigated by the DHHL.
- E. On May 18, 2006, a For Action to enter into an agreement with the DHHL was approved by the Board.
- F. On April 16, 2008, a For Action to adopt Resolution No. 16 authorizing the disposition request and application for a sewer easement through Lot 146 at Waimanalo Homes was approved by the Board.
- G. On June 18, 2009, a For Action to adopt the EA and the Supplemental EA prepared by the DHHL and to authorize the Executive Director to undertake all tasks necessary to undertake the intent and purposes of the For Action was passed.
- H. On September 18, 2009, the Finding of No Significant Impact (FONSI) was published in the Honolulu Star-Bulletin. The U.S. Department of Housing and Urban Development (HUD) did not receive any objections during the fifteen day period for public comment.

- I. On October 2, 2009, a copy of the Governor's Memorandum to Certify the Disposition to Grant an Easement, Request for Release of Funds and Certification (form HUD-7015.15), and the Affidavit of Publication were sent to the HUD-Honolulu. The HUD-Honolulu forwarded the documents to the HUD's Special Applications Center (SAC).
- J. On October 20, 2009, SAC acknowledged that the Waimanalo Homes disposition application "has been forwarded to Management for final review".
- K. On November 3, 2009, the DHHL requested a construction right-of-entry to allow the DHHL to proceed with the construction of the sewer line through Lot 146 for its Kumuhau Subdivision.

II. DISCUSSION

- A. The construction of the sewer line does not directly benefit the project or the residents per the terms and conditions of the Annual Contributions Contract (ACC).
- B. Proceeding with the construction without the HUD's approval of the disposition could violate the terms and conditions of the ACC and may possibly jeopardize the federal subsidy for the project.
- C. In the event the HUD does approve the disposition application, the HUD may impose conditions to their approval. The conditions may unknowingly impact the circumstances of the easement.
- D. The HUD Facilities Management Engineer has stated that the approval to grant the DHHL's request for a right-of-entry is outside the HUD's authority and the approval of the right-of-entry rests with the HPHA.

III. RECOMMENDATION

Staff recommends that the Board grant the Department of Hawaiian Homelands a right-of-entry to construct the sewer line for its Kumuhau Subdivision and to authorize the Executive Director to undertake all tasks necessary to undertake the intent and purposes of this For Action, subject to the HUD's approval of the disposition application. No construction shall commence until the HUD approves the disposition to grant an easement through Lot 146 at Waimanalo Homes.

Attachment: Exhibit A - Site Plan

Prepared by: Mitchell H. Kawamura, Project Engineer 

Reviewed by: Marcel A. Audant, Acting Construction Management Branch Chief 

Approved by the Board of Directors at its meeting on

NOV 19 2009

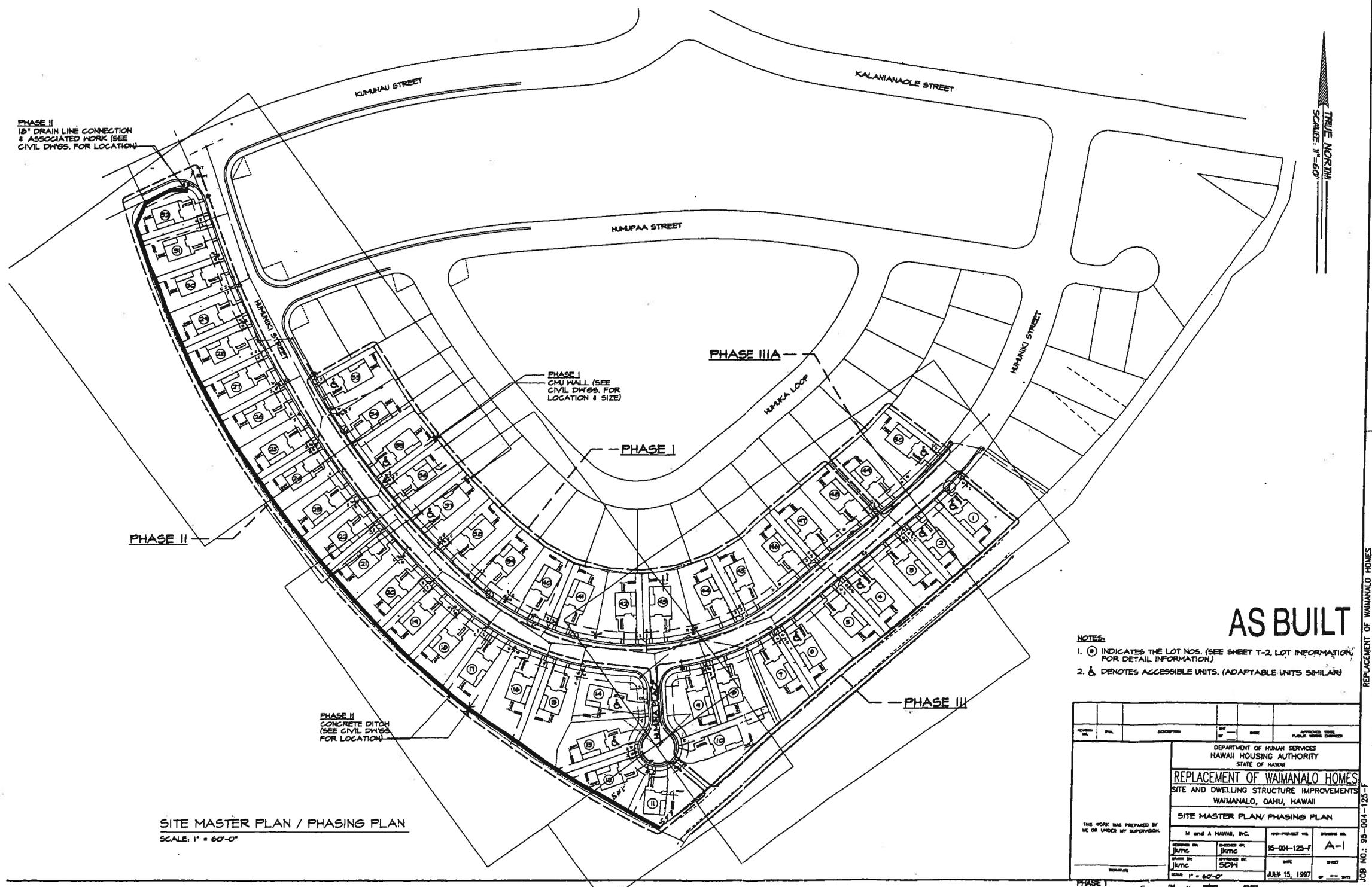
CONSTRUCTION MANAGEMENT SECTION

Please take necessary action



EXECUTIVE DIRECTOR

024



SITE MASTER PLAN / PHASING PLAN
SCALE: 1" = 60'-0"

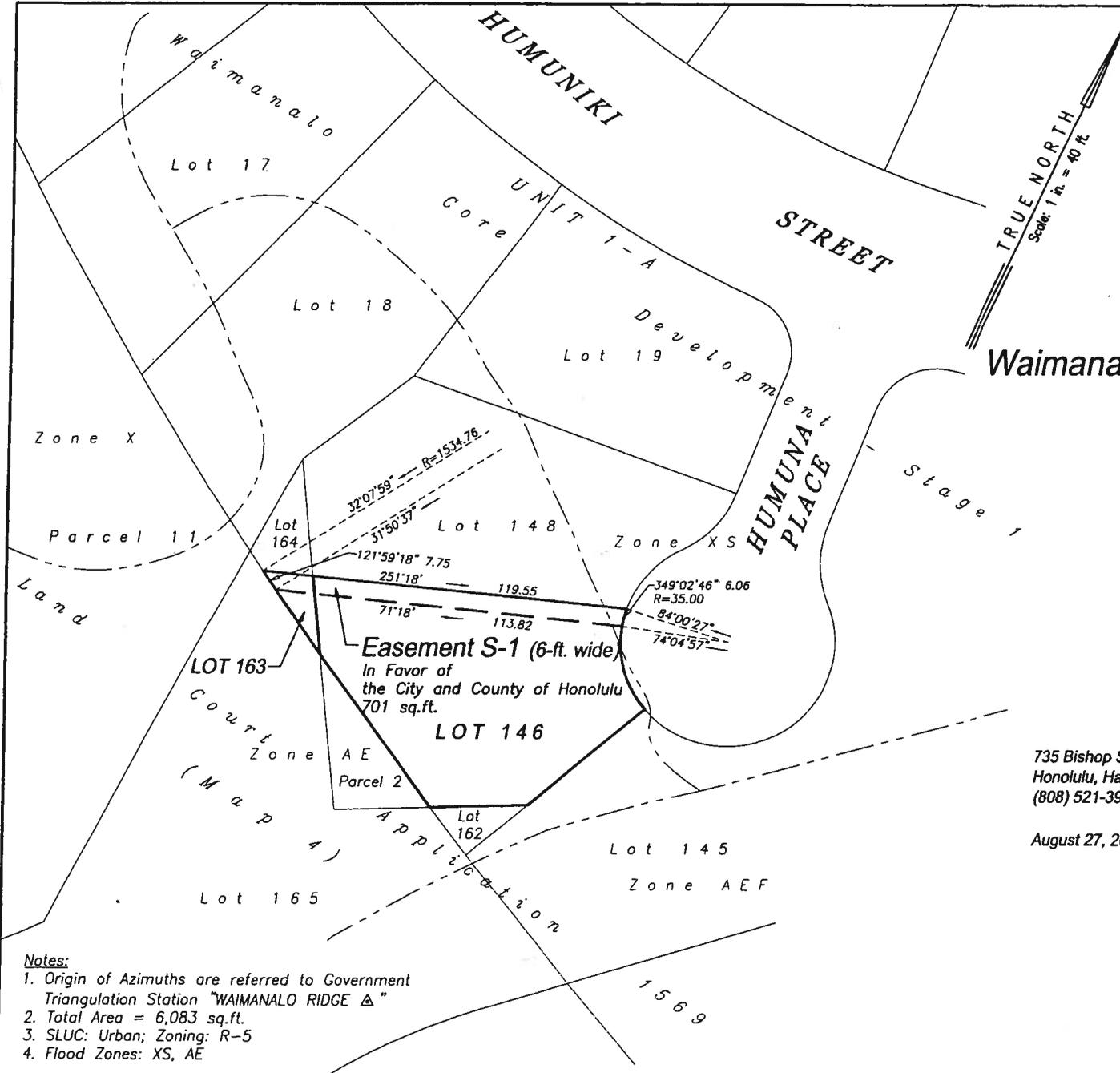
AS BUILT

- NOTES:
- ① INDICATES THE LOT NOS. (SEE SHEET T-2, LOT INFORMATION FOR DETAIL INFORMATION.)
 - ♿ DENOTES ACCESSIBLE UNITS. (ADAPTABLE UNITS SIMILAR)

NO.	DATE	DESCRIPTION	BY	CHKD.	APPROVED FOR PUBLIC WORKS DEPT.
DEPARTMENT OF HUMAN SERVICES HAWAII HOUSING AUTHORITY STATE OF HAWAII REPLACEMENT OF WAIMANALO HOMES SITE AND DWELLING STRUCTURE IMPROVEMENTS WAIMANALO, OAHU, HAWAII SITE MASTER PLAN / PHASING PLAN					
THE WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION.					
DESIGNED BY: JPMC		CHECKED BY: JPMC		PROJECT NO: 95-004-125-F	
DRAWN BY: JPMC		APPROVED BY: SDM		SHEET NO: A-1	
SCALE: 1" = 60'-0"		DATE: JULY 15, 1997		BY:	

REPLACEMENT OF WAIMANALO HOMES
SITE AND DWELLING STRUCTURE IMPROVEMENTS, WAIMANALO, OAHU, HAWAII
JOB NO.: 95-004-125-F

PHASE I



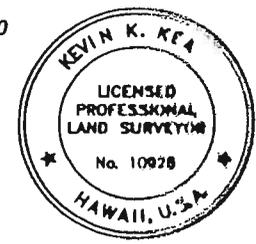
Designation of Easement S-1
For Sewer Purposes
Affecting Lot 146
as shown on
Waimanalo Core Development - Stage 1-A Map
and Lot 163 as shown on
Land Court Application 1569
Map 4

at Waimanalo, Koolaupoko, Oahu, Hawaii

Owner: Hawaii Housing Finance and Development Corporation

735 Bishop Street, Suite 330
 Honolulu, Hawaii 96813
 (808) 521-3990

August 27, 2007



ACE LAND SURVEYING LLC
Kevin K. Kea
 Kevin K. Kea Reg. #108
 Licensed Professional Land Surveyor
 Certificate No. 10928
 Land Court Surveyor No. 200

- Notes:**
1. Origin of Azimuths are referred to Government Triangulation Station "WAIMANALO RIDGE Δ"
 2. Total Area = 6,083 sq.ft.
 3. SLUC: Urban; Zoning: R-5
 4. Flood Zones: XS, AE

FOR ACTION

SUBJECT: To Approve the Energy Services Agreement Subject to Approval of the Department of the Attorney General and the U.S. Department of Housing and Urban Development (HUD)

I. FACTS

- A. On October 15, 2009, the Hawaii Public Housing Authority's (HPHA) Board of Directors accepted the investment grade audit completed by Ameresco, Inc. (Ameresco) and authorized the Executive Director to execute an engagement letter with Crews and Associates for financing of the energy services agreement.
- B. The HPHA needs execute an agreement with Ameresco in order to proceed with the energy savings project.

II. DISCUSSION

- A. The energy services agreement between the HPHA and Ameresco will be performed in 3 phases:

Phase I-Design and Construction Funding

During the Design and construction Funding Phase, Ameresco shall produce designs, specifications, and drawings needed to secure qualified subcontractors

Phase II-Construction

During the Construction Phase, Ameresco shall furnish all labor, materials and equipment and perform all work, including the installation of energy conservation measures agreed upon with the HPHA.

Phase III-Project Operations

During the Project Operation Phase, Ameresco shall perform energy management services including monitoring, reconciliation of bills, subsidy forms, site visits, training, and maintenance of major systems

- B. The attached agreement is subject to approval by the Department of the Attorney General and the U.S. Department of Housing and Urban Development.

III. RECOMMENDATION

To Approve the Energy Services Agreement Subject to Approval of the Department of the Attorney General and the U.S. Department of Housing and Urban Development (HUD)

Prepared by: Chad K. Taniguchi, Executive Director CT

ENERGY SERVICES AGREEMENT

between

AMERESCO/PACIFIC ENERGY JV

and

HAWAII PUBLIC HOUSING AUTHORITY

DATE:

- H. STANDARDS OF COMFORT AND SERVICE
- I. GUARANTEE
- J. NOTICE TO PROCEED
- K. SAMPLE INSTALLATION APPROVAL CERTIFICATE
- L. HUD APPROVAL LETTER
- M. PROJECT MILESTONES
- N. HUD GENERAL CONDITIONS FOR THE CONTRACT FOR CONSTRUCTION (FORM 5370)

ATTACHMENTS:

- 1. ENERGY AUDIT REPORT

ENERGY SERVICES AGREEMENT

This Agreement ("Agreement") made as of the date last executed ("Execution Date"), by and between Ameresco/Pacific Energy JV ("Ameresco"), a Partnership organized under the laws of the state of Hawaii and authorized to do business in the State of Hawaii, with its principal place of business at Suite 410, 111 Speen St., Framingham, MA 01701; and the Hawaii Public Housing Authority, a non-profit body corporate organized under the laws of the State of Hawaii, with its principal place of business at 1002 North Street, P.O. Box 17907, Honolulu, Hawaii 96817 ("PHA" or the "Authority"; collectively, Ameresco and PHA are termed the "Parties" or individually, a "Party").

RECITALS

WHEREAS, PHA issued a Request for Proposals ("RFP") dated February, 2008, in accordance with Section 103D-303 of the Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO"), seeking energy services companies ("ESCOs") to perform certain services relating to energy conservation; and

WHEREAS, Ameresco responded to the RFP and represented in its proposal dated April 16, 2008, that it possesses the necessary knowledge and experience to perform the work and services described in this Agreement; and

WHEREAS, pursuant to that certain Energy Audit Agreement dated November 21, 2008, between the Parties, Ameresco completed the Energy Audit Report as of September 24, 2009; and

WHEREAS, Ameresco has determined the potential for utility/energy supplier consumption and cost savings (as further defined herein, "Energy Savings") by installation of Energy Conservation Measures (as further defined herein, "ECMs") within certain PHA properties (consisting of apartment sites and complexes), described in this Agreement and the Appendices and Attachments hereto as "Developments," and the cost of the ECMs necessary to achieve these savings; and

WHEREAS, PHA wishes to implement the Energy Services Project in the manner set forth in this Agreement and desires that Ameresco perform a project (as further defined herein, the "Conservation Project") by using its services as more fully provided for within this Agreement, which services may include, but not be limited to, design, engineering, assistance in arranging financing, construction, construction management, system maintenance, inspection and certification, energy use monitoring services, PHA staff training and resident education services for a period coterminous with the term of the Municipal Lease (as defined herein); and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") conducts a program to assist and enable parties such as PHA to implement projects such as the Conservation Project and the Energy Services Plan was developed and prepared in compliance with this HUD program and in contemplation of PHA receiving HUD assistance.

NOW THEREFORE, the Parties, for good and valuable consideration, the sufficiency and adequacy of which the Parties hereby acknowledge, agree as follows:

"Construction Phase" shall mean the second phase of the Conservation Project, during which Ameresco shall perform the services described more fully in Section (5), Phase II – Construction, and during which Ameresco shall install and construct the various ECMs.

"Debt Service" shall mean the PHA's liability for repayment of the Construction Financing undertaken through the Municipal Lease Agreement. The Debt Service payments are made by PHA during the Project Operation Phase.

"Design and Construction Funding Phase" shall mean the first phase of the Conservation Project, during which Ameresco shall perform the services described more fully below in Section (4), Phase I – "Design and Construction Funding". By way of summary, and not as a full definition, the Design and Construction Funding Phase shall be the phase in which Ameresco shall design, or cause to be designed, the ECMs to be installed by Ameresco, as listed in Appendix B "Summary of Recommended ECMs", and assist in arranging the Construction Financing for PHA in the amount identified in Appendix D, "Cash Flow Projection."

"Developments" shall mean the list of apartment sites and complexes identified in Appendix A which are designated to receive ECMs and services under the Conservation Project carried out under this Agreement. "Development" shall mean an individual apartment site and complex.

"ECMs" shall mean the energy conservation measures recommended for the Developments identified by Ameresco and listed in Appendix B under "Summary of Recommended ECMs", which may be installed by Ameresco in accordance with the terms of this Agreement. ECMs promoting Energy Savings are not limited to equipment and may include services, such as resident energy education as described in Section (5), "Phase II – Construction".

"Energy Savings" shall mean the revenue stream resulting from the reduction below the Baseline utility/energy supplier consumption at the Developments listed in Appendix A. Such Energy Savings shall be calculated using the energy costs and values assigned in this Agreement and Appendices D and G hereto, resulting from the installation of ECMs and performance of services under this Agreement, as these are identified and reconciled annually by Ameresco during the Project Operation Phase according to the provisions of Section (6), Phase III - Project Operation, and employing the calculation contained in Appendix G "Utility Energy/Supplier Savings Calculations".

"Energy Audit Report" shall mean that certain study, dated September 24, 2009, attached hereto as Attachment 1, outlining for PHA various areas in which PHA may potentially save money on PHA's energy usage, as compared with PHA's Baseline usage of energy, further outlining ECMs recommended for implementation by Ameresco, under this Agreement, and describing the costs and services associated therewith.

"Escrow Account" shall mean the account into which the proceeds from the Construction Financing made available through the Municipal Lease Agreement are deposited. Funds from the Escrow Account shall be available to support the services provided and ECMs purchased and installed pursuant to this Agreement.

"Execution Date" shall mean the date first written in the introductory paragraph, above.

"Final Acceptance Date" shall mean the date upon which written acceptance by PHA is obtained for the ECMs installed by Ameresco with respect to each individual Development listed in Appendix A, including the Punch List items. Without limiting the foregoing, in the event the Conservation Project with respect to each Development is completed in parts or sub-parts, the date on which the ECMs included in the last such part or sub-part of that Development receive all such necessary approvals and acceptances shall be the Final Acceptance Date of the Conservation Project with respect to that Development.

"Guarantee" shall mean the contractual obligation by Ameresco, as referenced in Section (9), to provide a Conditional Energy Savings Guarantee. The Guarantee provided by Ameresco shall be a separate written document executed between PHA and Ameresco in substantially the form attached hereto as Appendix I upon the Execution Date.

"HUD" shall mean the United States Department of Housing and Urban Development.

“Requisition” shall mean a periodic request for payment for the ECMs from the Construction Account or the Escrow Account. A signed Requisition, authorized jointly by PHA and Ameresco, will be the formal authorization for the release of funds from the Construction or Escrow Account, and will be based upon the percentage of completion of the Schedule of Values and jointly authorized and approved for payment.

“Resident/Tenant” “Resident” or “Tenant” shall mean any individual who resides in any apartment in any of the Developments and whose name appears on the lease for that unit as either the Lessee or a person residing in the unit covered by the lease.

“Services” shall mean the services provided by Ameresco required to implement the Conservation Project and all the work, services, duties, and responsibilities undertaken by Ameresco, as provided for within this Agreement, as well as attached Appendices and Attachments.

“Substantial Completion” shall mean the ECMs have been installed by Ameresco or its subcontractors in accordance with the design criteria and HUD General Conditions (Form 5370), and are capable of operating in a manner consistent with the manufacturer’s intended use, as provided in the Notice of Substantial Completion issued by Ameresco to PHA. Without limiting the foregoing, in the event the ECMs are completed in parts or sub-parts, the calendar date on which the ECMs that are included in such Notice of Substantial Completion shall govern as the Substantial Completion date as to the ECMs or those portions of the ECMs as are set forth in such notice. The PHA shall accept care, custody and control of the ECM within seven (7) days of the date of said notice (the “Substantial Completion Date”). The warranty period shall commence as of the Substantial Completion Date for any individual ECM that is included in such notice.

“Supplemental Construction Funding” shall mean any PHA Cost Contribution, grants, interest subsidies, utility company rebates or funding, and other forms of funding or payments available to the Conservation Project in addition to the Construction Financing that may be used to fund the capital and/or operating costs of the ECMs and that are available for the Conservation Program through sources other than the Construction Financing. Supplemental Construction Funding is described in Section (4), Phase I – Design and Construction Funding.

