

**HAWAII PUBLIC HOUSING AUTHORITY  
NOTICE OF MEETING  
REGULAR BOARD OF DIRECTORS MEETING  
March 18, 2010  
9:00 a.m.  
1002 North School Street, Building E  
Honolulu, Hawaii 96817**

**AGENDA**

**I. CALL TO ORDER / ROLL CALL**

**II. APPROVAL OF MINUTES**

- A. Regular Meeting, January 21, 2010
- B. Regular Meeting, February 18, 2010
- C. Executive Sessions, February 18, 2010

**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. BOARD APPROVAL REQUIRED**

- A. Motion: To Accept the Management Discussion and Analysis of the Audited Financial Statements and the Single Audit of the Hawaii Public Housing Authority for the Fiscal Year Ending June 30, 2009
- B. Motion: To Authorize the Executive Director to Adopt Utility Allowance Rates provided by National Facilities Consultants for the Fiscal Year July 1, 2010 to June 30, 2011 for the Federal Low Income Public Housing Program
- C. Motion: To Approve the Hawaii Public Housing Authority's Five Year and Annual Plan for the Fiscal Year July 1, 2010 to June 30, 2011 and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department of Housing and Urban Development