“Term” shall have the meaning given in Section (2), Term of Agreement.

“Total Contract Cost” shall mean the total dollar cost for the ECMs and services provided under this Agreement as contained in Section (11) and Appendix E-1a to this Agreement.

PART B

TERMS AND CONDITIONS OF AGREEMENT

(1) SUMMARY OF SCOPE OF SERVICES

Ameresco and PHA have reviewed the Energy Audit Report, which is described more fully in Section (3) below, and have used it as the basis for developing the Conservation Project and the Program.

In connection with the Conservation Project, Ameresco has performed or, subject to the terms and conditions of this Agreement, will perform, services as indicated in the following Sections (1)A through (1)C over the term of this Agreement.

A. Phase I – Design and Construction Funding:

The first phase of services shall be referred to herein as the "Design and Construction Funding Phase". During this phase, Ameresco shall perform the services described in Section (4), Phase I – Design and Construction Funding.

i. Schematic Design: Schematic Design shall mean illustration of strategies by which the recommendations presented in the Energy Services Plan can be executed within the constraints of budget and applicable building codes.

During this stage, Ameresco will detail the Summary of Recommendations set forth in the Scope of Work (Appendix B). Areas of work will be broadly defined in light of existing conditions (e.g. boiler choice, required long-term maintenance, access.), and all required trades will be identified.

Ameresco and/or its design sub-consultant(s) and the Design Engineer will make surveys of existing conditions with reference to existing "as-built" building plans and physical inspection of the Premises. Ameresco and the PHA acknowledge that frequent formal and informal communications will be required between Ameresco and PHA in order to ensure that both budgetary constraints and efficiency requirements are met, and that the schematic design, as completed, will be acceptable to both Parties over the term of this Agreement.

ii. Design Development: Design Development shall mean development of the construction details, materials, and equipment choices, and cost estimates associated with the design strategy chosen by the PHA.

During Design Development, Ameresco will identify and review with PHA specific strategies for effectively installing the ECMs, short and long-term cost considerations associated with material and equipment selection, impacts on the Developments of modification to the existing conditions (e.g., boiler choice, required long-term maintenance; access; pre-programmed thermostat high-limits; etc.), as well as applicable comfort standards as identified in Appendix H. Ameresco will project and communicate to PHA, during this stage, whether the consumption savings projections and budgetary assumptions included in the Summary of Recommendations within Appendix B "Scope of Work", can be met after incorporation of PHA's comments on specific design details. In the event Ameresco communicates to PHA that some or all of PHA's comments can not be incorporated without reducing the consumption savings projections and/or exceeding the budgetary assumptions, PHA and Ameresco will attempt to agree to a modification of the proposed designs and/or the installation of Alternates shown in the Energy Audit Report so as either to preserve or modify the Conservation Project in order to change the consumption savings projections.

iii. Construction Documentation: Construction Documentation shall mean preparation of working drawings and specifications that detail the materials and procedures required to install the ECMs listed in Appendix B based upon the results of the Design Development process (i.e., the "Construction Documents").

During Construction Documentation, Ameresco will prepare, or cause to be prepared, detailed drawings and specifications for the installation of the ECMs. In addition to the technical detail, Ameresco will include in the Construction Documents any general conditions and requirements consistent with instructions which may be provided by PHA and any applicable requirements of HUD. At the end of Construction Documentation, Ameresco must reasonably project that the consumption savings projections and other budgetary assumptions for the ECMs contained within Appendix B, Summary of Recommendations, may be met given the design details. If such projection does not establish savings consistent with the savings shown in the Energy Savings Plan, Ameresco must specify, with PHA's reasonable approval, certain items as "Alternates" to the ECMs, to the extent necessary in order to achieve such savings.

PHA will review and approve all designs, specifications, and drawings produced by Ameresco as well as the ECMs to be leased as "Equipment" pursuant to the Municipal Lease, prior to the commencement of Construction, which approval shall not be unreasonably delayed or withheld. Such review and approval shall not be deemed to relieve Ameresco of its responsibilities as Design Engineer and Construction Manager under this Agreement.

iv. Commissioning Plan: Prior to the completion of Phase I of the services hereunder, Ameresco shall prepare a Commissioning Plan for the equipment installed under this Agreement. Such Plan shall describe the design parameters of the equipment to be installed, as well as provide a plan for start-up and maintenance of the ECMs installed hereunder.

PHA acknowledges that Ameresco is a contractor independent of any utility, is not an agent or affiliate of any utility, and does not represent any utility in any capacity.

To the extent that the final amount of the Construction Financing is dependent upon the receipt of Utility or other Company Funding and Rebates, the attached "Cash Flow Projection" contained in Appendix D shall be revised accordingly by the Parties to reflect the final amount of all such forms of "Revised Utility or other Company Funding and Rebates".

Should Ameresco pursue additional Utility or other Company Funding and Rebates expressly authorized in writing by PHA, and on behalf of PHA, during the Design and Construction Funding Phase that are not expressly incorporated as of the Execution Date of this Agreement in Appendix D, Cash Flow Projection, Ameresco and the PHA shall negotiate an amount due to Ameresco, if any, for securing such assistance. Subject to the requirements, if any, pertinent to the receipt of such assistance, PHA and Ameresco shall apply the funds received to offset the construction costs hereunder, as well as any applicable monitoring and verification requirements that may be required by the providers of such assistance.

E. Final Agreement to Project Scope and Level of Guaranteed Savings:

The Parties intend and anticipate that the Energy Savings guaranteed hereunder shall be not less than one hundred percent (100%) of the amount required to recover the Construction Financing on a debt service requirement basis over the term of this Agreement. Prior to entering into the Municipal Lease, should the effect of changes in Total Contract Cost, supplemental funding, interest rates or other cause result in the Energy Savings hereunder to be less than one hundred percent (100%) of the amount anticipated to be required to recover the investment cost of this Project on a debt service requirement basis over the term of this Agreement, Ameresco and PHA agree to mutually and reasonably attempt to negotiate a reduction or modification of the total contract costs by removing components of the ECMs to be installed pursuant to this Agreement or substituting alternative ECMs in order that the guaranteed Energy Savings hereunder shall be an amount equal to or not less than one hundred percent (100%) of the amount required to recover the investment cost of this Conservation Project on a debt service requirement basis over the term of this Agreement.

Prior to entering into the Municipal Lease, in the event that the Parties cannot agree to so reduce or modify the costs of construction in circumstances wherein the savings guaranteed herein are less than one hundred percent (100%) of the amount required to be paid under the Municipal Lease, PHA and Ameresco shall each have the option, exercisable upon written notice to the other Party, of neither proceeding with the installation of the ECMs nor, on the part of PHA, entering into the Municipal Lease. In that regard, PHA acknowledges and recognizes that Ameresco has incurred costs totaling One Hundred Fifty One Thousand, Four Hundred and Thirty-Six Dollars (\$151,436) for preparation of the Energy Audit Report and shall provide payment in full as of the time of termination for that Report.

F. Construction Financing Instrument:

The Parties agree that the instrument by which the Construction Financing shall be secured shall be a Municipal Lease Agreement.

i. PHA hereby represents and warrants to Ameresco that, subject to the terms and conditions hereof, including but not limited to the ability of the PHA to secure approval of governing authorities, PHA will enter into a Municipal Lease with a third party lessor ("Lessor") in a form substantially similar to that attached hereto and made a part hereof as Appendix C.

ii. PHA's obligation to make payments pursuant to the Municipal Lease and payments from the Construction Account and applications for payments with respect to the Escrow Fund will commence on the date that funds are deposited in the Escrow Fund ("Municipal Lease Commencement Date").

written notice by Ameresco of completion of each such sample installation or the provision of such product information to PHA. PHA's approval of such sample ECMs or product information shall be in substantially the form of Attachment K hereto. If PHA disapproves any such ECM, Ameresco shall have the right to provide a substitute ECM which conforms to the applicable specifications or is equivalent to any applicable sample provided to and approved in writing by PHA hereunder. Ameresco shall revise the Attachments to reflect each such substitution, subject to PHA's written approval of each revised Attachment. In the event PHA does not approve of any such substituted ECM's or specifications and Ameresco has no specific right hereunder to provide a substitute ECM, the Parties hereby agree to negotiate a mutually acceptable solution. PHA shall not unreasonably withhold or delay any approval provided for herein.

(5) PHASE II – CONSTRUCTION

A. Construction:

i. During the Construction Phase, Ameresco shall furnish all labor, materials and equipment and perform all work required for the completion of the Scope of Work set forth in Appendix B, including the installation of the ECMs listed therein, as Appendix B may be revised from time to time in accordance with the terms of this Agreement.

ii. At all times relevant to this Agreement, Ameresco shall permit PHA or any of its representatives to enter upon the Project site to inspect, test and approve both the work conducted in the facility, during construction and operations, and to access the books, records, and other compilations of data which pertain to the performance of the provisions and requirements of this Agreement, including attendance of the Agency's representative at relevant on-or-off-site meetings of Ameresco and/or its subcontractors.

iii. Ameresco shall provide 100% performance and payment bonds to the PHA upon the execution of this Agreement and commensurate with Ameresco's receipt from PHA of an irrevocable Notice to Proceed. The performance bond applies only to the installation portion of the Agreement and does not apply in any way to the Energy Savings Guarantees, payments or maintenance provisions, except that the performance bond shall guarantee that the installation will be free of defective materials and workmanship for a period of twelve (12) months following completion and acceptance of the installed ECMs, or longer periods as specified by the manufacturer for certain ECMs.

B. Labor And Material For Construction:

i. Ameresco shall ensure that all laborers shall be competent to perform the tasks undertaken, that all materials and equipment provided shall be new and of appropriate quality in accordance with equipment selections and specifications as approved by the PHA at the time of design submittals, and that the completed work shall comply with the requirements of this Agreement. Ameresco and its Construction Subcontractors shall comply with applicable Section 3 and MWBE goals as specified by the PHA.

ii. Ameresco shall solicit pricing from qualified subcontractors, and major equipment vendors (hereafter "Construction Subcontractors") for the purpose of reasonably minimizing the cost of the construction and installation of the ECMs contained in Appendix B. With respect to the selection of Construction Subcontractors, Ameresco shall comply with all applicable requirements and in furtherance, and not in limitation thereof, shall encourage the involvement of resident-owned businesses and local minority and women-owned businesses by making so called "outreach" efforts through newspaper advertising, mailing lists and direct telephone calls. Ameresco and its Construction Subcontractors will comply with the HUD General Conditions for Construction, applicable provisions of Section 3 and MWBE policies of PHA, and state labor law.

PHA hereby warrants that any applicable governmental procedures and authorizations for securing such bids or quotations from Construction Subcontractors and/or materials suppliers have been fully disclosed to Ameresco prior to the execution of this Agreement. If costs or charges are incurred by either Party to solicit bids or to cancel contracts when the original determination regarding bidding was made in error, such costs and charges shall be for PHA's account.

During the Construction Phase, Ameresco shall undertake in a timely fashion the activities required of Ameresco as described in this Section 5(C), including, without limitation, the oversight of ECM-related activity conducted at the Developments as provided for within the "Summary of Recommended ECMs" (Appendix B).

i. Project Manager: During the Construction and Permanent Financing Phase, Ameresco shall serve as "Project Manager" on behalf of PHA, and shall, in consultation with PHA, schedule and oversee as described in this Section 5(C), installation of the ECMs included in the "Summary of Recommended ECMs" (Appendix B).

ii. Prime Contractor: During the Construction and Permanent Financing Phase, Ameresco shall serve as "Prime Contractor" on behalf of PHA for, and directly contract for the installation of, such ECMs included in the "Revised Summary of Recommended ECMs" (Appendix B).

iii. Project Scheduling: PHA and Ameresco shall mutually plan the scheduling and coordination of the construction work. The construction work will be planned to reasonably minimize the interruption of the daily routine of and services provided to PHA's staff and residents except as permitted in writing by PHA. Ameresco shall prepare milestone schedules and shall outline and track the schedule of work for all significant phases of construction, and shall produce written progress meeting minutes or monthly progress reports for PHA on a percent completion summary with each requisition submitted for payment. In no case shall Ameresco be responsible for delays in the Conservation Project caused by the failure of PHA, or others under contract with PHA, to schedule and/or coordinate work with the work to be performed for Ameresco under the construction subcontracts or caused by the failure of PHA to provide access or perform any other obligation related to the construction work.

iv. Access: PHA shall provide such reasonable access to the Developments for Ameresco and approved Construction Subcontractors at all times during the course of the work hereunder. Ameresco may access occupied apartments upon forty-eight (48) hours written notice to the residents. PHA will cooperate with Ameresco by authorizing and facilitating issuance of notice to residents in a timely manner and otherwise, by encouraging and promoting a cooperative relationship between Ameresco and residents of the Developments and to accomplish its work during normal business hours. Ameresco shall use its best efforts to avoid disruption of services or inconveniences to the residents of the Developments. If Ameresco or its Construction Subcontractors require access to the Developments outside of PHA's normal business hours, Ameresco will notify PHA of this need during normal business hours, and Ameresco and its Construction Subcontractors will comply with any PHA security requirements regarding after-hours access.

v. Requisitions and Direct Payments: Prior to submission of Requisitions for payment, Ameresco shall provide a schedule of values for PHA itemizing the budgets for each ECM by site number. Ameresco shall produce, or cause its Construction Subcontractors to produce, using applicable HUD payment forms and the AIA G701 and 702 forms, monthly requisitions for payment by PHA for percentage of completed work and will include a sworn statement by Ameresco that: (1) work covered by the requisition for payment being submitted has been completed, and (2) Ameresco has paid Construction Subcontractors and Materials Suppliers for work for which (a) previous Requisitions for payment were submitted by Ameresco and (b) payment was received from PHA; and 3) appropriate lien waivers or conditional lien waivers have been executed by Ameresco and all Construction Subcontractors and Material suppliers and delivered to the PHA; subject to any retainage provisions included in the Construction Contract Documents. PHA shall pay Ameresco the amount of all Requisitions submitted by Ameresco in accordance with this Section 5 within thirty (30) days of receipt of such Requisition. PHA's unreasonable failure to approve or to pay requisitions within thirty (30) days will make PHA (not the Conservation Project Budget) liable for late payment fees pursuant to Section (11)(E) Late Payment Charges.

vi. Construction Accounting: Ameresco shall track all Requisitions of the Conservation Project and shall provide PHA with reports illustrating all activity in the Construction and Escrow Accounts at appropriate intervals, but not less frequently than monthly. The reports will summarize the "Revised Scheduled Value", payments under properly approved Requisitions to date, remaining amounts due under change orders and addenda, and the balances available in the Construction and Escrow Accounts for contingencies and reserves. Ameresco shall require its Construction Subcontractors to maintain applicable weekly payroll and MBE utilization forms as applicable for submission with requisitions and for approval by the PHA.

Ameresco's written request, will, at its cost, promptly perform tests or cause tests to be performed in order to determine whether or not such material contains asbestos and/or whether there are unacceptable levels of airborne particulate material containing asbestos or provide such a test report. Under no circumstances, shall Ameresco be required to handle asbestos. In the event it encounters asbestos which materially affects its progressing of the work of this Project, Ameresco, at its option, may demobilize and cease construction in the area affected by the presence of asbestos until such time as PHA performs the actions required to be performed by PHA which are described in this Subsection. In the event that PHA does not promptly take action as provided herein, Ameresco may, at its option, either remove the affected area from its scope of services hereunder (and make commensurate adjustments to the rights and obligations of the Parties) or terminate this Agreement in its entirety. PHA shall be responsible for costs incurred by Ameresco that pertain to delays caused during construction due to the presence of asbestos, or shall extend the timeframe for completion of construction without penalty hereunder. To the extent such delay affects the beginning of the permanent financing repayment under the Municipal Lease, the PHA shall not penalize Ameresco for such delays which affect the Energy Savings hereunder.

xii. Resident Education and Training: Ameresco shall, during construction, schedule and hold a minimum of one on-site educational seminar (providing a total of eight (8) hours of training at no additional cost to PHA for the residents of each of the Developments and shall supply a notice to inform residents about the ECMs installed under the Conservation Program. Ameresco, in conducting such seminars and distributing such newsletters, shall follow all manufacturer-recommended procedures without thereby endorsing or guaranteeing such procedures. Ameresco shall be available on a time and expenses basis to provide additional seminars, training workshops and/or newsletters as requested by PHA for additional services as provided for in Section 11(D) "Fees" for Additional Services, at the rates set forth in Appendix E-1c "Energy Service Fees and Expenses."

xiii. Management and/or Maintenance Staff Training: Upon completion of construction of the Conservation Project, Ameresco shall schedule and hold, at no cost to PHA, up to one (1) educational session or training workshop, for the management and/or maintenance staff at an appropriate location, and Ameresco shall distribute manuals and other educational materials as may be available from manufacturers of ECMs and Construction Subcontractors. Ameresco, in conducting such seminars and workshops, shall follow all manufacturer-recommended procedures without thereby endorsing or guaranteeing such procedures. Ameresco shall be available on a time and expenses basis to provide additional seminars, training workshops and/or newsletters as requested by the PHA for additional services as provided for in Section (11)D "Fees" for Additional Services, at the rates set forth in Appendix E-1c, "Energy Service Fees and Expenses", to provide additional seminars and/or training workshops as requested by the PHA.

D. Systems and Equipment Manual:

Upon completion of construction of the Conservation Project, Ameresco shall compile manufacturer-provided literature on the operation and maintenance of the ECMs, including such preventive maintenance requirements as may be required by the respective equipment or systems manufacturers, for reference by the PHA. Ameresco, in compiling such literature and information, shall include all manufacturer-recommended procedures without thereby endorsing or guaranteeing such procedures, and shall provide three (3) copies of such manuals to PHA for distribution to applicable maintenance staff. Upon completion of the final Scope of Work for Phases I and II, Ameresco will provide to PHA a single comprehensive schedule of necessary preventive maintenance for all installations for the five (5) years following the contract close-out.

E. "As-Built" Documentation

Ameresco will prepare and furnish to PHA, within thirty (30) days of the Substantial Completion Date, four (4) copies of "As-Built" Drawings in native AutoCAD release 14 Format (min.).

F. Warranty:

Ameresco covenants and agrees that all equipment installed by Ameresco as part of this Agreement is new, in good and proper working condition and protected by applicable manufacturer's written warranties as described in this subsection 5(F) and in accordance with the design specifications as approved by the PHA. Similar protections

(6) PHASE III – PROJECT OPERATION

During the Project Operation Phase of this Agreement, Ameresco shall perform the following "Energy Management Services" as described in this Section (6) - Phase III Project Operation.

A. Utility Use Monitoring:

The PHA shall supply Ameresco with monthly utility billing data for PHA-paid utility accounts affected under this Agreement in order for Ameresco to compile monitoring reports. Such data shall be furnished electronically in the Excel spread-sheet or equivalent format as to that which was received during the Energy Audit Report preparation. Ameresco shall monitor the monthly weather- and rate-adjusted Energy Base Year and Energy Savings for the Developments using its energy monitoring software, and shall review quarterly data and report any identified anomalies to PHAs in accordance with the Utility/Energy Supplier Savings Calculation contained in Appendix G, Monitoring and Verification of Savings Methodology.

B. Annual Reconciliation:

Ameresco shall produce for PHA within ninety (90) days of receipt of the 12th set of monthly utility bills (with respect to each successive twelve (12) month period following Ameresco's receipt of the final Delivery and Acceptance certificate provided by PHA to Ameresco hereunder), an annual year-end reconciliation of savings achieved for the project. Any major deviation from budgeted annual savings shall be thoroughly investigated and reconciled by Ameresco and PHA pursuant to the Conditional Energy Savings Guarantee.

C. HUD Utility Subsidy Forms:

Ameresco shall assist PHA in preparation of pertinent annual HUD forms 52722 and/or 52723 on request.

D. Site Visits:

Each year throughout the Project Operation Phase of this Agreement, Ameresco shall visit each Development and a sample of the ECMs installed under this Agreement. This visit is intended to determine whether or not the ECMs are operating properly and are being maintained and operated by PHA in accordance with the Ameresco Systems and Equipment Manual described in Section 5(C), Construction Project Management. Ameresco shall provide PHA a written Site Visit Report. Ameresco will be available on a time and expenses basis, at the rates set forth in Appendix E-1c "Contract Costs and Annual Services", for additional visits and for on-going maintenance assistance. Ameresco shall provide on-going assistance in the form of brief consultation by phone to PHA or its assigns at no additional charge.

E. Annual Service Contracts:

The cost associated with such contracts shall be paid from savings under this Agreement only if they are expressly included in Appendix D, attached. Any such contract shall be executed and paid directly by PHA unless Appendix D is amended for such purpose during the Contract Term.

F. Maintenance Staff Training:

Ameresco shall, on an annual basis as a part of their annual fee, schedule and hold an educational session or training workshop for the management and/or maintenance staff at the Developments, and distribute updated manuals and other materials as may be available from manufacturers. Ameresco, in conducting such seminars and workshops, shall follow all manufacturer-recommended procedures without thereby endorsing or guaranteeing such procedures. Ameresco shall be available on a time and expenses basis for additional services at the rates set forth in Appendix E-1. (c), Energy Service Fees and Expenses, to provide additional seminars and/or training workshops as requested by the PHA.

Guarantee, below. The funding for the Municipal Lease and the Fixed Annual Services Fee Payments to Ameresco will be provided to PHA by HUD as provided for in Appendix L, the "HUD Approval Letter".

E. Disclaimer Regarding Material Changes:

Ameresco has made, and will make, its final projections of "Energy Savings", and "Revised Energy Savings", in good faith based upon the condition of the Developments at the time of the final Energy Services Plan, and based upon information supplied to Ameresco by PHA. A reduction in actual Energy Savings from the levels projected may be caused by factors outside the control of Ameresco. Those factors include, without limit, (i) materially inaccurate information (the inaccuracy of which Ameresco is not responsible for); (ii) Material Changes in the condition or use of the Developments or utility-using equipment at the Developments; (iii) any failure of PHA, tenants, or other third parties to follow recommended operational or maintenance practices or otherwise to meet obligations with respect to the operation or maintenance of the Developments; (iv) any Material Changes to, or removal of, ECMs which have not been approved by Ameresco and any Material Changes resulting from damage to, or destruction of, ECMs which is not promptly remedied by PHA. If a reduction in actual Energy Savings occurs due to any such factors, and if the size of such reduction is at least equal in value to the "Material Change Threshold" described in "DEFINITIONS, then a "Material Change" shall be deemed to have occurred. Ameresco shall have no liability or obligation to PHA for such reduction or otherwise on account of such Material Change. Any guaranty executed by Ameresco under Section (9), Conditional Energy Savings Guarantee, or other provision of this Agreement, which is or may be to the contrary shall be deemed to be subject to the disclaimer in this Section. Notwithstanding the foregoing, a reduction in actual Energy Savings which is a direct result of a material failure by Ameresco to perform its obligations under this Agreement shall not be deemed to have resulted from a Material Change.

F. Adjustments on Account of Material Changes:

If a Material Change within the meaning of Section (8)E "Disclaimer Regarding Material Changes" shall occur and PHA shall be aware of such Material Change, PHA shall provide sufficient notice to Ameresco, pursuant to Section (10) Maintenance, Material Alterations and Security, to allow, in consultation with Ameresco, appropriate adjustments to the Utility/Energy Supplies Savings Calculation contained within Appendix G and, if appropriate, to the Baseline contained in Appendix D, to be made. Such adjustments shall recalculate Energy Savings as if such Material Change had not occurred. In the absence of such notice, Ameresco and the PHA shall consult and make the appropriate adjustments to the Energy Savings Calculation upon learning of any unreported Material Change. Without limiting Section (8) E, Disclaimer Regarding Material Changes, Ameresco shall not be responsible for any such Material Change.

(9) CONDITIONAL ENERGY SAVINGS GUARANTEE

At the time of the closing of the Municipal Lease, as described in Section (4) Phase I – Design and Construction Funding, Ameresco shall provide a Conditional Energy Savings Guarantee with and for the sole benefit of, PHA in substantially the form of Appendix I hereto. This guarantee may be incorporated as an exhibit to the Municipal Lease.

(10) MAINTENANCE, MATERIAL ALTERATION, AND SECURITY

A. Maintenance and Maintenance Costs:

Notwithstanding any provisions of this Agreement which pertain to Ameresco's Services related to the operation of installed ECMs, PHA shall, during the Project Operation Phase, maintain the energy-related building structures, fixtures, and equipment in accordance with the Ameresco design specifications and manufacturer's maintenance recommendations specified in the "Ameresco Systems and Equipment Manual". Inspections performed by Ameresco, insurance providers, or assigns, pursuant to Section (6)E, Annual Site Visit, and Section (9), Conditional Energy Savings Guarantee, and such other inspections as may be conducted, will be utilized to

The terms of Section (8) F. Adjustments on Account of Material Changes shall apply to any such Material Change. Adjustments based upon Material Changes may be made retroactively where appropriate.

(11) SUMMARY OF COMPENSATION

A. The Total Contract Costs during Phases I and II:

Ameresco shall produce for PHA in advance of the onset of services under this Agreement a schedule of values itemizing all costs included in the total contract cost. . Such costs shall be in compliance with Federal Cost Principles as defined in 24 CFR 85.22 to detail direct costs, indirect costs, and profit. PHA shall make progress payments to Ameresco against percent of work complete using proceeds from Construction Financing or Supplemental Construction Funding as applicable. Phases I and II will be billed monthly by Ameresco on a percent complete basis. PHA will hold ten percent (10%) retainage and, consistent with the HUD General Conditions, may reduce the amount withheld as measures are installed and accepted.

Upon submission by PHA of a Notice of Substantial Completion in substantially the form of Appendix F -1 hereto with respect to each Development and commissioning of the ECMs installed hereunder, and the completion by Ameresco and/or its Construction Subcontractors of any outstanding Punch List items, PHA shall make a Final Payment, inclusive of any remaining retainage held with respect to that Development (or submit a Requisition or otherwise arrange for payment to be made to Ameresco from the Construction and/or Escrow Funds) with respect to that Development. Payments shall be due within thirty (30) days of PHA receipt of each invoice submitted by Ameresco. If payment is not made within that period, payments shall be subject to the late charge provided for below.

B. The Fixed Annual Service Fee during Phase III:

The Fixed Annual Service Fee due Ameresco will be payable against those Services provided in Phase III and will represent a fixed annual service fee outlined in Appendix E-1. (b). The total payment to Ameresco over the course of this Agreement, subject to written amendment by mutual agreement, shall not exceed the annual amounts identified in Appendix E-1.(b) unless agreed by the Parties. Such payments will be invoiced periodically throughout the annual service period as services are rendered, up to the total annual service fee set forth in Appendix E-1(b).

C. Payments in the Event of Certain Early Terminations:

Should the Conservation Project be terminated for any reason during Phases I or II, including, without limitation, any failure to agree on revisions to the Conservation Project as described in Section (15) A, Termination for Failure to Agree on Revisions (but not including Ameresco's Material Default in its obligation to perform in a timely and satisfactory manner, as defined in Section 15. Termination for Material Default), PHA shall be liable to Ameresco for all expenses incurred to the point of termination in accordance with this Section). PHA's payment of the Fees to Ameresco shall be limited to the applicable percentage of completion Ameresco has worked (including hours worked by Ameresco, its Construction Subcontractors and all those working on the Conservation Project on behalf of Ameresco), as of the date Ameresco receives or issues written notice of termination, valued at Ameresco's billing rates per employee set forth in Appendix E-1.(c), or at percentage of work completed as of the point of termination for applicable Construction Subcontracts, exclusive of claims for "lost" overhead and profit. In addition, PHA shall compensate Ameresco for all Reimbursable Expenses reasonably incurred by Ameresco and its Construction Subcontractors and all those working on the Conservation Project on behalf of Ameresco) on the Conservation Project as of that date. In the event of termination, PHA's total payment to Ameresco shall not exceed the amounts indicated in Appendix E-1, as may be revised by agreement of both parties. In addition, PHA shall hold Ameresco, as prime contractor, harmless from and against all costs and liabilities incurred by Ameresco as a result of the termination of all Construction Subcontracts under this Early Termination provision.

D. Fees for Additional Services:

Ameresco shall comply, and shall require that all of its Construction Subcontractors comply, with the applicable provisions of HUD Form 51915-A, "Contract Provisions Required by Federal Law or Owner Contract with the U.S. Department of Housing and Urban Development", including, but not limited to, the following:

- A. Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR Chapter 60);
- B. Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3);
- C. Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CFR part 5);
- D. Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5); and
- E. All applicable standards, orders, or requirements of the Clean Air Act (42 U.S.C. Section 7602) (formerly 42 U.S.C. 1857(h)), the Clean Water Act, as amended (33 U.S.C. 1368), Executive Order 11738 and all implementing regulations promulgated by the Environmental Protection Agency (40 CFR part 15); and all mandatory standards and policies relating to energy efficiency that are contained in applicable state conservation codes (if any) issued in accordance with the Energy Policy and Conservation Act (Pub. L. 94-163), and any other applicable laws or amendments thereto.
- F. The Drug-Free Workplace Act.
- G. Value Engineering clauses in HUD Form 51915-A.
- H. Ameresco and all of its Construction Subcontractors shall be properly licensed to do business in the State of Hawaii and shall maintain compliance with requirements under the State of Hawaii, including the provision of signed Non-Collusive Affidavits. Ameresco and its Construction Subcontractors shall be responsible for payment of all required taxes and fees required by State and local law with respect to this Agreement.
- I. Ameresco and its Construction Subcontractors shall retain all required records for six (6) years following the date of expiration and all other pending matters are closed and shall provide access to PHA at no charge during that period. (All applicable requirements for record keeping, record retention, and access to records set forth in 24 CFR parts 85.36(i) (10) and (11).)
- J. Ameresco and its Design and Construction Subcontractors shall maintain, throughout the term of the Agreement, insurance for this project as itemized in this paragraph, and shall name the PHA as an additional insured for Commercial General Liability insurance coverage: 1) Commercial General Liability in the amount of two million dollars (\$2,000,000) in compliance with the statutes of the State of Hawaii and with an A-rated company. Such coverage will indemnify PHA against all claims and demands for injury or death of persons or damage to property which may be claimed to have occurred upon, or as a result of, the negligence of the ESCO and/or its subcontractors' employees, agents, licensees, or invitees, in the performance of this contract; 2) for engineering, Errors and Omissions Insurance in the amount of two million dollars (\$2,000,000) with an A-rated company recognized in the State of Hawaii; c) applicable state levels of Worker's Compensation Insurance; and d) Automobile Insurance on all owned, non-owned, and hired vehicles used in connection with the project with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000) per occurrence.
- K. Ameresco shall comply with Federal Cost principles as defined in 24 C.F.R. 85.22 for direct costs, indirect costs, and profit. Ameresco and its Subcontractors shall comply with HUD Forms 5370-C, General Contract Conditions and HUD Form 5369-C, Certifications and Representations of Offerers.

recommendation within ninety (90) days or may, without a waiver of other remedies which exist in law or equity, exercise any and all remedies available at law or in equity and other appropriate proceedings including bringing an action or actions from time to time for recovery of amounts due and unpaid by defaulting Party, and/or for damages which shall include all costs and expenses incurred in exercise of its remedy; provided, however, no such rights, remedies, actions or damages shall be available to the terminating Party to the extent such would be inconsistent with the terms of this Agreement.

Should PHA terminate the Conservation Project for Ameresco's Material Default in its obligation to perform in a timely and satisfactory manner, as defined in this Section (15)B. Termination for Material Default, Ameresco's liability to PHA shall not exceed the amount of the insurance limits provided by Ameresco.

C. Termination for Convenience:

Notwithstanding the foregoing, this Agreement may be terminated by PHA for "convenience" in accordance with applicable HUD requirements and the requirements of this Agreement. Any such termination shall be effected by the delivery to Ameresco of a written notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the date upon which such termination becomes effective. Ameresco shall comply with such notice and take action to terminate work as and to the extent set forth in such notice, including exercising its rights or otherwise taking action to terminate any Construction Subcontracts which may then be in effect and to minimize, to the extent possible, the costs incurred on account of such latter terminations.

In the event of such notice by PHA, PHA shall be liable to Ameresco for reasonable and proper costs resulting from such termination within thirty (30) days of receipt by the PHA of a properly presented claim setting out in detail the following elements (which shall be such "reasonable and proper costs"): (1) the total cost of the work performed to date (which shall be inclusive of compensation for all hours actually worked to date calculated at the billing rates set for in Appendix E-1 Energy Service Fees and Expenses) less the total amount of Agreement payments made to Ameresco; (2) the cost of settling and paying claims, exclusive of "lost" overhead and profit, under Construction Subcontracts and material orders for work performed and materials and supplies delivered to the Conservation Project sites, payment for which has not been made by the PHA to Ameresco or by Ameresco to the Construction Subcontractor or supplier; (3) the cost of preserving and protecting the work already performed until the PHA or assignee takes possession thereof or assumes responsibility therefore; and (4) the actual or estimated cost of legal and accounting services necessary to prepare and present the termination claim to the PHA. Any disputed amounts later found to be due to Ameresco through binding decision of a mutually agreed-upon mediator or arbitrator shall be paid within thirty (30) days of such determination, with accrued interest from the original due date.

D. Partial Termination:

During the Operational Phase, to the extent that any Event of Default by PHA (including but not limited to failure by PHA to perform maintenance required to be performed by PHA hereunder), a fire, flood, explosion, or other casualties, or destructive act or condemnation affecting only part of the Developments or ECMs renders any significant part of the Developments or ECMs substantially unusable and, in the case of a casualty, the affected portion of the Developments or ECMs is not reconstructed or restored by PHA within one hundred and fifty (150) days from the date of such casualty, either Party may terminate this Agreement with respect to such affected ECMs by written notice to the other, in which case all obligations of Ameresco with respect to the affected portion of the Developments shall cease and PHA shall pay to Ameresco an amount equal to all amounts then due and owing, exclusive of "lost" overhead and profit, with respect to this Agreement. Upon the payment of all amounts provided for in this Section (15)D, all obligations of PHA under this Agreement with respect to such portions of the affected Developments or ECMs shall cease with respect to the period following such payment.

E. Termination for Causes Beyond the Control of the Parties:

In addition to the foregoing provisions of this Section (15), to the extent that any fire, flood, explosion, other casualties, or destructive act or condemnation affecting the Developments or ECMs renders the Developments or

(21) INVALIDITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or enforceable provisions were omitted.

(22) NOTICES

All notices required pursuant to the terms of this Agreement shall be in writing and shall be delivered personally, by overnight courier or by such other means (including facsimile transmission or email with confirmation) evidencing delivery, or by certified or registered mail.

Each party shall deliver all notices to the other party to the following addresses:

Ameresco:

General Counsel
Ameresco, Inc.
Suite 410, 111 Speen Street
Framingham, MA 01701

With a copy forwarded to the attention of:

PHA:

Hawaii Public Housing Authority
1002 North Street, P.O. Box 17907
Honolulu, Hawaii 96817
Attn: Executive Director

Notices will be deemed given and received:

- (a) when delivered, if delivered personally;
- (b) the next business day after delivery to the courier, if given by overnight courier;
or
- (c) five calendar days from the date of mailing, if given by registered or certified mail; or
- (d) when receipt is confirmed by the sending party if by facsimile or e-mail, provided that the sending party follows up with an original by mail.

(23) FORCE MAJEURE:

If Ameresco is unable to perform due to causes beyond the control and without the fault or negligence of Ameresco including, but not limited to, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and usually severe weather, upon request of Ameresco, PHA will ascertain the facts and extent of the failure to perform. If PHA reasonably determines that any failure to perform results from one or more of the causes above, the time for

(D) It has not received any notice, nor to the best of its knowledge is there pending or threatened any notice of any violation of any applicable laws, ordinances, regulations, rules, decrees, awards, permits or orders which would materially adversely affect its ability to perform hereunder.

(E) The persons executing this Agreement are fully authorized by law to do so.

(F) In addition, PHA warrants and represents to Ameresco that PHA has obtained or shall obtain all necessary governmental, legal, administrative and any other approvals necessary for it to enter into this Agreement.

(28) ADDITIONAL REPRESENTATIONS AND WARRANTIES OF PHA

PHA hereby warrants and represents to Ameresco that:

(A) PHA presently intends to continue to use the Developments in a manner reasonably similar to its present use, subject to the provisions of Sections 8 and 10 of this Agreement, which provide for notice and adjustment of base consumption and savings information in the event of a Material Change. Should such a change occur within the Term of this Agreement, PHA shall be subject to any prepayment provisions of the Municipal Lease Purchase Agreement;

(B) PHA does not presently contemplate any changes to the electrical and thermal consumption characteristics of the Developments as these existed during the base period except as may have been disclosed to Ameresco by PHA in writing prior to the execution of this Agreement;

(C) PHA has provided Ameresco with all records heretofore requested by Ameresco and, in that regard, Ameresco acknowledges that it has received Base Period data from PHA which appears to be complete as of the date of this Agreement, and that the information set forth therein is, and all information in other records to be subsequently provided pursuant to this Agreement shall be, true and accurate in all material respects except as may be disclosed by PHA in writing;

(D) PHA has not entered into any contracts or agreements for the Developments with persons or entities other than Ameresco regarding the provision of the energy services referenced herein.

(29) ADDITIONAL DEVELOPMENTS

Ameresco and PHA may agree that Ameresco shall install additional ECMs at a Development in addition to those listed on Appendix A (each "Additional Development"), through amendments to this Agreement mutually acceptable to both parties, or by entering into separate agreement between the Parties, which agreements shall include mutually agreeable terms and conditions.

The following Appendices and Attachments are attached hereto and incorporated into this Agreement to the extent provided therein.

APPENDICES

- A. DEVELOPMENTS
- B. SCOPE OF WORK/RECOMMENDED ECM LIST
(SUMMARY OF RECOMMENDATIONS)
- C. MUNICIPAL LEASE AND OPTION AGREEMENT
- D. CASH FLOW PROJECTION (INCLUDING BASELINE)
- E-1. (a), (b), and (c). CONTRACT COST, ANNUAL SERVICES, and HOURLY RATES
- E-2 CHANGE ORDER FORM
- F. F-1 NOTICE OF SUBSTANTIAL COMPLETION
F- 2 DELIVERY AND ACCEPTANCE CERTIFICATE
- G. MONITORING AND VERIFICATION OF SAVINGS METHODOLOGY
- H. STANDARDS OF COMFORT AND SERVICE
- I. GUARANTEE
- J. NOTICE TO PROCEED
- K. SAMPLE INSTALLATION APPROVAL CERTIFICATE
- L. HUD APPROVAL LETTER
- M. PROJECT MILESTONES
- N. HUD GENERAL CONDITIONS FOR THE CONTRACT FOR CONSTRUCTION (FORM 5370)

ATTACHMENTS:

- 1. ENERGY AUDIT REPORT

Mixed Income Redevelopment Task Force

Eric Beaver

to:

tot, Chad.K.Taniguchi

11/17/2009 02:47 PM

Cc:

berthiaut001, "Sherri Dodson", Sam.Aiona, kaulana.h.park

Show Details

History: This message has been forwarded.

Just concluded our task force meeting. The primary issue before us was which, if any, housing projects should be removed from the Ameresco contract and placed in the potential "redevelopment portforlio."

The properties under consideration were those listed in the [REDACTED] report as candidates for replacement. They include Mayor Wright, KPT, Kuhio and Puahala. KPT and Puahala are not in the [REDACTED] contract. Staff proposed that Mayor Wright be pulled out of the [REDACTED] contract as well since they have found a less expensive way to fix the immediate need for hot water.

Our task force agrees with the staff's recommendation to delete Mayor Wright from the [REDACTED] contract.

In addition, our task force has identified Mayor Wright as having the greatest potential for redevelopment in the future. Its location, density potential and proximity to the proposed rail project could make it an ideal mixed-use transit village. While there is preliminary due diligence to begin on Mayor Wright, there are still many issues (staffing, finance, legal, etc) to work through on the KPT project before we "start" another redevelopment project. Given that, we propose that staff recommendations to begin immediate improvements to Mayor Wright be approved.

Our next task force meeting is this Friday. We plan to meet with Michaels/Pacific Housing to get a status report on the KPT project and discuss the issues noted above. You're welcome to join us. Chad is trying to get something set up for mid-morning.

This is our report.

REPORT OF THE TASK FORCE ON GOALS AND OBJECTIVES

Task Force Members: Rene Berthiaume
Clarissa Hosino
Linda L. Smith

Summary of actions taken to date:

Task Force developed initial draft plan shared with the Board at September 2009 meeting. Provided big picture vision for improvements in public housing and enhancing the quality of lives of the residents.

Collected best practices information from Public Housing agencies on the mainland, and Hawaii-based programs focused on self-sufficiency and sustainability of housing opportunities.

Shared initial draft with stakeholders in late September, including HPHA staff and media.

Solicited comments from local Dept of Housing and Urban Development. Received helpful comments and suggestions including how this vision dovetails with the shift to Asset Management Projects. Provided us with national sources and perspectives no changes to the way communities are providing public housing, including rent-to-own programs, mixed-use finance, HOPE VI, Choice Neighborhoods Initiative, and Section 8 Housing Choice Vouchers.

Task Force met on November 5 to refine initial draft and identify next steps. General consensus to focus on State public housing projects that are not elderly projects as a pilot program. Looking at a multi-year time frame, with larger vision to be pursued over 5 to 10 year time frame. Recognized need to focus on tiered models of delivery including community land trusts and Section 8 home ownership programs. Priority to maintain affordability through deed restrictions.

Received positive coverage in Oahu Advertiser on Nov 11th and encouragement in a subsequent editorial on Nov 15th.

Next Steps:

Invited to meet with Resident Advisory Board in December. They have series of sessions between Sept and March of next year to provide comments on each of the parts of the Annual PHA Plan. Our discussions will focus on Section 10 and 11 of the plan—conversion of public housing to tenant based assistance and homeownership.

Working with Federal partners who have successful models—USDA, Navy and military housing, HUD national staff

Working with State sister organizations – HHFDC, Hawaiian Homelands, and Hawaii Community Development Agency. Importance of close working relationship with Mixed-Use Development Task Force of the HPHA Board

Brief House and Senate housing chairs and participate in informational briefings

Outreach schedule to resident associations and neighborhood boards being developed.

Hawaii-based housing groups outreach. Need to identify non-profit and community based organizations that can assist, such as Catholic Charities, Self-Help Housing, Habitat for Humanity, Affordable Housing Alliance,

Revise vision statement based on the comments received and incorporate into the public hearings schedule that the PHA Plan will undertake to meet federal deadlines.

Refine home ownership and rent-to-own opportunities for existing residents early next year.

Property Management and Maintenance Services Branch
Report for the Month Ending October 31, 2009

GOAL: **Fix** units, **Fill** units (97% occupancy) and **Collect** rent (collect 97%).

A. Fix Units

At the end of October 2009, the agency had 357 vacant units that need repair. The Construction Management Section (CMS) is in charge of repairing 198 of the 357 units, leaving 159 vacancies for the AMP staff to repair, in addition to the monthly average of 45 vacancies.

Month	Move Ins	Move Outs	Rent Ready Pending Placement
October 2009	31	47	30
September 2009	57	45	35
August 2009	55	33	37

B. Fill Units

State Occupancy Report: October 2009

Occupancy					
Project	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready
2201 Hauiki	46	45	97.83%	1	0
2202 Puahala Homes	128	122	**95.31%	*6	4
2204 Kawaiaehua	26	25	96.15%	1	0
2205 Kahale Mua	32	28	87.50%	4	0
2206 Lokahi	30	14	46.67%	16	0
2207 Ke Kumu Elua	26	11	42.31%	15	2
2401 Hale Po'ai	206	204	99.03%	2	0
2402 La'iola	108	107	99.07%	1	0
2403 Kamalu-Ho'olulu	221	220	99.55%	1	1
2404 Halia Hale	41	39	95.12%	2	1
Total	864	815	94.33%	49	8

- Puahala Homes includes *14 homeless units in addition to the 6 vacant units that are reflected as administrative hold. Total occupied unit count is based on State public housing units plus homeless units. **Occupancy rate without counting Homeless units as occupied is 84.38%.
- Kahale Mua has 4 vacant units, 2 are CMS units and 2 are other vacants to be completed by AMP.
- Lokahi is going to be modernized within one year. Currently 16 out of the 30 units are vacant and were unfilled to avoid having to relocate newly placed families. The Notice To Proceed will be issued shortly.
- Ke Kumu Elua - management has completed interior repairs on 8 units and is waiting for HPHA to procure interior painting and janitorial work to. Two other units have been referred to CMS because of earthquake damage.

Federal Occupancy Report: October 2009

Occupancy					
AMP	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready
30 Aiea	362	359	99.17%	3	0
31 KVH	372	325	87.37%	47	0
32 MWH	363	355	97.80%	8	1
33 Kam/Kaahumanu	371	369	99.46%	2	1
34 Kalakaua	581	556	95.70%	25	1
35 Kalanihuia	584	544	93.15%	40	4
37 Hilo	301	274	91.03%	27	0
38 Kauai	319	310	97.18%	9	0
39 Maui	196	130	66.33%	66	1
40 KPT	738	703	95.26%	35	2
43 Kona	200	191	95.50%	9	5
44 Leeward Oahu	258	220	85.27%	38	3
45 Windward Oahu	225	222	98.67%	3	0
46 Kamuela	101	84	83.17%	17	2
49 Central Oahu	150	132	88.00%	18	2
50 Palolo	115	108	93.91%	7	0
Total	5,236	4882	93.24%	354	22

- AMP 31: Kalihi Valley Homes - Phase 4A, 22 units under modernization. Notice to Proceed issued with construction to begin October 26, 2009. Construction period is 12 months. 5 units with roof leaks to be repaired by CMS. 20 units to be repaired by AMP and Central Maintenance (CM).
- AMP 35: Kalanihuia - 43 Vacant units; 3 are deprogrammed, 4 are available and 36 to be renovated by AMP. Manager does not want the assistance of CMS or CM to complete these units.
- AMP 37:
 - Lanakila Homes - 8 vacant units being held for relocation for fair housing modifications. Pre-bid meeting scheduled for November 17, 2009. Sixty-four other units are vacant pending demolition. Six other units are rent ready and rent up is in progress. AMP is repairing the remaining 3 vacant units.
 - Pomaikai - 8 units vacant pending modernization. CMS is procuring design consultant.
 - Hale Aloha O Puna - 2 units vacant pending modernization. CMS procuring design consultant.
- AMP 39: Maui – Projected ready dates for the 55 units under modernization:

November 1, 2009	6
November 15, 2009	10
December 1, 2009	6
December 15, 2009	2
January 1, 2010	31

11 units to be repaired by AMP see attached schedule of repair.
- AMP 40: Kuhio ParK Terrace – 24 CMS units due to roof leaks and sewer repairs.

- AMP 44: Leeward – 2 units were leased, of the 40 remaining vacants, 13 are assigned to CMS and 27 will be fixed by AMP. See vacant unit schedule.
- AMP 46: Kamuela – 6 units are being held for relocation due to site modernization. 11 Units to be fixed by AMP.
- AMP 49: Central Oahu – Of the 19 vacancies 12 are assigned to CMS. 7 vacants will be repaired by the AMP staff. See schedule.
- AMP 50: Palolo - Hazmat abatement needed for lead based paint and asbestos
- Applications: In order to meet the new goal of 50 applicants in the waitlist pool for every geographic area, the applications office sent out 270 contact letters in October 2009. 187 applicants responded to the contact letter. Of the 187 applicants, 98 were determined to be eligible and are currently being screened for placement. The remaining 89 were determined to be ineligible for the preference listed on the original application. For the 83 applicants who did not respond to the contact letter, their applications have been cancelled due to no response. Four offers of housing were refused in October 2009. Four families refused the apartment they were offered, after they were screened and all documentation and calculations were completed. Reasons for the refusals were due to the project location or due to lack of funds. Applicants who refuse the unit offers are cancelled and removed from all waiting lists.

C. Rent Collection October 2009

AMP	Non Vacated Delinquencies			
	Count of Families	30-90 Days	Count of Families	Over 90 Days
30 Aiea	48	18,222.38	3	1,773.00
31 KVH	46	18,811.26	12	20,112.92
32 MWH	26	14,815.99	6	12,545.99
33 Kam/Kaahumanu	27	12,252.53	11	32,278.93
34 Kalakaua	5	3,818.69	0	0.00
35 Kalanihuia	30	9,517.22	12	21,623.94
37 Hilo	24	7,001.88	12	9,596.85
38 Kauai	24	13,892.04	17	13,606.38
39 Maui	13	7,785.24	7	19,490.80
40 KPT	170	77,540.11	38	53,492.03
43 Kona	22	13,462.40	6	7,986.00
44 Leeward Oahu	57	27,290.23	49	84,793.34
45 Windward Oahu	26	18,178.94	13	16,412.80
46 Kamuela	24	12,467.63	16	35,658.32
49 Central Oahu	20	9,228.81	6	3,957.02
50 Palolo	8	5,440.00	7	12,927.41
Total	570	\$ 269,725.35	215	\$ 346,255.73

During the month of October 2009, there were 15 evictions and 32 families were referred for eviction. Of the 32 families referred for eviction, 26 families were referred for rent and 6 were for non-rent violations. (37 referred in September 2009, 27 referred in August 2009, 25 referred for eviction in July and 34 families were referred in June 2009)

AMP 46: Kamuela - Four families are scheduled for eviction hearings for rent on November 13, 2009 representing \$1,521 in monthly rent. Two other tenants are on payment plans representing \$823 in monthly rent. Six households represent \$2,344 of the \$2,673 monthly delinquency

D. Goals

- Implement New Uniform House Rules – Draft complete
- Implement Tenant Monitor Program – Revision to ACOP required before implementation
- Update Maintenance Charge List – February 2010
- Update Maintenance Labor Rate – 30 day notice to be sent in December 2009 rent insert. Public hearings held for comment and implementation projected by March 2010.
- Update Property Management Manual – Draft complete.
- Implement general ledger reporting requirements – January 2010

E. Updates from previous Board Meetings

- See testimony follow up chart.
- See vacancy information in Section B.

F. Property Sales

- Sale of Wilikina Apartments –Comments on Purchase and Sale Agreement received from Attorney General's Office on November 2, 2009 and forwarded to HPHA's consultant for review.
- Sale of Banyan Street Manor – Letter of Intent executed. Purchase and Sale Agreement from buyer is being reviewed by HPHA and Attorney General's Office.
- Sale of Hana vacant parcel –Sales agreement (counter offer) which includes required contingencies because of the requirement that the sale must be approved by the legislature was transmitted to broker on October 12, 2009.

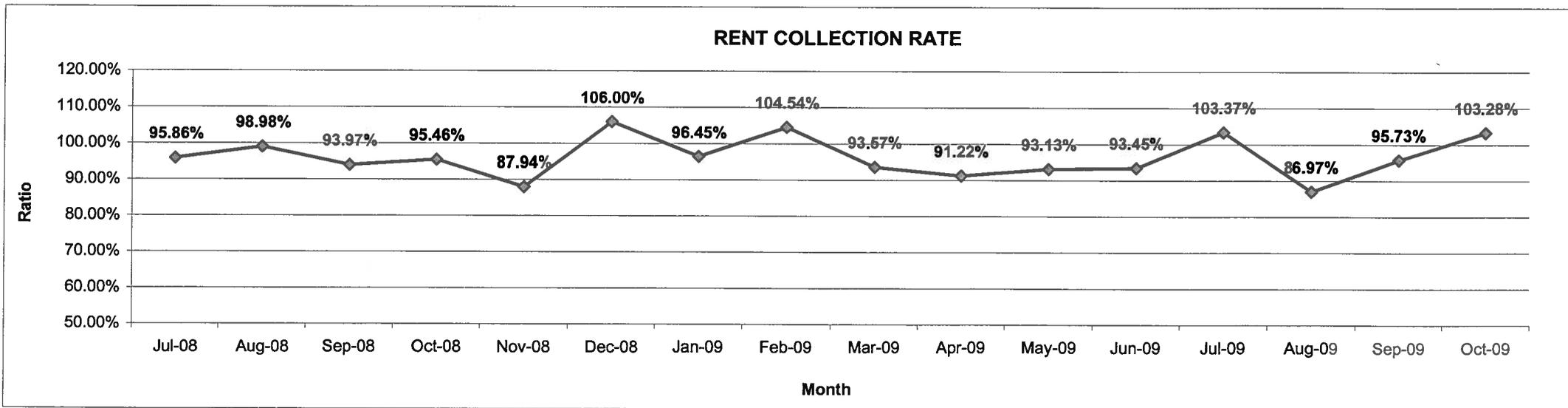
FEDERAL PUBLIC HOUSING

Rent Collection from July 2008 to October 2009

	Jul-08			Aug-08			Sep-08			Oct-08			Nov-08			Dec-08		
	Charges	Collected	Ratio															
Hawaii	\$ 116,470.00	119,587.73	102.68%	\$ 120,477.92	122,760.35	101.89%	\$ 125,439.00	118,355.06	94.35%	\$ 125,869.00	115,203.51	91.53%	\$ 131,048.00	112,866.00	86.13%	\$ 133,281.27	131,073.06	98.34%
Kauai	\$ 79,207.00	75,806.25	95.71%	\$ 79,485.00	75,502.50	94.99%	\$ 75,965.00	86,866.07	114.35%	\$ 78,673.00	80,746.73	102.64%	\$ 79,849.00	73,720.23	92.32%	\$ 80,041.00	93,170.62	116.40%
Mauai	\$ 51,024.00	43,783.00	85.81%	\$ 49,455.00	45,634.62	92.28%	\$ 48,272.00	44,387.54	91.95%	\$ 46,012.00	46,125.48	100.25%	\$ 47,977.00	39,874.31	83.11%	\$ 46,632.00	46,921.77	100.62%
Oahu	\$ 1,197,434.34	1,145,116.97	95.63%	\$ 1,197,981.61	1,188,701.58	99.23%	\$ 1,200,629.45	1,113,188.62	92.72%	\$ 1,204,135.22	1,146,555.38	95.22%	\$ 1,214,272.36	1,068,968.52	88.03%	\$ 1,221,838.55	1,299,474.08	106.35%
Total	\$ 1,444,135.34	\$ 1,384,293.95	95.86%	\$ 1,447,399.53	\$ 1,432,599.05	98.98%	\$ 1,450,305.45	\$ 1,362,797.29	93.97%	\$ 1,454,689.22	\$ 1,388,631.10	95.46%	\$ 1,473,146.36	\$ 1,295,429.06	87.94%	\$ 1,481,792.82	\$ 1,570,639.53	106.00%

	Jan-09			Feb-09			Mar-09			Apr-09			May-09			Jun-09		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 133,656.78	\$ 115,217.46	86.20%	\$ 132,995.09	\$ 153,397.87	96.73%	\$ 132,936.86	\$ 128,036.71	96.31%	\$ 131,367.63	\$ 124,493.52	94.77%	\$ 130,607.50	\$ 119,245.42	91.30%	\$ 125,699.50	\$ 116,981.70	93.06%
Kauai	\$ 83,368.00	\$ 84,101.48	100.88%	\$ 84,625.00	\$ 83,524.26	88.16%	\$ 85,116.00	\$ 81,355.63	95.58%	\$ 84,094.00	\$ 80,050.21	95.19%	\$ 82,400.00	\$ 77,912.88	94.55%	\$ 82,065.00	\$ 75,445.23	91.93%
Mauai	\$ 47,501.00	\$ 44,531.92	93.75%	\$ 46,918.00	\$ 42,249.03	75.04%	\$ 46,955.00	\$ 38,073.50	81.09%	\$ 49,002.00	\$ 49,710.83	101.45%	\$ 49,787.00	\$ 41,731.27	83.82%	\$ 49,901.00	\$ 42,621.61	85.41%
Oahu	\$ 1,225,392.10	\$ 1,193,203.47	97.37%	\$ 1,220,303.61	\$ 1,273,011.42	88.14%	\$ 1,223,417.21	\$ 1,145,321.53	93.62%	\$ 1,220,886.98	\$ 1,100,630.93	90.15%	\$ 1,220,353.50	\$ 1,142,362.65	93.61%	\$ 1,221,464.94	\$ 1,147,238.16	93.92%
Total	\$ 1,489,917.88	\$ 1,437,054.33	96.45%	\$ 1,484,841.70	\$ 1,552,182.58	104.54%	\$ 1,488,425.07	\$ 1,392,787.37	93.57%	\$ 1,485,350.61	\$ 1,354,885.49	91.22%	\$ 1,483,148.00	\$ 1,381,252.22	93.13%	\$ 1,479,130.44	\$ 1,382,286.70	93.45%

	Jul-09			Aug-09			Sep-09			Oct-09			Total 7/1/08 - 10/31/09		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 112,436.50	\$ 124,829.51	111.02%	\$ 119,391.36	\$ 108,916.51	91.23%	\$ 119,402.26	\$ 122,538.77	102.63%	\$ 120,399.00	\$ 132,027.26	109.66%	\$ 2,011,477.67	\$ 1,965,530.44	97.72%
Kauai	\$ 72,695.00	\$ 83,795.34	115.27%	\$ 73,072.00	\$ 64,423.31	88.16%	\$ 73,104.00	\$ 74,848.55	102.39%	\$ 73,842.00	\$ 76,756.23	103.95%	\$ 1,267,601.00	\$ 1,268,025.52	100.03%
Mauai	\$ 46,854.00	\$ 46,508.59	99.26%	\$ 45,267.00	\$ 37,689.39	83.26%	\$ 44,707.00	\$ 39,587.84	88.55%	\$ 42,396.00	\$ 42,742.85	100.82%	\$ 758,660.00	\$ 692,173.55	91.24%
Oahu	\$ 1,159,986.53	\$ 1,183,747.09	102.05%	\$ 1,144,388.66	\$ 990,982.65	86.59%	\$ 1,123,584.93	\$ 1,065,700.18	94.85%	\$ 1,119,356.06	\$ 1,148,918.60	102.64%	\$ 19,115,426.05	\$ 18,353,121.83	96.01%
Total	\$ 1,391,972.03	\$ 1,438,880.53	103.37%	\$ 1,382,119.02	\$ 1,202,011.86	86.97%	\$ 1,360,798.19	\$ 1,302,675.34	95.73%	\$ 1,355,993.06	\$ 1,400,444.94	103.28%	\$ 23,153,164.72	\$ 22,278,851.34	96.22%



**Federal LIPH
HPHA Island Overview Report
October 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	Families	Elderly	Transf. to LIPH-Family	Transf. to LIPH-Elderly
Hawaii	602	551	91.53%	51	7	7	7	2	1	1,437	112	3	2
Kauai	319	308	96.55%	11	0	1	0	0	0	177	58	0	0
Maui	196	130	66.33%	66	1	2	1	0	0	207	66	0	1
Oahu	4,119	3,879	94.17%	240	14	36	35	16	5	5,988	1,436	21	2
Total	5,236	4,868	92.97%	368	22	46	43	18	6	7,652	1,642	24	5

Island	Non Vacated Delinquencies***				Collection Rate 10/09		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	70	\$ 32,931.91	34	\$ 53,241.17	\$ 120,399.00	\$ 132,027.26	109.66%
Kauai	24	\$ 13,892.04	17	\$ 13,606.38	\$ 73,842.00	\$ 76,756.23	103.95%
Maui	13	\$ 7,785.24	7	\$ 19,490.80	\$ 42,396.00	\$ 42,742.85	100.82%
Oahu	463	\$ 215,116.16	157	\$ 259,917.38	\$ 1,119,356.06	\$ 1,148,918.60	102.64%
Total	570	\$ 269,725.35	215	\$ 346,255.73	\$ 1,355,993.06	\$ 1,400,444.94	103.28%

* Occupancy also counts Scheduled for Modernization Units.

** WL count does not sum up as applicants may apply on more than 1 listing.

*** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).

**Federal LIPH
HPHA Project Overview Report
October 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	362	359	99.17%	3	0	2	2	2	0	4469	0	19	0
31P-KVH	372	324	87.10%	48	0	6	5	2	1	4469	0	19	0
32P-MWH	363	355	97.80%	8	1	3	2	1	0	4469	0	19	0
33P-Kam/Kaamanu	371	369	99.46%	2	1	2	2	0	0	4469	0	19	0
34P-Kalakaua	581	556	95.70%	25	1	2	3	0	0	0	1392	0	1
35P-Kalanihua	584	540	92.47%	44	4	8	4	1	2	4469	1392	19	1
37P-Hilo	301	278	92.36%	23	0	3	4	1	1	581	87	2	1
38P-Kauai	319	308	96.55%	11	0	1	0	0	0	177	58	0	0
39P-Maui	196	130	66.33%	66	1	2	1	0	0	207	66	0	1
40P-KPT	738	699	94.72%	39	2	7	11	6	0	4469	0	0	0
43P-Kona	200	189	94.50%	11	5	2	2	1	0	941	34	1	1
44P-Leeward Oahu	258	216	83.72%	42	3	4	3	2	2	2079	0	1	1
45P-Windward Oahu	225	222	98.67%	3	0	0	0	0	0	1471	0	0	0
46P-Kamuela	101	84	83.17%	17	2	2	1	0	0	941	34	0	1
49P-Central Oahu	150	131	87.33%	19	2	1	1	1	0	1175	173	1	1
50P-Palolo	115	108	93.91%	7	0	1	2	1	0	4469	0	0	0
Total	5,236	4,868	92.97%	368	22	46	43	18	6	7,652	1,642	24	5

AMP	Non Vacated Delinquencies***				Collection Rate 10/09		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	48	18,222.38	3	1,773.00	\$ 145,299.00	139,062.90	95.71%
31P-KVH	46	18,811.26	12	20,112.92	\$ 90,848.00	87,801.53	96.65%
32P-MWH	26	14,815.99	6	12,545.99	\$ 101,270.96	101,482.02	100.21%
33P-Kam/Kaamanu	27	12,252.53	11	32,278.93	\$ 91,240.37	98,018.53	107.43%
34P-Kalakaua	5	3,818.69	0	0.00	\$ 128,931.18	158,732.60	123.11%
35P-Kalanihua	30	9,517.22	12	21,623.94	\$ 136,206.05	141,591.70	103.95%
37P-Hilo	24	7,001.88	12	9,596.85	\$ 62,543.00	74,571.15	119.23%
38P-Kauai	24	13,892.04	17	13,606.38	\$ 73,842.00	76,756.23	103.95%
39P-Maui	13	7,785.24	7	19,490.80	\$ 42,396.00	42,742.85	100.82%
40P-KPT	170	77,540.11	38	53,492.03	\$ 255,496.00	243,872.80	95.45%
43P-Kona	22	13,462.40	6	7,986.00	\$ 40,229.00	42,395.50	105.39%
44P-Leeward Oahu	57	27,290.23	49	84,793.34	\$ 36,949.00	37,478.67	101.43%
45P-Windward Oahu	26	18,178.94	13	16,412.80	\$ 68,767.00	71,348.82	103.75%
46P-Kamuela	24	12,467.63	16	35,658.32	\$ 17,627.00	15,060.61	85.44%
49P-Central Oahu	20	9,228.81	6	3,957.02	\$ 42,963.00	44,152.73	102.77%
50P-Palolo	8	5,440.00	7	12,927.41	\$ 21,385.50	25,376.30	118.66%
Total	570	\$ 269,725.35	215	\$ 346,255.73	\$ 1,355,993.06	\$ 1,400,444.94	103.28%

* Occupancy also counts Scheduled for Modernization Units.

** WL count does not sum up as applicants may apply on more than 1 listing.

*** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).

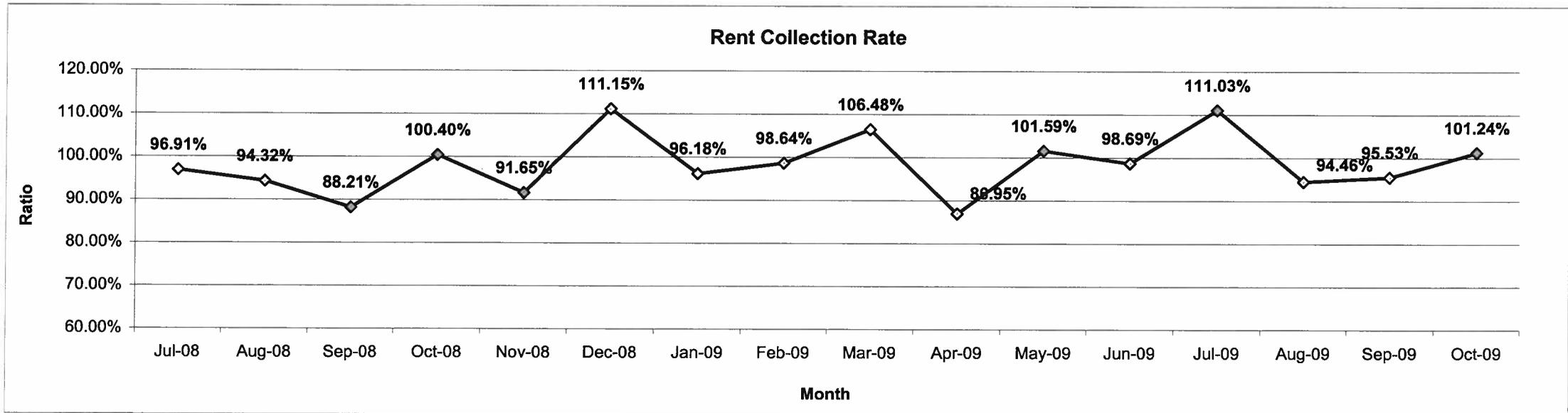
STATE PUBLIC HOUSING

Rent Collection from July 2008 to October 2009

	Jul-08			Aug-08			Sep-08			Oct-08			Nov-08			Dec-08		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio									
Hawaii	\$ 11,693.00	\$ 11,134.23	95.22%	\$ 11,028.00	\$ 8,885.00	80.57%	\$ 10,906.00	\$ 8,577.00	78.64%	\$ 10,906.00	\$ 9,454.00	86.69%	\$ 11,223.00	\$ 7,705.00	68.65%	\$ 11,620.00	\$ 9,200.00	79.17%
Kauai	\$ 5,861.00	\$ 5,247.05	89.52%	\$ 6,313.00	\$ 6,024.95	95.44%	\$ 6,444.00	\$ 5,153.00	79.97%	\$ 6,279.00	\$ 6,063.00	96.56%	\$ 6,854.00	\$ 5,551.00	80.99%	\$ 6,859.00	\$ 7,557.00	110.18%
Maui	\$ 4,477.00	\$ 3,571.00	79.76%	\$ 4,508.00	\$ 3,876.94	86.00%	\$ 4,556.00	\$ 4,686.00	102.85%	\$ 4,380.00	\$ 2,722.00	62.15%	\$ 4,304.00	\$ 2,955.00	68.66%	\$ 4,203.00	\$ 3,124.00	74.33%
Oahu	\$ 210,603.00	\$ 205,492.82	97.57%	\$ 210,679.00	\$ 200,544.75	95.19%	\$ 213,530.00	\$ 189,272.21	88.64%	\$ 213,586.00	\$ 217,855.10	102.00%	\$ 214,258.00	\$ 200,666.89	93.66%	\$ 214,175.00	\$ 243,383.29	113.64%
Total	\$ 232,634.00	\$ 225,445.10	96.91%	\$ 232,528.00	\$ 219,331.64	94.32%	\$ 235,436.00	\$ 207,688.21	88.21%	\$ 235,151.00	\$ 236,094.10	100.40%	\$ 236,639.00	\$ 216,877.89	91.65%	\$ 236,857.00	\$ 263,264.29	111.15%

	Jan-09			Feb-09			Mar-09			Apr-09			May-09			Jun-09		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 11,429.00	\$ 8,152.00	71.33%	\$ 11,432.00	\$ 12,855.98	101.97%	\$ 11,266.00	\$ 9,539.04	84.67%	\$ 11,228.00	\$ 9,921.35	88.36%	\$ 10,637.00	\$ 10,317.00	96.99%	\$ 9,164.00	\$ 8,930.00	97.45%
Kauai	\$ 6,290.00	\$ 5,416.00	86.10%	\$ 6,334.00	\$ 6,130.00	76.68%	\$ 6,086.00	\$ 6,270.07	103.02%	\$ 6,102.00	\$ 5,516.00	90.40%	\$ 6,593.00	\$ 5,798.00	87.94%	\$ 6,687.00	\$ 7,217.00	107.93%
Maui	\$ 4,316.00	\$ 4,139.00	95.90%	\$ 4,409.00	\$ 3,845.00	87.21%	\$ 4,122.00	\$ 4,470.00	108.44%	\$ 4,766.00	\$ 4,547.00	95.40%	\$ 4,807.00	\$ 4,692.00	97.61%	\$ 4,806.00	\$ 4,752.00	98.88%
Oahu	\$ 218,982.00	\$ 214,103.49	97.77%	\$ 221,386.00	\$ 217,408.54	84.84%	\$ 221,295.00	\$ 238,215.48	107.65%	\$ 223,606.00	\$ 193,663.83	86.61%	\$ 222,008.00	\$ 227,110.62	102.30%	\$ 223,648.00	\$ 220,206.96	98.46%
Total	\$ 241,017.00	\$ 231,810.49	96.18%	\$ 243,561.00	\$ 240,239.52	98.64%	\$ 242,769.00	\$ 258,494.59	106.48%	\$ 245,702.00	\$ 213,648.18	86.95%	\$ 244,045.00	\$ 247,917.62	101.59%	\$ 244,305.00	\$ 241,105.96	98.69%

	Jul-09			Aug-09			Sep-09			Oct-09			Total 7/1/08 - 10/31/09		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 8,735.00	\$ 10,126.00	115.92%	\$ 8,258.00	\$ 8,068.00	97.70%	\$ 8,393.00	\$ 8,211.00	97.83%	\$ 8,335.00	\$ 7,322.50	87.85%	\$ 166,253.00	\$ 148,398.10	89.26%
Kauai	\$ 6,755.00	\$ 5,955.63	88.17%	\$ 6,442.00	\$ 6,505.00	100.98%	\$ 5,330.00	\$ 4,510.00	84.62%	\$ 5,335.00	\$ 3,896.00	73.03%	\$ 100,564.00	\$ 92,809.70	92.29%
Maui	\$ 4,806.00	\$ 5,626.00	117.06%	\$ 5,669.00	\$ 4,471.00	78.87%	\$ 5,669.00	\$ 4,302.00	75.89%	\$ 5,897.00	\$ 4,221.00	71.58%	\$ 75,695.00	\$ 65,999.94	87.19%
Oahu	\$ 226,464.00	\$ 252,266.11	111.39%	\$ 227,378.00	\$ 214,966.10	94.54%	\$ 226,964.00	\$ 218,326.72	96.19%	\$ 227,844.00	\$ 235,042.29	103.16%	\$ 3,516,406.00	\$ 3,488,525.20	99.21%
Total	\$ 246,760.00	\$ 273,973.74	111.03%	\$ 247,747.00	\$ 234,010.10	94.46%	\$ 246,356.00	\$ 235,349.72	95.53%	\$ 247,411.00	\$ 250,481.79	101.24%	\$ 3,858,918.00	\$ 3,795,732.94	98.36%



**State LIPH
HPHA Island Overview Report
October 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	25	44.64%	31	2	0	1	1	0	1,326	0	0	0
Kauai	26	25	96.15%	1	0	0	0	0	0	85	0	0	0
Maui	32	27	84.38%	5	0	0	0	0	0	47	0	0	0
Oahu	750	723	96.40%	27	6	1	7	1	0	5,158	509	1	5
Total	864	800	92.59%	64	8	1	8	2	0	6,534	509	1	5

Island	Non Vacated Delinquencies***				Collection Rate 10/09		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	9	\$ 2,635.41	9	\$ 17,452.17	\$ 8,335.00	\$ 7,322.50	87.85%
Kauai	5	\$ 2,113.93	3	\$ 1,088.46	\$ 5,335.00	\$ 3,896.00	73.03%
Maui	8	\$ 1,977.00	17	\$ 20,252.37	\$ 5,897.00	\$ 4,221.00	71.58%
Oahu	43	\$ 25,464.50	63	\$ 331,008.77	\$ 227,844.00	\$ 235,042.29	103.16%
Total	65	\$ 32,190.84	92	\$ 369,801.77	\$ 247,411.00	\$ 250,481.79	101.24%

* Occupancy also counts Scheduled for Modernization Units.

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**State LIPH
HPHA Project Overview Report
October 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	45	97.83%	1	0	0	1	0	0	5083	0	1	0
2202-Puahala Homes	128	108	84.38%	20	4	1	0	0	0	224	0	0	0
2204-Kawailehua	26	25	96.15%	1	0	0	0	0	0	85	0	0	0
2205-Kahale Mua	32	27	84.38%	5	0	0	0	0	0	47	0	0	0
2206-Lokahi	30	14	46.67%	16	0	0	1	1	0	706	0	0	0
2207-Ke Kumu Elua	26	11	42.31%	15	2	0	0	0	0	684	0	0	0
2401-Hale Po'ai	206	204	99.03%	2	0	0	3	1	0	0	318	0	3
2402-La'iola	108	107	99.07%	1	0	0	0	0	0	0	90	0	0
2403-Kamalu-Ho'olulu	221	220	99.55%	1	1	0	2	0	0	0	138	0	2
2404-Halia Hale	41	39	95.12%	2	1	0	1	0	0	0	138	0	0
Total	864	800	92.59%	64	8	1	8	2	0	6,534	509	1	5

Island	Non Vacated Delinquencies***				Collection Rate 10/09		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	10	\$ 8,229.50	17	\$ 140,669.64	\$ 19,787.00	21,642.61	109.38%
2202-Puahala Homes	24	\$ 14,108.00	32	\$ 184,918.21	\$ 41,604.00	43,392.68	104.30%
2204-Kawailehua	5	\$ 2,113.93	3	\$ 1,088.46	\$ 5,335.00	3,896.00	73.03%
2205-Kahale Mua	8	\$ 1,977.00	17	\$ 20,252.37	\$ 5,897.00	4,221.00	71.58%
2206-Lokahi	4	\$ 1,457.11	2	\$ 12,591.50	\$ 5,947.00	5,662.50	95.22%
2207-Ke Kumu Elua	5	\$ 1,178.30	7	\$ 4,860.67	\$ 2,388.00	1,660.00	69.51%
2401-Hale Po'ai	0	\$ -	5	\$ 2,284.00	\$ 57,906.00	63,823.00	110.22%
2402-La'iola	2	\$ 376.00	7	\$ 1,986.52	\$ 33,540.00	31,795.00	94.80%
2403-Kamalu-Ho'olulu	4	\$ 1,841.00	1	\$ 4.40	\$ 63,353.00	62,151.00	98.10%
2404-Halia Hale	3	\$ 910.00	1	\$ 1,146.00	\$ 11,654.00	12,238.00	105.01%
Total	65	\$ 32,190.84	92	\$ 369,801.77	\$ 247,411.00	\$ 250,481.79	101.24%

* Occupancy also counts Scheduled for Modernization Units.

** WL count does not sum up as applicants may apply on more than 1 listing.

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FISCAL YEAR 2009-2010 UNIT TURNOVER REPORT AS OF OCTOBER 2009

	VACANT UNITS as of 10/31/09	TOTAL REPAIRED AND OCCUPIED 10/09	TOTAL READY MOVE IN 10/09	TOTAL TO BE REPAIRED					
	397	59	40	357					
Vacant Units as of 10/31/09	Current Vacant Units	Placements Oct-09	Rent Ready Units	Total Units Under Repair	Repair Nov-09	Repair Dec-09	Repair Jan-10	Future CMS	Future AMP
30 Aiea	3	3	0	3	2	1	0	0	0
31 KVH	47	6	0	47	5	5	5	27	5
32 MWH	8	2	1	7	2	0	0	5	0
33 Kamehameha/Kaahumanu	2	2	0	2	2	0	0	0	0
34 Kalakaua	25	3	1	24	4	4	3	13	0
35 Kalanihua	41	4	4	37	2	2	4	0	29
37 Hilo	27	4	6	21	2	1	0	18	0
38 Kauai	9	0	0	9	1	2	2	4	0
39 Maui	66	1	1	65	2	2	3	55	3
40 KPT	35	11	2	33	4	4	1	24	0
43 Kona	9	2	5	4	2	0	0	2	0
44 Leeward Oahu	38	5	2	36	4	4	6	13	9
45 Windward Oahu	3	1	0	3	1	1	0	1	0
46 Kamuela	17	1	11	6	1	1	0	4	0
49 Central Oahu	18	1	1	17	3	2	0	12	0
50 Palolo	7	2	0	7	0	0	0	0	7
State Family	40	1	6	34	3	5	6	20	0
State Elderly	2	10	0	2	2	0	0	0	0
Total	397	59	40	357	= 42	+34	+30	+198	+53

**CENTRAL MAINTENANCE VACANT UNIT REPORT
JULY 2009 - OCTOBER 2009**

AMP	PROJECT	UNIT	NO. OF EMPLOYEE	DATE COMPLETED	BRIEF SCOPE OF WORK
31	Kalihi Valley Homes	14F	3	9/22/2009	Painting: Paint interior and exterior (including grafitti) of the entire unit also touch ups. Janitorial: took apart toilet seats, brackets etc., scrub and put back, wax and strip, remove fixture covers, scrub and hardwares plot back, clean ice box, toilet, sink (bathroom and kitchen), and shower. Maintenance: install brackets, rods-make and install window screens, sliding screen, roller screen front, pending front screen lock ice box bracket, drill holes for brackets and install, install door knobs, cove base, door handle-gasket ice box make screen prime and screens, and intall alarm striker plate screen roller.
					Plumbing: remove p-trap and clean, put back new slip nuts with gaskets and tape up and downstairs.
					Plumbing: replace lavatory faucet (leaking). Maintenance: fabricate window screens, reinstall all light switch & electrical outlet covers, replace light bulbs as needed, install window molding, replace stove burners & drip pans replace ice box door gasket and replace cove base as needed repair screen door.
		16F	4	10/8/2009	Painting: remove all hardware from walls, prep and spot prime unit, paint entire unit, paint exterior, also prep and paint cabinets. Janitorial: clean windows-clean interior stairs, clean all bathroom hardware clean all light switch and electrical outlet covers, clean bathrooms, clean entire kitchen cabinets, clean bathrooms sweep, mop, strip and wax entire unit.
		25A	4	10/13/2009	Painting: touch up unit and paint kitchen cabinets. Janitorial: clean windows and frames, clean cabinets, bathrooms, sweep, strip and wax floor. Maintenance: replace screens-door and windows, window roller (2), lock-sash pin door stopper. Plumbing: replace laundry tray stem and handle, auger sink & tub, replace joint washen.
	Hauiki Homes	1668	7	10/05/2009	Maintenance, Painting, Janitorial and Plumbing: Prep walls, caulk holes as needed and paint entire unit paint front exterior, clean kitchen counter and cabinet, oven, all Jal window, toilet & bath, strip floor and wax, replace hose bibs, ballcock and flapper. Remove laundry trays faucet, pick up by pass valves, scope job pick up parts, remove old valve and install new valves. For maintenance, cut front screen door to fit, replace wire mesh and screen, change operation for jalousie with clips and rivet, jalousie frame, install ent locks (2), curtain rod bracket install plywood under kitchen with molding around.
	(In process)	29E			Maintenance, Painting, Janitorial and Plumbing.
34	Paoakalani	1028	9	7/2/2009	Truck driver and General Laborers were working on road paving,
					repair and paint ceiling, re-install bathroom hardwares, install
					floor tiles, light fixtures, replace and remove shower head, reset toilet, clean the entire unit, stripped and wax floor and cove base.

**CENTRAL MAINTENANCE VACANT UNIT REPORT
JULY 2009 - OCTOBER 2009**

<u>AMP</u>	<u>PROJECT</u>	<u>UNIT</u>	<u>NO. OF EMPLOYEE</u>	<u>DATE COMPLETED</u>	<u>BRIEF SCOPE OF WORK</u>
37	Lanakila Homes I	18C	6	7/9/2009	Painting, Maintenance, Janitorial and Plumbing.
	Lanakila Homes IV	26B	2	7/9/2009	Painting, Maintenance, Janitorial and Plumbing.
		28A	2	7/10/2009	Painting, Maintenance, Janitorial and Plumbing.
		29C	1	7/9/2009	Painting, Maintenance, Janitorial and Plumbing.
	Kauhale O'Hanakahi	A2204	2	7/10/2009	Painting, Maintenance, Janitorial and Plumbing.
		A4403	1	7/10/2009	Painting, Maintenance, Janitorial and Plumbing.
	Punahale Homes	124R	1	7/10/2009	Painting, Maintenance, Janitorial and Plumbing.
44	Maili I	18	18	8/03/2009	Clean, prep and paint entire units
	Maili II	1	1	8/18/2009	Vacant janitorial and painting, cleaning and remove rubbish in units
		5	5	7/20/2009	Vacant janitorial and painting, cleaning and remove rubbish in units
	Nanakuli Homes	4	5	7/30/2009	Painting and Janitorial
		22	3	7/30/2009	Janitorial: clean out bulky rubbish and painting entire unit
	(In process)	19			Painting, Maintenance, Carpentry, Plumbing and Welding (Railings)
	Waimaha-Sunflower	306	4	8/17/2009	Patch wall and paint vacant unit
		B125	3	10/16/2009	Patch wall and paint vacant unit
	Kau'iokalani	403	4	10/8/2009	Prep, prime, paint whole unit and cleaning
		703	4	9/23/2009	Prep, prime, paint whole unit and cleaning
		1001	3	9/16/2009	Prep, prime, paint whole unit and cleaning
Total Vacant Units		24	(2 Units in process)		(22 Completed Units)

Elevator Repair Report: Hawaii Public Housing Authority Elevators reported as of 11/2/09

Name	Type	Elevator No.	Repair	No. and duration of Repairs to Elevator for month of Oct			No. and duration of Repairs to Elevator between 7/1/07 to 10/31/09			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		5			41	4	2			\$ 116,940.17
		2		3			59	7	2			\$ 70,416.51
		3					3					\$ 2,936.71
Kuhio Park Terrace B	Family	4	Parts used to repair #5	Cannot be repaired.					1	06/29/07	Cannot be repaired.	
		5		4			33	1	2			\$ 141,465.94
		6					47					\$ 9,132.64
Paoakalani	Elderly	1					11					\$ 1,100.00
		2					1		1			\$ 17,038.90
Kalakaua Home	Elderly	1					17	1	1			\$ 137.50
		2					13	1				\$ 14,538.60
Ho'olulu Elderly	Elderly	1							1			\$ 12,140.20
		2					3					
Kalanihua	Elderly	1		3			40	1	1			\$ 27,763.75
		2		3			22					\$ 275.00
Kamalu Elderly	Elderly	1					6	2	1			\$ 9,467.50
		2					4					\$ 137.50
Makamae	Elderly	1					5		1			\$ 2,722.51
		2					2					\$ 893.74
Makua Alii	Elderly	1					21	2	1			\$ 137.50
		2		1			11					
Punchbowl Homes	Elderly	1					13	2				\$ 23,350.78
		2		1			7	1	1			\$ 275.00
Banyan St Manor	Family	1					5					\$ 20,692.75
Hale Poai	Elderly	1					12	2				\$ 206.00
		2		2			13					\$ 329.80
Halia Hale	Elderly	1					4					\$ 3,460.52
Kulaokahua	Homeless	1		1			11					\$ 378.75
Laiola	Elderly	1					2					\$ 412.00
		2					4					
Pumehana	Elderly	1		1			12	2				\$ 17,726.24
		2		1			9					\$ 240.63
Salt Lake Apts	Family	1					5					\$ 23,350.78
Wilikina Apts	Family	1					8	1				\$ 3,323.02
		2					10					\$ 17,038.90
Total		34		25	0	0	454	27	15			
Total Cost for Repairs to date											\$ 538,029.84	

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 11/2/09

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	Six elevators funded w/ FY08 Elevator CIP	Sep-07	Nov-09	Nov-10		
		2	1964	44							Sep-07	May-10	May-11		
		3	1981	27							Sep-07	Apr-09	May-10		
Kuhio Park Terrace B	Family	4	1964	44	298	16	3				Parts for elevators 3 & 4 to be delivered on site on 11/18/09		Sep-07	Apr-09	May-10
		5	1964	44									Sep-07	Nov-09	Nov-10
		6	1981	27									Sep-07	May-10	Jun-11
Kalanihua	Elderly	1	1968	40	151	15	2		\$900,000	To be funded w/ FY09 Elevator CIP			Aug-08	Mar-10	Aug-10
		2	1968	40									Aug-08	Aug-10	Dec-10
Pumehana	Elderly	1	1972	36	139	21	2		\$760,000	To be funded w/ FY09 Elevator CIP			Aug-08	Mar-10	Aug-10
		2	1972	36							Aug-08	Aug-10	Dec-10		
Kalakaua Home	Elderly	1	1983	25	221	10	2		\$900,000	To be funded w/ FY09 Elevator CIP	Aug-08	Jul-12	Sep-12		
		2	1983	25							Aug-08	Oct-12	Dec-12		
Paoakalani	Elderly	1	1970	38	151	17	2		\$780,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Dec-11		
		2	1970	38							Aug-08	Dec-11	Apr-12		
Makua Alii	Elderly	1	1967	41	211	20	2		\$900,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Dec-11		
		2	1967	41							Aug-08	Dec-11	Apr-12		
Makamae	Elderly	1	1971	37	124	4	2		\$350,000	To be funded w/ FY09 Elevator CIP	Aug-08	Jul-12	Sep-12		
		2	1971	37							Aug-08	Oct-12	Dec-12		
Punchbowl Homes	Elderly	1	1961	47	144	7	2		\$700,000	To be funded w/ FY09 Elevator CIP	Aug-08	Dec-10	Apr-11		
		2	1961	47							Aug-08	Apr-11	Jul-11		

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Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 11/2/09

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					
Wilikina Apts	Family	1	1977	31	119	9	2		\$700,000	To be funded w/ Wilikina Funds	Aug-08	Apr-12	Aug-12
		2	1977	31							Aug-08	Aug-12	Nov-12
Salt Lake Apts	Family	1	1970	38	28	8	1		\$450,000	To be funded w/ FY09 Elevator CIP			
Hale Poi	Elderly	1	1989	19	206	7		2	\$320,000				
		2	1989	19									
Halia Hale	Elderly	1	1995	13	41	5		1	\$255,000				
Laiola	Elderly	1	1991	17	108	6		2	\$220,000				
		2	1991	17									
Kulaokahua	Homeless	1	1992	16	30	3		1	\$60,000	Full Modernization not required, only installation of safety related items. Funding dependent on bids for major modernization listed above.			
Ho'olulu Elderly	Elderly	1	1994	14	112	7		2	\$245,000				
		2	1994	14									
Kamalu Elderly	Elderly	1	1993	15	109	7		2	\$240,000				
		2	1993	15									
Banyan St Manor	Family	1	1977	31	55	3							
	TOTAL	34			2,518	181	23	10	\$11,932,919				

Average age of elevators

31

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RESULTS OF EVICTION REFERRALS

	REFERRALS		RESULT OF EVICTION REFERRAL						
	TOTAL	REASON FOR REFERRAL	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed	
		Rent	Other						
FY 2008	145	108	37	56	39	18	5	37	108

Fiscal Year 2009

	REFERRALS		RESULT OF EVICTION REFERRAL						
	TOTAL	REASON FOR REFERRAL	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed	
MONTH		Rent	Other						
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
Feb 09	39	32	7	16	13	0	0	10	29
March 09	31	27	4	12	11	3	0	5	26
Apr 09	31	29	2	14	9	0	0	8	23
May 09	22	18	4	7	6	0	4	5	17
June 09	30	28	2	12	9	0	0	9	21
TOTALS	232	194	38	94	63	5	11	59	173

Fiscal Year 2010

	REFERRALS		RESULT OF EVICTION REFERRAL						
	TOTAL	REASON FOR REFERRAL	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed	
MONTH		Rent	Other						
July 09	27	24	3	8	7	0	0	12	15
Aug 09	22	18	4	8	11	0	1	2	20
Sept 09	37	35	2	19	11	1	0	6	31
Oct 09	32	26	6	15	8	1	2	6	26
TOTALS	118	103	15	50	37	2	3	26	92

**Total # of Cases Heard for the Month of October 2009: 32
(Oahu & Neighbor Island)**

Decisions Rendered:	Rent Violations	Other Violations
Eviction	12	3
Evict w/cond	7	1
10-day cure	0	1
Dismissal	1	1
Continued	6	0
TOTAL:	26	6

Delinquent balances for rent cases ordered evicted for month of October 2009:

AMP 35 Punchbowl	\$ 1,382.82
AMP 40 Kuhio Park Terrace	\$ 9,346.68
AMP 43 Kealakehe(Kona)	\$ 4,179.00
AMP 44 Waimaha Sunflower	\$ 15,759.19
AMP 49 Wahiawa Terrace	\$ 2,326.86
Total:	\$ 32,994.55

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

Solicitations Issued in October 2009:

Solicitation No.	Title	Due Date
RFI-HPB-2009-28	Continuum of Care Notice of Funding Availability for the Counties of Kauai, Maui, and Hawaii	October 15, 2009

Contracts Executed in October 2009:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
ASO 09-02	Express Services International dba Express Employment Professionals Accounting Services to Assist the Fiscal Management Officer October 23, 2009 to October 22, 2010		\$303,631.36
CMS 09-18	Architects Hawaii, Ltd. Design & Consulting Services for Re-Roofing, Exterior Painting, Exterior Repairs, Site Improvements and ADA Accessibility Compliance Kalakaua Homes (AMP 34) October 13, 2009 to October 12, 2011		\$465,303.00
CMS 09-19	Heartwood Pacific LLC Construction Services for the Abatement and Interior Renovation of Bldgs. 1 to 15 and Related Site Work Lokahi (AMP 37) October 22, 2009 to October 21, 2010		\$2,783,408.00
HPB 09-60	Hybrid International LLC Support and Maintenance Services of the Homeless Management Information System Supportive Housing Program November 1, 2009 to October 31, 2010		\$27,520.00
HPB 09-34-SA01	Kahikolu Ohana Hale O Waianae Supportive Services under the State Homeless Stipend Program Kahikolu Ohana Hale O Waianae – Transitional Shelter November 1, 2009 to January 31, 2010	\$122,655.00	\$245,300.00
PMB 09-06	Housing Authority of the City of Bremerton Section 8 Performance Based Contract Administration November 1, 2009 to October 31, 2010		Est. \$1,200,000.00

Section 8 Subsidy Programs Branch
 Program Report
 As of October 31, 2009

Federal Housing Choice Voucher (Section 8) Program

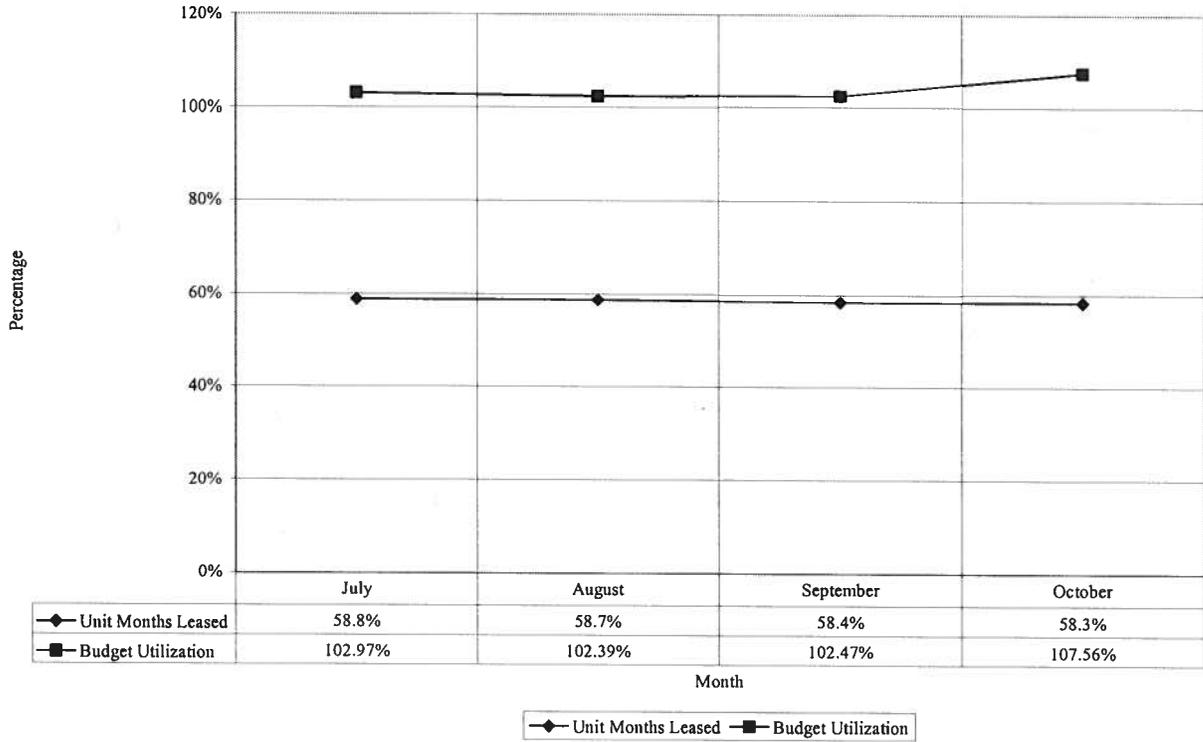
2010 Fiscal Year Report (Cumulative Trend)

- The Housing Assistance Payments (HAP) unadjusted average annual budget utilization is 107.56% of the total annual allocated budget of \$18,741,816 or \$1,561,818 per month.
- For FY 2010, unadjusted average monthly voucher lease up is 1,784 or 58.30% of the total 3,058 baseline vouchers; 1,820 participants were assisted during the month. Administrative fees are earned for each participant that leased up on the first of the month. The low number of vouchers utilized is because of high rents in Hawaii. Therefore, it is unlikely Hawaii will ever utilize all vouchers because the limiting factor is the funding provided.
- October 2009 subsidy payments show a 5% monthly increase in subsidy expenditures from the previous month due in part to an increase in rent adjustments and more transfers to new units.

Monthly Report (Monthly Snapshots)

Current average budget utilization is **107.56%**. HPHA should attain 15 points for Indicator 13 in SEMAP.

FY 2010 Section 8 Budget Utilization and Unit Months Leased

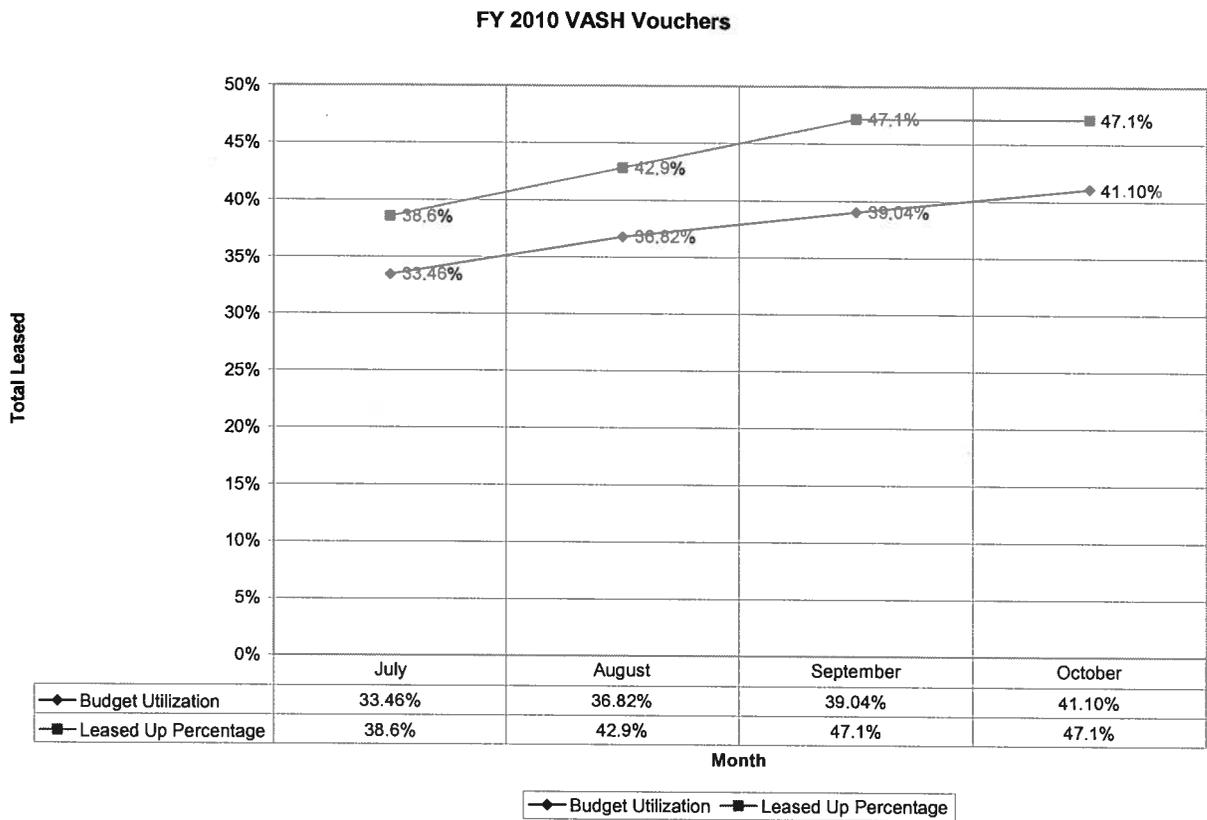


- The monthly average per unit cost subsidy is \$954.00 per month. The amount reflects the difference between what the family pays towards rent and the approved payment standard. Payment standards vary among bedroom sizes.
- No new Housing Choice Vouchers were issued for October 2009 due to an effort to curb over-utilization of funds. The total FY 2010 of new HCV issuances is 0.
- The Department of Housing and Urban Development, Financial Management Center has allotted the HAP budget authority for CY 2009. As of 10/31/09 the branch is operating at 107.56% of the budget authority. The branch will concentrate its efforts in bringing this rate down to between 95% and 98% to ensure that the program is sustainable by the allotted amount. The branch will closely monitor the attrition rate, suspend voucher issuance, and to limit new placements. The branch has begun to administer all incoming portable vouchers effective May 14, 2009.

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

- HPHA was awarded 70 Veterans Affairs Supportive Housing (VASH) Vouchers to assist Veterans with housing assistance. HPHA was also awarded 35 additional VASH vouchers in August 2009.
- Eligible applicants under this program are referred to HPHA from the Department of Veteran Affairs.
- For the month of October 2009, a total of 44 vouchers were issued. To date, a total of 36 veteran families are leased up under VASH assistance.
- VASH voucher holders reside on Oahu, Maui and Kauai.

Monthly VASH Report (Monthly Snapshots)

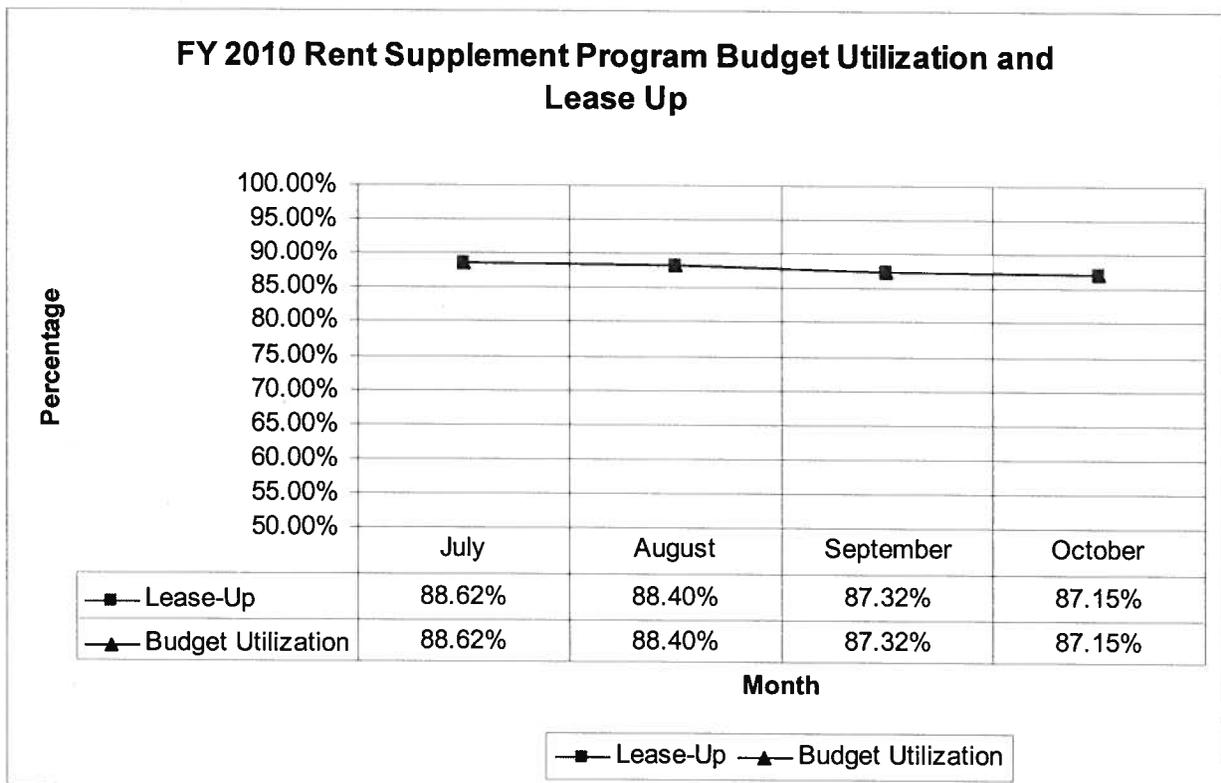


State Rent Supplement Program

2010 Fiscal Year Report (Cumulative Trend)

- For FY 2010, unadjusted average monthly lease up is 342 families or 87.15% of the total 392 possible families when based on the average subsidy payments.
- The Rent Supplement unadjusted average annual budget utilization is 87.87% of the total annual allocated budget of \$924,720 or \$77,060 per month.
- The monthly average per unit cost subsidy is \$196.00 per month. The amount reflects the difference between what the family pays towards rent and the maximum subsidy amount of \$230.00 per month.
- October 2009 Rent Supplement Subsidy payments show a 0.9% monthly decrease from the previous month (\$67,001 in September to \$66,380 in October) because of a decrease in assistance per family. Per unit cost decreased to \$196.00.
- The values for previous reports may not be the same as the current report due to retroactive adjustments in lease up and subsidy payments.

Monthly Report (Monthly Snapshots)



HOMELESS PROGRAMS BRANCH

November 19, 2009

I. ACCOMPLISHMENTS

A. Shelter Occupancy Report

Information from this report is updated weekly and available on line at www.homeless.hpha.hawaii.gov This report identifies the number of people served in September. October information is updated on November 15th. The wait list information is effective as of October 31, 2009, because of the internal deadline for Board items.

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

The number reflects those served during the month, hence transitions out of the shelter and new tenants are reflected which could produce a number in excess of the number of units/beds in the inventory.

Shelter Name(s)	Total Number of units	Total # of People Served	Wait List
*Weinberg Village Waimanalo (Waimanalo, Oahu) Family Shelter	30 units	0 singles 30 families 127 total indiv.	(151 individuals) 42 families
*Nakolea (McCully, Oahu) Working singles	64 units	68 singles 68 total indiv.	4 single
*Kulaokahua (Makiki, Oahu) Trans. shelter for single seniors	29 units	31 single 31 total indiv.	42 singles
*Next Step Shelter (Kakaako, Oahu) Emergency shelter for singles & families	160 units	162 singles 24 families 251 total indiv.	n/a
Puahala – H5 (Kalihi, Oahu) Transitional shelter for families	14 units	2 singles 12 families 51 total indiv.	n/a
*Onelau'ena (Kalaeloa, Oahu) Emergency shelter for singles & families	56 units 4 dorms	19 singles 24 families 115 total indiv.	274 singles 132 families
*Onemalu (Kalaeloa, Oahu) Transitional shelter for singles & families	46 units	15 singles 25 families 132 total indiv.	126 singles 42 families
*Hale Ulu Pono (Kalaeloa, Oahu) Transitional shelter for singles w/mental illness	26 beds	27 singles 27 total indiv.	35 singles
*Paiolu Kaiaulu (Leeward Oahu) Emergency shelter for singles & families	125 units	78 singles 57 families 310 total indiv.	0
*Kumuhonua (Kalaeloa, Oahu) Transitional shelter for adults Currently taking applications	69 units	43 singles 0 families 43 total indiv.	0
*Ulu Ke Kukui (Leeward Oahu) Transitional shelter for families Currently taking applications	80 units	0 singles 79 families 332 total indiv.	0
Kawaihae (Big Island, Hawaii)	24 units	23 families	(66 individuals)

Transitional for families		107 total indiv.	13 families
Maililand (Waianae, Oahu) Transitional for families	44 units	35 families 140 total indiv.	(46 individuals) 13 families
Shelter Name(s)	Total Number of units	Total # of People Served	Wait List
Hawaii Island Home for Recovery (formerly) Faith Against Drugs (Hilo, Hawaii) Transitional for singles	19 units	19 singles 19 total indiv.	16 singles
Ho'olanani (Kahului, Maui) Emergency for singles & families	18 beds	21 singles 2 families 26 total indiv.	0
Honolulu Family Center (Oahu) Emergency for singles & Families	14 beds	1 single 3 families 10 total indiv.	511 singles 114 families
Windward Family Center (Kailua, Oahu) Emergency for singles & families	14 beds	2 family 9 total	159 singles 38 families
Gregory House (Honolulu, Oahu) Transitional for singles w/HIV	11 beds	10 singles 10 total indiv.	52 singles
Community Residential Prog.(Waipahu, Oahu) Transitional for singles	13 beds	10 singles 10 total indiv.	52 singles
TLP Young Men's Keeaumoku (Honolulu, Oahu) Transitional for young men	4 units	6 single 6 total indiv.	0
TLP Young Men's Maka'aloa (Ewa Beach, Oahu) Transitional for young men	4 units	5 single 5 total indiv.	0
TLP Young Women Apana (Ewa Beach, Oahu) Transitional for young women	6 units	4 single 4 total indiv.	0
Loliana (Honolulu, Oahu) Transitional for families	43 units	45 families 166 total indiv.	5 families
Vancouver House (Honolulu, Oahu) Transitional for students with or without families	33 units	35 families 108 total indiv.	9 families
IHS Ka'aahi Street (Honolulu, Oahu) Emergency for women & children	190 beds	160 singles 21 families 224 total indiv.	0
IHS Sumner Street (Honolulu, Oahu) Emergency for men	200 beds	225 singles 225 total indiv.	0
Kahikolu Ohana Hale O Waianae (Oahu) Transitional for singles & families	2 dorms & 72 units	8 singles 33 families 141 total indiv.	0
Mana'olana (Lihue, Kauai) Emergency for families/singles	20 beds	77 singles 8 families 114 total indiv.	0
Mana'olana (Lihue, Kauai) Transitional for families/singles	13 units	6 singles 2 families 12 total indiv.	0
Komohana Group Home (Lihue, Kauai)	6 beds	4 singles 4 total indiv.	0

Transitional for singles			
Lihue Court (Lihue, Kauai) Transitional for families	24 units	6 families 20 total indiv.	0
Shelter Name(s)	Total Number of units	Total # of People Served	Wait List
Ka Hale A Ke Ola Homeless Resource Ctr. (Wailuku, Maui) Emergency/Transitional for singles & families	72 units	61 singles 54 families 261 total indiv.	115 singles 25 families
Na Hale O Wainee Resource Center (Lahaina, Maui) Emergency/Transitional for singles & families	72 units	54 singles 30 families 150 total indiv.	10 singles 1 families
Safe Haven (Honolulu, Oahu) Transitional for singles w/mental illness	25 units	26 singles 26 total indiv.	20 singles
Beyond Shelter (Hilo, Hawaii) Transitional for singles & families	8 units	7 families 36 total indiv.	2 families
Kiheipua Emergency Shelter (Hilo, Hawaii) Emergency for singles & families	72 beds	16 singles 14 families 60 total indiv.	2 singles 3 families
Wilder House (Hilo, Hawaii) Transitional for families	1 unit	1 family 9 total indiv.	0
Kuleana House (Hilo, Hawaii) Transitional for families	1 unit	1 family 5 total indiv.	2 families
Lighthouse Outreach Center (Waipahu, Oahu) Emergency for singles & families	100 beds	56 singles 41 families 191 total indiv.	n/a
Veteran's in Progress (Kalaeloa, Oahu) Transitional for veterans	98 beds	102 singles 102 total indiv.	0
Bridge to Success (Domestic Violence)(Oahu) Transitional for woman & children	8 units	13 singles 1 family 13 total indiv.	4 families
Family House (Domestic Violence)(Oahu) Transitional for women & children	15 units	2 single 5 families 15 total indiv.	2 families
Ohana Ola O Kahumana (Waianae, Oahu) Transitional for families	48 units	52 families 194 total indiv.	35 families
TOTAL	1209 Units 779 Beds 6 Dorms	1331 singles 671 families 3909 total indiv	1677 singles 482 families

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

1. Second quarter payment requests are being processed for all 32 State stipend, outreach and grant program contracts for the first quarter of the new contract year.
2. A supplemental homeless stipend contract for Kahikolu was executed for three more months, effective November 2009 through January 2010. Hawaii Housing Finance and Development Corporation also executed a one year lease with Kahikolu.
3. The Office of Hawaiian Affairs has allocated \$500,000 to assist families at Ulu Ke Kukui with employment and self sufficiency programs as well as infant-parent, Early Head Start and Head Start preschool classes on site. The funds have been transferred to HPHA into a trust fund for inclusion in the Homeless shelter contract with Alternative Structures International.
4. Department of Human Services (DHS) Director Lillian Koller met with the Homeless Programs staff to discuss ways in which DHS can support Homeless Programs through the reduction in force without loss of any federal funds and while still providing all of the services under contract for the homeless.

C. Federal Programs

1. Five Year Consolidated Plan for 2010 to 2014 – The first draft of the Five Year Consolidated Plan has been completed and is now available for a 30-day public comment period. The Plan is available at HPHA, Bldg. H. The Five Year Consolidated Plan will be submitted to the federal Housing and Urban Development (HUD) by December 1, 2009, for approval by January 15, 2010.
2. The Homeless Programs Branch is preparing an application for the Continuum of Care Notice of Funding Availability. HUD has posted the competitive grant opportunity which must be submitted electronically by November 23, 2009. HPHA will apply on behalf of the rural counties, which if successful, will result in \$.3 million in program funding.
3. In response to the State Reduction in Force, Homeless Programs is working with the Homeless Management Information System (HMIS) consultant to out source various components of the maintenance of HMIS in order to keep the State within compliance of HUD's data system requirements. The City and County of Honolulu's and the State's HUD funding for Emergency Shelter Grant, Supportive Housing Program, Shelter Plus Care, and Homelessness Prevention and Rapid Re-housing (\$16 million) is contingent on a functioning HMIS wherein all of HUD's data requirements are being met. The City and County of Honolulu will also be contracting with HPHA's HMIS consultant to support their data functions.
4. Due to HUD's expressed concerns about Community Planning and Development funding being designated to HPHA, the Governor has named DHS as the designated entity to receive the homeless ARRA funds. Hence, the DHS director has initiated the transfer of the functions of the Homeless Programs Branch to DHS which is an ongoing planning process that will take place over the next two months.
5. Judy Ishida completed the required initial online report to HUD on the homeless ARRA funding (Homelessness Prevention and Rapid Re-housing) within the HUD deadline.

D. Other Projects

1. Renovation work at Nakolea which consists of bathroom and sewer line repairs has commenced with trenching for new sewer and water lines. CC Engineering and Construction, Inc. has been contracted to do the work. A consultant contract has also been approved for MKE Associated to do an assessment to determine if the crack in the building at Nakolea is structural or if it can be repaired.
2. Working with the HMIS consultant to complete the new field of data elements required to implement record keeping for the stimulus funds under the American Revitalization and Recovery Act (ARRA). The new program went online on September 1.
3. Continuing to work with the University of Hawaii Center on the Family to complete the HMIS data analysis for FY 2009. The draft of the report has been completed and was sent to the printers.
4. The Resort Group is pulling together estimates for the planning and construction of a playground for the Kalaeloa shelters for a presentation to their Board.
5. Drafting a memorandum of agreement with Kapaalana Traveling Preschool for the construction of two yurts at Kalaeloa to support employment training and pre school services for the families at Onemalu and Onelauena.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of November 4, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
OFFICE OF THE EXECUTIVE DIRECTOR						
102005	EX	N	T	Executive Director	SRNA	Position in recruitment.
118550	EX	N	T	Chief Financial Management Advisor	SRNA	Position in continuous recruitment.
FISCAL MANAGEMENT OFFICE						
41041	CS	N	P	Fiscal Officer I	SR26	Per DHRD memo unable to recruit as of 7/15/09
41253	CS	N	P	Secretary I	SR14	Per DHRD memo unable to recruit as of 7/15/09
98903K	CS	N	P	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09
ACCOUNTING SECTION						
41252	CS	N	P	Accountant IV	SR22	Per DHRD memo unable to recruit as of 7/15/09.
46278	CS	N	P	Accountant II	SR18	Per DHRD memo unable to recruit as of 7/15/09
FMO - BUDGET STAFF						
100923	EX	N	P	Budget Resources Specialist	SRNA	Pending reiew for recruitment.
ASSET MANAGEMENT OFFICE						
96908K	T	N	P	Office Assistant III	SR10	No action; cost savings.
HOUSING INFORMATION OFFICE						
102041	EX	W	T	Housing Information Officer	SRNA	No action; cost savings.
PROCUREMENT OFFICE						
117691	EX	N	T	Contract Specialist	SRNA	Start date 10/16/09.
117689	EX	N	T	Housing Contract Specialist	SRNA	Interviews completed; pending start date.
100882	EX	N	T	Contracts & Procurement Officer	SRNA	Continuous recruitment.
CONSTRUCTION MANAGEMENT BRANCH						
25649	CS	N	P	State Housing Dev Administrator	EM07	Pending recommendation
2800	CS	W	P	Secretary II	SR14	Per DHRD memo unable to recruit as of 7/15/09
CONSTRUCTION MANAGEMENT SECTION						
8774	CS	N	P	Engineer VI	SR28	Per DHRD memo unable to recruit as of 07/15/09.
5857	CS	N	P	Office Assistant III	SR14	Per DHRD memo unable to recruit as of 7/15/09.
48707	CS	N	T	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09.
CONSTRUCTION MGMT UNIT 1						
105633	EX	W	T	Housing Warranty & Inspection Supr.	SRNA	State funded unable to fill.
100439	EX	W	T	Housing Warranty & Inspection Asst.	SRNA	State funded unable to fill.
100202	EX	W	T	Project Engineer	SRNA	Pending approval to fill.
CONSTRUCTION MGMT UNIT 2						
102676	CS	W	T	Engineer (Building) IV	SRNA	Pending approval to fill.
DEVELOPMENT SUPPORT SECTION						
100886	EX	W	T	Housing Development Specialist I	SRNA	State funded unable to fill.
HOMELESS PROGRAM BRANCH						
103022	EX	A	T	Homeless Program Specialist	SRNA	Pending approval to fill.
118943	EX	A	T	Homeless Program Coordinator	SRNA	Employee hired as Housing Contract Specialist effective 10/16/09.
INFORMATION TECHNOLOGY OFFICE						
106429	CS	N	T	Information Technology Specialist IV	SRNA	Per DHRD memo unable to recruit as of 7/15/09.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of November 4, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
PERSONNEL OFFICE						
6627	CS	N	P	Personnel Clerk IV	SR11	Per DHRD memo unable to recruit as of 7/15/09
PLANNING AND EVALUATION OFFICE						
107934	EX	N	T	Housing Planner	SRNA	Per DHRD memo unable to recruit as of 7/15/09.
98902K	EX	N	P	Office Assistant III	SR08	No action; cost savings.
PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH						
8751	CS	N	P	Public Hsg Mgr VI	SR26	Per DHRD memo unable to recruit as of 7/15/09.
96904K	EX	N	T	Hsg Maintenance Manager	SR26	No action; cost savings.
6182	CS	N	P	Secretary III	SR16	Per DHRD memo unable to recruit as of 7/15/09
PMMSB-APPLICATION SERVICES UNIT						
117850	CS	N	T	Public Hsg Spctt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT PROJECT 30 (MU 1)						
6307	CS	N	P	Public Housing supervisor IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
6171	CS	N	P	Account Clerk II	SR08	Per DHRD memo unable to recruit as of 7/15/09
43507	CS	N	P	Office Assistant III	SRO8	Employee retired as of 10/31/09.
6791	CS	N	P	General Laborer II	BC03	Per DHRD memo unable to recruit as of 7/15/09
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	Per DHRD memo unable to recruit as of 7/15/09
30242	CS	N	P	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09
10879	CS	N	P	Building Maint. Worker I	BC09	Per DHRD memo unable to recruit as of 7/15/09
4939	CS	N	P	General Laborer II	BC03	Per DHRD memo unable to recruit as of 7/15/09
101119	TA	N	T	General Laborer I	BC02	Pending start date.
101137	TA	N	T	Janitor II	BC02	Pending start date.
ASSET MANAGEMENT PROJECT 32/33 (MU 3)						
5035	CS	N	P	Public Housing Supvr IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
6788	CS	N	P	Truck Driver	BC06	Per DHRD memo unable to recruit as of 7/15/09
9619	CS	N	P	Secretary I	SR12	Per DHRD memo unable to recruit as of 7/15/09
46195	CS	N	P	Social Service Asst IV	SR11	Per DHRD memo unable to recruit as of 7/15/09
101126	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 34 (MU 4)						
6693	CS	N	P	Public Hsg Spvr IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
23696	CS	N	P	Public Hsg Spctt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
8842	CS	N	P	Painter I	BC09	Per DHRD memo unable to recruit as of 7/15/09
101127	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
6565	CS	N	P	General Laborer I	BC02	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT PROJECT 35 (MU 5)						
41258	CS	N	P	Bldg. Maint. Wkr II	WS09	Per DHRD memo unable to recruit as of 7/15/09
23574	CS	N	P	Bldg. Maint Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
23698	CS	W	P	Public Hsg Spctt I	SR16	Per DHRD memo unable to recruit as of 7/15/09
41666	CS	N	P	Public Hsg Spctt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
101115	TA	N	T	General Laborer I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 37 (MU 7)						
15721	CS	N	P	Building Maint Worker I	BC09	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT PROJECT 38 (MU 8)						
41349	CS	N	P	Public Housing Supervisor IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
119285	CS	N	T	Public Housing Supervisor III	SR20	Per DHRD memo unable to recruit as of 7/15/09
119260	CS	N	P	Public Housing Specialist II	SR18	Per DHRD memo unable to recruit as of 7/15/09

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of November 4, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
8756	CS	N	P	Bldg Maint Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
17576	CS	N	P	Bldg Maint Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
10541	CS	N	P	Bldg Maint Helper	BC05	Per DHRD memo unable to recruit as of 7/15/09
43948	CS	N	P	General Laborer II	BC03	Per DHRD memo unable to recruit as of 7/15/09
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)						
6352	CS	N	P	Secretary I	SR12	Per DHRD memo unable to recruit as of 7/15/09
4938	CS	N	P	Bldg. Maint. Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
101121	TA	N	T	General Laborer I	SRNA	Pending start date.
101122	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101134	TA	N	T	Office Assistant I	SR04	Pending start date.
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.
117841	EX	N	T	Property Management Specialist	SRNA	No action; cost savings.
107932	EX	N	T	Property Management Coordinator I	SRNA	No action; cost savings.
RESIDENT SERVICES SECTION						
100892	EX	N	T	Tenant Services Manager	SRNA	No action; cost savings.
41254	CS	N	T	Secretary I	SR12	No action; cost savings.
103036	EX	N	T	Resident Services Pgm Specialist	SRNA	No action; cost savings.
105632	EX	N	T	Resident Services Pgm Specialist	SRNA	Continuous Recruitment.
103030	EX	N	T	Program Speclist & Tenant Services	SRNA	No action; cost savings.
111874	EX	N	T	Resident Services Pgm Specialist	SRNA	No action; cost savings.
103043	TA	N	T	Office Assistant I	SRNA	No action; cost savings.
SECTION 8 - INSPECTION UNIT						
101214	EX	N	T	Lead Housing Inspector	SRNA	No action; cost savings.
119190	CS	N	T	Housing Quality Standards Inspector II	SR15	Per DHRD memo unable to recruit as of 7/15/09
27584	CS	N	P	Office Assistant III	SR08	No action; cost savings.
RENT SUBSIDY PROGRAMS BRANCH (S8S)						
41280	CS	N	P	Public Hsg Supervisor V	SR24	Per DHRD memo unable to recruit as of 7/15/09
RENT SUBSIDYSECTION 1						
29009	CS	N	P	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09
9647	CS	N	P	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
RENT SUBSIDY SECTION 2						
111419	CS	N	P	Office Assistant IV	SR10	Per DHRD memo unable to recruit as of 7/15/09.
35416	CS	N	T	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
10306	CS	N	P	Office Assistant III	SR08	Employee resigned 10/06/09
101132	TA	N	T	Office Assistant I	SRNA	No action; cost savings.

**DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
As of November 4, 2009**

Branch	Section	Total			%			Active Recruitment	
		Civil Svc	Exempt	Total	Occupied	Vacant	Vacant	Yes	No
Office of the Executive Director		5	3	8	7	1	12.50%	2	0
		5	3	8	7	1	12.50%	2	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		0	3	3	3	0	0.00%	0	0
		0	3	3	3	0	0.00%	0	0
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	1	3	75.00%	0	2
	Acctg Sec	8	0	8	6	2	25.00%	0	1
	Pay & Disb	4	0	4	4	0	0.00%	0	0
	Budget	1	1	2	1	1	50.00%	0	1
	Asset Mgt	1	0	1	0	1	100.00%	0	1
		18	1	19	12	7	36.84%	0	7
Information Technology		1	3	4	3	1	25.00%	0	1
		1	3	4	3	1	25.00%	0	1
Personnel Office		3	1	4	3	1	25.00%	0	1
		3	1	4	3	1	25.00%	0	1
Procurement Office		4	3	7	5	2	28.57%	2	0
		4	3	7	5	2	28.57%	2	0
Construction Mgt. Branch		2	0	2	0	2	100.00%	1	1
	CMS	3	0	3	0	3	100.00%	0	3
	CMS I	2	7	9	6	3	33.33%	0	3
	CMS 2	5	2	7	6	1	14.29%	0	1
	DSS	1	2	3	2	1	33.33%	0	1
		13	11	24	14	10	41.67%	1	9
Homeless Branch	Homeless	1	8	9	7	2	22.22%	0	2
		1	8	9	7	2	22.22%	0	2
Section 8 Branch	Sec 8 Office	2	0	2	1	1	50.00%	0	1
	Insp Unit	5	2	7	4	3	42.86%	0	3
	Rent Sub Sec 1	10	0	10	7	3	30.00%	0	3
	Rent Sub Sec 2	8	0	8	5	3	37.50%	0	3
		25	2	27	17	10	37.04%	0	10
Property Management & Maint. Services Branch	PMMSB	1	2	3	1	2	66.67%	0	2
	MGT SEC	2	0	2	1	1	50.00%	0	1
	APP	7	0	7	6	1	14.29%	0	1
	RSS	2	8	10	4	6	60.00%	1	5
	PMCS	0	5	5	2	3	60.00%	0	3
	CMSS	19	0	19	19	0	0.00%	0	0
	Puuwai Momi - AMP 30	23	0	23	19	4	17.39%	0	4
	Kalihi Valley - AMP 31	25	0	25	21	4	16.00%	0	4
	Mayor Wright - AMP 32/33	32	0	32	28	4	12.50%	0	4
	Kalakaua - AMP 34	27	0	27	23	4	14.81%	0	4
	Kalanihuia - AMP 35	26	0	26	22	4	15.38%	0	4
	Hilo - AMP 37	14	0	14	13	1	7.14%	0	1
	Kauai - AMP 38	16	0	16	9	7	43.75%	0	7
	Maui - AMP 39	12	0	12	10	2	16.67%	0	2
		206	15	221	178	43	19.46%	1	42
	TOTAL		278	56	334	254	80	23.95%	6

November 19, 2009

FOR INFORMATION

SUBJECT: Proposed Amendment of the Application and Continued Occupancy Policy (ACOP), and Status of Jane Doe v. HPHA, et al., HCRC No. RE-0-0838; HUD No. 09-09-1203-8

I. FACTS

- A. In 2005, the Hawai'i legislature amended Haw. Rev. Stat. 515-3, Discrimination in Real Property Transactions, by adding the two classifications of "gender identity or expression", and "sexual orientation".
- B. More recently, in 2008, in accordance with the Violence Against Women Act (VAWA), 42 U.S.C. § 1432d, the U.S. Department of Housing and Urban Development (HUD) enacted 24 Code of Federal Regulations (C.F.R.) § 5.2005(a), which states that "[a]n incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated lease violation by the victim or threatened victim of the domestic violence, dating violence, or stalking, or as good cause to terminate the tenancy, occupancy rights, or assistance of the victim. Admission to the program shall not be denied on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking, if the applicant otherwise qualifies for assistance or admission"
- C. The HPHA's ACOP fair housing policy currently prescribes that the HPHA ". . . shall not discriminate because of race, color, sex religion, marital status, creed national or ethnic origin, age, familial status, handicap or disability or HIV infection"

II. DISCUSSION

- A. Review of the HPHA's ACOP fair housing policy reveals that the list of categories against whom discrimination is prohibited does not contain gender identity or expression, or sexual orientation, or victims of domestic violence, dating violence, or stalking. To comply with the State of Hawai'i's Discrimination in Real Property Transactions statute and HUD's VAWA regulation the HPHA will seek approval of the Board of Directors of the HPHA to change its ACOP fair housing policy at a future meeting.
- B. In the above referenced case of Jane Doe v. HPHA, a tenant brought a claim against the HPHA and two successive private property managers.
- C. Staff recommends that the Board of Directors enter into executive session to obtain information regarding the status of Jane Doe v. HPHA, et al., HCRC No. RE-0-0838; HUD No. 09-09-1203-8.

Prepared by: Steven Chang, Chief Compliance Officer SCC

November 19, 2009

FOR INFORMATION

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Prepared by: Steven Chang, Chief Compliance Officer _____

FOR DISCUSSION

SUBJECT: Hawaii Public Housing Authority Requesting Approval from the Department of the Attorney General to Hire Outside Counsel for the Mixed Income Redevelopment at Kuhio Park Terrace/Kuhio Homes and the Master Development Agreement with Michaels Development Company

I. FACTS

- A. On April 1, 2009, the Contract and Procurement Office issued a two-step Request for Proposals, RFP OED-2009-15, for a mixed income/mixed finance redevelopment project at Kuhio Park Terrace and Kuhio Homes. The Step 1: Qualifications were due no later than May 1, 2009. Step 2: Technical Submissions were due on July 13, 2009
- B. On August 4, 2009, the evaluation committee conducted oral presentations from each interested offeror. The HPHA requested best and final offers from each interested offeror with a due date of August 11, 2009.
- C. The HPHA Board of Directors approved the selection of the Michaels Development Company as the developer for the Kuhio Park Terrace and Kuhio Homes mixed income redevelopment project. Michaels Development Company has over thirty five years of experience in all aspects of housing development, from conception through construction completion, ownership and operation.
- D. The HPHA has been working with Michaels to negotiate a master development agreement for the redevelopment at Kuhio Park Terrace
- E. Pursuant to §28-8.3(a)(22), HRS, the HPHA is required to obtain approval from the Attorney General (AG) to hire legal counsel outside the AG's office.

II. DISCUSSION

- A. The HPHA intends to obtain approval from the Attorney General to hire legal counsel outside of the Department to review the master development agreement between the HPHA and Michaels Development.
- B. The financial plan for the redevelopment consists of Tax Exempt Bonds, Federal and State Low Income Housing Tax Credits, Private Mortgages supported by Project-Based Section 8 vouchers, and HPHA's Capital Funds and services range from demolition and construction, to supportive services. To that end, the HPHA will hire legal counsel and financial consultants with specialized experience in reviewing these types of financial transactions.

Prepared by: Chad K. Taniguchi, Executive Director CT

FOR INFORMATION

SUBJECT: State Requirement for the Hawaii Public Housing Authority (HPHA) to Deposit Federal Capital American Recovery and Reinvestment Act Funds into an Account Under Control of the State

I. FACTS

1. On March 19, 2009, the HPHA's Board of Directors Approved Board Resolution No. 15 ratifying the capital fund amendment which provided the HPHA \$16,245,443.00 for capital improvement activities. The funds can be used for activities that are currently eligible under the Capital Fund program regulations.
2. The following are highlights from the Economic Stimulus Bill that apply to the Federal Capital Fund program:
 - a. Funds may not be used for operating or rental assistance activities;
 - b. Funds shall serve as supplemental funds and shall not supplant other sources of funds.
 - c. PHAs have 1 year to obligate 100% of the funds or be subject to recapture.
 - d. PHAs must expend 60% of the funds within 2 years or the unobligated balance will be recaptured.
 - e. PHAs must expend 100% of the funds within 3 years or the unobligated balance will be recaptured.
 - f. The HUD Secretary has directed that state procurement laws shall not apply to these funds.

II. DISCUSSION

1. Under the Terms and Conditions that Constitutes Part A of the Consolidated Annual Contributions Contract with the U.S. Department of Housing and Urban Development (HUD). Section 9, Depository Agreement and General Fund, requires that HPHA deposit and invest all funds in accordance with the General Depository Agreement and specifies the purposes for which the funds may be withdrawn from the General Fund account. HUD has indicated that the taking of the ARRA Capital Funds from the General Fund account to be deposited into the single State account is a violation of the Annual Contributions Contract.
2. Per request from the Governor's Office, "in order for the State of Hawaii to comply, and ensure the Governor of the State can meet her legal obligations, federal funds provided through ARRA are being deposited into the State Treasury and will be tracked and monitored through the Department of Accounting and General Services (DAGS). Funds can continue to be obligated thru eLOCCS to be deposited into HPHA's account within the State Treasury. DAGs will be responsible for processing the checks and making payment to the vendor."
3. HPHA will be meeting with Russ Saito, Comptroller to ensure that HPHA does not violate the terms of the Annual Contributions Contract and that DAGS is able to meet the 3-day turnaround time for payments to vendors.

Prepared by: Mark Buflo, Budget 

FOR INFORMATION

SUBJECT: Update of Section 8 Management Assessment Program (SEMAP)
Certification for the Hawaii Public Housing Authority

I. FACTS

- A. SEMAP is a management assessment system used by the U.S. Department of Housing and Urban Development (HUD) to annually measure the performance of all housing agencies (HAs) that administer the Section 8 tenant-based rental assistance program.
- B. SEMAP sets forth fourteen (14) indicators to measure program performance and enables HUD to ensure program integrity and accountability by identifying HA management capabilities and deficiencies, and by improving risk assessment to effectively target monitoring and program assistance. HAs can use the SEMAP performance analysis to assess their own program operations.
- C. The SEMAP score and overall performance rating identifies housing agencies as high performer, standard, or troubled and identifies and requires corrective actions for SEMAP deficiencies, and imposes sanctions for troubled performers.
- Less than 60% = Troubled Performer Rating
60%-89% = Standard Performer Rating
90% plus = High Performer Rating
- D. The HPHA Section 8 Management Assessment Program Certification submission for FY ending June 30, 2009, was 120/145=83%, Standard Performer Rating.
- E. HUD's final review of HPHA 2009 SEMAP certification was approved on October 26, 2009.

II. DISCUSSION

- A. See attached letter. The HPHA is taking the following steps to address the Section 8 SEMAP performance Indicator 1, Selection from the Wait List.
- Indicator 1, Selection from the Wait List – Selection of tenants placed into the system was correctly done up to February 2009 when the Emphasys system failed to re-sequence the current waitlist possibly due to lack of hardware/software capability. Since placement into the Section 8 program is a priority, selection from the waitlist was taken from the different preference categories because the list could not be re-sequenced.

To receive maximum points, HPHA must score at least 98% of samples showing that admissions into the program were made in accordance with preference policies and the order of selection. With the assistance of the Emphasys vendor, the Section 8 wait list was successfully re-sequenced on June 17, 2009. The Emphasys vendor also assured HPHA that with the implementation of the Elite Emphasys system in December 2009, the re-sequencing problem should not reoccur.

HPHA will generate a manual waitlist outside of the Emphasys system as a backup to avoid facing this problem in the future. We anticipate full points for 2010 SEMAP.

Attachment: Letter from HUD

Prepared by: Norhana Schumacher, Acting Chief, Section 8 Subsidy Programs
Branch NS



'09 OCT 27 A 9:34

RECEIVED

U.S. Department of Housing and Urban Development

Hawaii State Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813
<http://www.hud.gov>

October 26, 2009

Mr. Chad Taniguchi
Executive Director
Hawaii Public Housing Authority
P.O. Box 17907
1002 N. School St.
Honolulu, HI 96817

Dear Mr. Taniguchi:

Thank you for completing your Section 8 Management Assessment Program (SEMAP) certification for fiscal year end June 30, 2009, for the Hawaii Public Housing Authority. We appreciate your time and attention to the SEMAP assessment process. SEMAP enables HUD to better manage the Section 8 tenant-based program by identifying PHA capabilities and deficiencies related to the administration of the Section 8 program. As a result, HUD will be able to provide more effective program assistance to PHAs.

The HPHA's final SEMAP score for fiscal year ended 6/30/2009 is 83. The following are your scores on each indicator:

Indicators

1	Selection from Waiting List (24 CFR 982.54(d)(1) and 982.204(a))	0
2	Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)	15
3	Determination of Adjusted Income (24 CFR part 5, subpart F and 24 CFR 982.516)	15
4	Utility Allowance Schedule (24 CFR 982.517)	5
5	HQS Quality Control (24 CFR 982.405(b))	5
6	HQS Enforcement (24 CFR 982.404)	10
7	Expanding Housing Opportunities	5
8	Payment Standards (24 CFR 982.503)	5
9	Timely Annual Reexaminations (24 CFR 5.617)	10
10	Correct Tenant Rent Calculations (24 CFR 982, Subpart K)	5
11	Pre-Contract HQS Inspections (24 CFR 982.305)	5
12	Annual HQS Inspections (24 CFR 982.405(a))	10
13	Lease-Up	20
14	Family Self-Sufficiency (24 CFR 984.105 and 984.305)	10
15	Deconcentration Bonus	0

Your overall performance rating is Standard.

We have recorded that your PHA has been rated zero on one of the performance indicators. For each zero rating on the performance indicators, you must send to our office a Corrective Action Plan (CAP) showing the goals and strategies as well as dates to correct the deficiencies. CAP must be submitted within 45 days of this letter.

If you disagree with any of the scores, you may submit a letter of appeal to our office within 30 days upon receipt of this letter.

Thank you for your cooperation with the SEMAP process. If you have any questions, you may contact Bill Sabalbuero at (808) 522-8175, extension 238.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Flores". The signature is fluid and cursive, with a large initial "M" and "S".

Michael S. Flores
Director
Office of Public Housing

FOR INFORMATION

SUBJECT: Congressional Appropriations for the Hawaii Public Housing Authority to Conduct Renovations at Federal Public Housing Sites

- A. The U.S. Department of Housing and Urban Development Appropriations Act, 2009 (Public Law 111-8) provided Economic Development Initiative (EDI) funds for specified projects nationwide. A number of public, private and non-profit organizations in Hawaii, including the Hawaii Public Housing Authority (HPHA), were named to receive EDI funds.
- B. While these funds are designated only for the specified recipient and project, they are distributed by the U.S. Department of Housing and Urban Development (HUD) in the form of grants, requiring an application process. Grant applications must be submitted before December 31, 2009.
- C. HPHA will apply for the two EDI grants designated for it:
 - 1. \$380,000 "for code enforcement and renovation of abandoned housing units to provide 22 housing units for low income individuals in Honolulu." These funds will be used to renovate vacant units at Kalihi Valley Homes.
 - 2. \$475,000 "for the Lanakila Homes Low Income Housing Complex design and renovation." These funds will be used for work at Lanakila Homes in Hilo.

Attachments: Exhibit A, Notification Letter Grant Number B-09-SP-HI-0254
Exhibit B, Notification Letter Grant Number B-09-SP-HI-0255

Prepared by: Alan Sarhan, Planner 



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

'09 MAY 28 A7:41

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

MAY 18 2009

RECEIVED
HAWAII PUBLIC
HOUSING AUTHORITY

Mr. Marcel A. Audant
Acting Chief
Construction Management Branch
Hawaii Public Housing Authority
1002 North School Street
Honolulu, HI 96817

Dear Mr. Audant:

The Department of Housing and Urban Development Appropriations Act, 2009 (P.L. 111-8) (the Act), signed into law by President Obama on March 11, 2009, provided the Department of Housing and Urban Development (the Department) with Economic Development Initiative (EDI) funds for certain special projects specified in the Committee Print of the Committee on Appropriations U.S. House of Representatives on P.L. 111-8 (Legislative Text and Explanatory Statements) March 2009. The following project was specified in the Committee Print of the Committee on Appropriations U.S. House of Representatives to receive grant funding in the listed amount:

Project Description: Hawaii Public Housing Authority, HI for code enforcement and renovation of abandoned housing units to provide 22 housing units for low income individuals in Honolulu

Grant Amount: \$380,000

Grant Number: B-09-SP-HI-0254

All materials necessary to apply for the grant listed above are enclosed. In order to access these grant funds, an application must be completed and returned to the Department as explained in the Application Kit. Upon receipt of your completed application, the Department will review it for consistency with the intent of Congress and notify you regarding any questions about the application.

Environmental Review Requirements

Under the environmental review requirements for this grant, you may not take any actions nor commit any HUD or any non-HUD funds that would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact, before HUD has approved the environmental certification of compliance and the request for release of funds. Therefore, you are encouraged to commence the environmental review process for your project soon as possible. Please carefully review the detailed information on these environmental requirements provided in Attachment IV of the Application Kit before proceeding with your application or with any project related activities.

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ATTACHMENT A
Page 1

operations. The language is intended to ensure that EDI grant recipients use the funds solely for construction or other "hard cost" activities as specified in the authorization for the use of your grant funds in the Committee Print of the Committee on Appropriations U.S. House of Representatives and in the above project description.

The Application Kit directions require that you prepare a simple, line item project budget that identifies only the use of the EDI funds. Please keep the above administrative and operational cost limitations established by Congress in mind as you prepare the project budget.

Limitations on the Use of Funds for Projects Involving Eminent Domain

The Act also provides that no funds made available under the Act may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For purposes of this provision, public use shall not be construed to include economic development that primarily benefits private entities.

Submission of Applications

EDI grant applicants may submit their application electronically through the federal government's grants.gov website. While applicants will also retain the option of submitting their FY2009 grant application in paper form, the Department strongly encourages applicants to submit their applications electronically.

Instructions for submitting your FY2009 EDI grant application electronically are included in Attachment I of this Application Kit. All questions regarding the electronic submission of your application should be directed to the Department's Office of Departmental Grants Management and Oversight, at (202) 402-2206. Instructions for submitting a paper application are included in Attachment II of this Application Kit.

If you or your staff have any questions regarding the Application Kit or your grant in general, please contact, Joanne Omega, Congressional Grants Division, at (202) 402-4661, or by fax at (202) 708-7543, or by e-mail at Joanne.Omega@hud.gov.

I look forward to assisting you in the successful implementation of your project.

Sincerely,



Nelson R. Bregón
General Deputy Assistant Secretary

Enclosure

ATTACHMENT A
page 2



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

'09 MAY 28 A7:40

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

RECEIVED
HAWAII PUBLIC
HOUSING AUTHORITY

Mr. Marcel A. Audant
Acting Chief
Construction Management Branch
Hawaii Public Housing Authority
1002 North School Street
Honolulu, HI 96817

MAY 18 2009

Dear Mr. Audant:

The Department of Housing and Urban Development Appropriations Act, 2009 (P.L. 111-8) (the Act), signed into law by President Obama on March 11, 2009, provided the Department of Housing and Urban Development (the Department) with Economic Development Initiative (EDI) funds for certain special projects specified in the Committee Print of the Committee on Appropriations U.S. House of Representatives on P.L. 111-8 (Legislative Text and Explanatory Statements) March 2009. The following project was specified in the Committee Print of the Committee on Appropriations U.S. House of Representatives to receive grant funding in the listed amount:

Project Description:	Hawaii Public Housing Authority, HI for the Lanakila Homes Low Income Housing Complex design and renovation
Grant Amount:	\$475,000
Grant Number:	B-09-SP-HI-0255

All materials necessary to apply for the grant listed above are enclosed. In order to access these grant funds, an application must be completed and returned to the Department as explained in the Application Kit. Upon receipt of your completed application, the Department will review it for consistency with the intent of Congress and notify you regarding any questions about the application.

Environmental Review Requirements

Under the environmental review requirements for this grant, you may not take any actions nor commit any HUD or any non-HUD funds that would cause actions that are choice-limiting among reasonable alternatives or would produce an adverse environmental impact, before HUD has approved the environmental certification of compliance and the request for release of funds. Therefore, you are encouraged to commence the environmental review process for your project soon as possible. Please carefully review the detailed information on these environmental requirements provided in Attachment IV of the Application Kit before proceeding with your application or with any project activities.

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page 1

Limitations on the Use of Funds for Projects Involving Eminent Domain

The Act also provides that no funds made available under the Act may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For purposes of this provision, public use shall not be construed to include economic development that primarily benefits private entities.

Submission of Applications

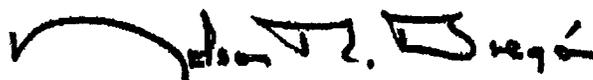
The Department offers EDI applicants the ability to submit their application electronically through the federal government's grants.gov website. While applicants will also retain the option of submitting their FY2009 grant application in paper form, the Department strongly encourages applicants to submit their applications electronically.

Instructions for submitting your FY2009 EDI grant application electronically are included in Attachment I of this Application Kit. All questions regarding the electronic submission of your application should be directed to the Department's Office of Departmental Grants Management and Oversight, at (202) 402-2206. Instructions for submitting a paper application are included in Attachment II of this Application Kit.

If you or your staff have any questions regarding the Application Kit or your grant in general, please contact, Joanne Omega, Congressional Grants Division, at (202) 402-4661, or by fax at (202) 708-7543, or by e-mail at Joanne.Omega@hud.gov.

I look forward to assisting you in the successful implementation of your project.

Sincerely,



Nelson R. Bregón
General Deputy Assistant Secretary

Enclosure

ATTACHMENT B
page 2

FOR INFORMATION

SUBJECT: Update on the Hawaii Public Housing Authority's (HPHA) Furlough Calendar and the State's Reduction in Force

I. FACTS

- A. On October 20, 2009, the Hawaii Government Employees Association (HGEA) members ratified a new two-year contract which called for two (2) furlough days per month for the next 20 months for state employees, effective October 23, 2009. To minimize the impact on the public, most State offices will close all or portions of their operations on two specified Fridays per month.
- B. The HPHA has an approved furlough calendar that is different from other Executive Branches which was based on HPHA's operational needs. (See attached State of Hawaii Furlough Plan and Schedule).
- C. As the United Public Workers did not agree to the furloughs, Bargaining Unit 1 employees (i.e., maintenance personnel) are not part of the agency's furlough schedule, and are required to report to work. The HPHA's Maintenance Supervisors will continue to work on furlough Fridays to provide supervision throughout the day. (Information on the UPW settlement is updated as of 11/10/09.)
- D. The HGEA was notified that the Maintenance Supervisor's furlough schedule will be revised to ensure proper supervision of the maintenance staff and that the supervisor would furlough the following Monday or Tuesday. See attached letter to HGEA.
- E. In addition to the furloughs, the HPHA will be impacted by the reduction in force. As of November 5, 2009, HPHA will have thirty (30) RIF employees placed in our agency; 20 are from DHS and 10 are from other departments. Placements are tagged for Central Offices, Property Management Branch, Construction Branch and Section 8 Branch.
- F. The HPHA will also have 7 employees who will be bumped and/or laid off as a result of the reduction in force as follows:

Section 8 Branch	2 staff bumped and laid off
Homeless Programs	3 staff laid off; 1 staff placed at HPHA
Fiscal Management	1 staff bumped and laid off
AMP 30	1 staff bumped and laid off

II. DISCUSSION

- A. The HPHA has yet to determine the financial impact of the placements into the agency's budget. It is estimated that the new placements into the agency will total approximately \$1.5 million annually. The Personnel Office and Budget Office are working on the cost analysis to determine the effect on the HPHA's budget.
- B. All managers/supervisors have been notified of the expected placements. Each office is coordinating logistics of the transfer with Personnel and IT Office.

Prepared by: Shirley Befitel, Personnel Office SJB

LINDA LINGLE
GOVERNOR



CHAD K. TANIGUCHI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:
09.09-43

October 29, 2009

Mr. Randy Perreira, Executive Director
Hawaii Government Employees Association
888 Mililani Street, Suite 601
Honolulu, Hawaii 96813

Dear Mr. Perreira:

This is to inform you that the Department of Human Services is modifying its furlough plan to reflect Hawaii Public Housing Authority (HPHA) Bargaining Unit (BU) 2 employees' deviation from the furlough days identified on the enclosure identified as Attachment C. The schedule change will be in effect from October 30, 2009 through June 30, 2010.

Whereas the existing furlough schedule requires HPHA employees to observe furlough days on the identified Fridays, BU 2 employees shall observe furlough days on the Mondays following currently designated Friday furlough days. In the event that the Mondays following designated Friday furlough days fall in a different month, furlough days shall be observed on alternate days within the same month, with the approval of the Executive Director. The remaining furlough day shall be observed on days approved by employees' supervisors.

Modification is necessary to ensure proper supervision of Bargaining Unit 1 employees, who are not covered by the HPHA's furlough schedule. The Bargaining Unit 1 employees will be supervised by their Public Housing Supervisors on days where the BU 2 maintenance supervisors observe furlough days.

Should you need further assistance, please contact Ms. Shirley Befitel, HPHA Personnel Office, at 832-1864. Thank you for your understanding regarding this matter.

Sincerely,

Chad K. Taniguchi
Executive Director

Enclosure

c: DHS Personnel
HPHA Personnel

ATTACHMENT C

Furlough Calendar for: Hawaii Public Housing Authority *

October 2009						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Holiday: None

November 2009						
Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Holiday: November 11 & 26
Veterans' Day & Thanksgiving

December 2009						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holiday: December 25
Christmas

January 2010						
Su	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Holiday: January 1 & 18
New Year's Day & Dr. Martin Luther King, Jr. Day

February 2010						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

Holiday: February 15
President's Day

March 2010						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Holiday: March 26
Prince Jonah Kuhio Kalaniana'ole Day

April 2010						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Holiday: April 2
Good Friday

May 2010						
Su	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Holiday: May 31
Memorial Day

June 2010						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

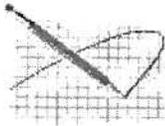
Holiday: June 11
King Kamehameha I Day

-  = Furlough day when office will be closed
-  = State Holiday

* Internally manage the 1 remaining furlough day on a branch by branch basis

HAWAII PUBLIC HOUSING AUTHORITY
G/L BUDGET COMPARISON REPORT

MAJOR PROGRAMS	Sep-09				Year to Date - July 2009 to September 2009				Total Year Budget
	Budget	Actual	Actual vs Budget	%	Budget	Actual	Actual vs Budget	%	
Federal Low Rent Program									
(Full Accrual)									
Rental Program	1,522,692	1,418,589	(104,103)	93%	4,568,037	4,187,992	(380,045)	92%	18,272,306
State and Federal Subsidy	2,105,102	1,848,714	(256,388)	88%	6,315,306	5,546,123	(769,183)	88%	25,261,226
Other Revenue	43,065	38,299	(4,766)	89%	129,195	51,454	(77,741)	40%	516,780
Expenses	3,475,291	2,827,735	(647,556)	81%	10,425,872	7,824,000	(2,601,871)	75%	41,703,486
NET CHANGE	195,569	477,868	282,299		586,667	1,961,569	1,374,902		2,346,826
State Family Program									
(Full Accrual)									
Rental Program	75,254	80,707	5,453	107%	225,759	243,230	17,471	108%	903,048
Other Revenue	116,407	2,605	(113,802)	2%	349,221	6,891	(342,330)	2%	1,396,890
Expenses	189,983	124,961	(65,022)	66%	569,949	376,343	(193,606)	66%	2,279,797
NET CHANGE	1,678	(41,649)	(43,327)		5,031	(126,222)	(131,253)		20,141
STATE ELDERLY PROGRAM									
(Full Accrual)									
Rental Program	178,724	165,864	(12,860)	93%	536,166	485,994	(50,172)	91%	2,144,683
Other Revenue	57,037	5,777	(51,260)	10%	171,111	12,378	(158,733)	7%	684,442
Expenses	233,241	137,481	(95,760)	59%	699,722	374,414	(325,308)	54%	2,798,888
NET CHANGE	2,520	34,160	31,640		7,555	123,958	116,403		30,237
CENTRAL OFFICE COST CENTER									
(Full Accrual)									
Other Revenue (Fees)	742,616	449,786	(292,830)	61%	2,227,847	1,353,143	(874,704)	61%	8,911,388
Expenses	721,030	637,803	(83,226)	88%	2,163,090	1,900,556	(262,534)	88%	8,652,357
NET CHANGE	21,586	(188,017)	(209,603)		64,757	(547,413)	(612,170)		259,031
SECTION 8 HOUSING CHOICE VOUCHER									
(Modified Accrual)									
Restricted:									
Revenues: HUD PHA HSP	1,561,032	1,301,070	(259,962)	83%	4,683,096	3,903,249	(779,847)	83%	18,732,467
Revenues: VASH HSP		64,888	64,888			194,667	194,667		
Expenses	1,500,704	1,662,519	161,815	111%	4,502,094	4,934,939	432,845	110%	18,008,376
NET CHANGE	60,328	(296,561)	(356,889)		181,002	(837,023)	(1,018,025)		724,091
Unrestricted:									
Revenue: Admin Fee/Others	171,643	199,976	28,333	117%	514,929	529,944	15,015	103%	2,059,729
Expenses	176,075	243,252	67,177	138%	528,198	542,591	14,393	103%	2,112,904
NET CHANGE	(4,432)	(43,276)	(38,844)		(13,269)	(12,647)	622		(53,175)
SECTION 8 PROJECT BASED PROGRAM									
(Modified Accrual)									
Federal Subsidy	1,896,909	1,953,155	56,246	103%	5,690,727	5,694,935	4,208	100%	22,763,000
Other Revenue	140,079	319,139	179,060	228%	420,237	319,180	(101,057)	76%	1,680,960
Expenses	2,011,292	2,016,862	5,570	100%	6,033,849	5,768,392	(265,457)	96%	24,135,499
NET CHANGE	25,696	255,431	229,735		77,115	245,723	168,608		308,461
STATE RENT SUPPLEMENT									
(Modified Accrual)									
Revenue	73,348	90,589	17,241	124%	220,044	271,769	51,725	124%	880,188
Expenses	73,267	36,383	(36,884)	50%	219,801	234,221	14,420	107%	879,255
NET CHANGE	81	54,206	54,125		243	37,548	37,305		933
HOMELESS PROGRAMS									
(Modified Accrual)									
State and Federal Subsidy	1,955,438	1,226,180	(729,258)	63%	5,866,290	3,685,949	(2,180,341)	63%	23,465,261
Other Revenue		20,834	20,834	100%	-	96,254	96,254		
Expenses	1,952,940	1,973,195	20,255	101%	5,858,778	3,587,745	(2,271,033)	61%	23,435,283
NET CHANGE	2,498	(726,181)	(728,679)		7,512	194,458	186,946		29,978
SUB-TOTAL OPERATIONS	305,523	(474,020)	(779,543)		916,612	1,039,950	123,338		



Glori T
Inafuku/DHS/StateHiUS
11/19/2009 08:58 AM

To DHS HPHA AMP Managers All, DHS HPHA AMP Deputy Managers
cc Chad K Taniguchi/DHS/StateHiUS@StateHiUS, Stephanie L Fo/DHS/StateHiUS@StateHiUS, Michael J Hee/DHS/StateHiUS@StateHiUS, Charlene M
bcc

Subject REAC Inspection Scores

Congratulations on the increased scores...

PHAS Physical Report for Fiscal Year 2009

PHA Information

PHA Code: HI001	PHA Name: Hawaii Public Housing Authority	Fiscal Year End: 06/30
------------------------	--	-------------------------------

Physical Score (rounded) **N/A** **Number of Projects:** 10 **Systemic Deficiencies(not available)**

No Physical Condition Credits were selected with the Management Assessment

Inspection Complete Date	Project ID	Inspection Number	Unit Count	Property (Development)	Overall Score		PPI	Inspection Reason
					100 - Point Basis	30 - Point Basis		
11/19/2009	HI001000046	332482	102	AMP 46 COUNTY OF HAWAII	87b ↑	26.1	N	75c Initial
11/17/2009	HI001000043	332479	199	AMP 43 KA HALE KAHALUU	76c* ↑	22.8	N	74c Initial
11/16/2009	HI001000039	332477	196	AMP 39 KAHEKILI TERRACE (MAUI AND MOLOKAI)	74b ↓	22.3	N	72b Initial
11/13/2009	HI001000032	332471	363	MAYOR WRIGHT HOMES	67c* ↓	20.0	N	71c Initial
11/13/2009	HI001000031	332470	373	KALIHI VALLEY HOMES	61c ↓	18.4	N	65b Initial
11/11/2009	HI001000040	332478	744	KUHIO PARK TERRACE	72b* ↑	21.5	N	22c Initial
11/11/2009	HI001000049	332483	150	AMP 49 WAHIAWA TERRACE	92b* ↑	27.7	N	66c Initial
11/09/2009	HI001000045	332481	226	AMP 45 KOOLAU VILLAGE	85b ↑	25.4	N	65d Initial
11/09/2009	HI001000035	332474	585	AMP 35 - PUNCHBOWL HOMES	86c* ↑	25.9	N	83b Initial
11/09/2009	HI001000044	332480	258	AMP 44 - WAIMAHA/SUNFLOWER	73c* ↑	22.0	N	53c Initial

* Smoke detector violation.

The letter "a" is given if no health and safety deficiencies were observed other than for smoke detectors. The letter "b" is given if one or more non-life threatening H&S deficiencies, but no life threatening H&S deficiencies were observed other than for smoke detectors. The letter "c" is given if there were one or more life threatening H&S deficiencies observed.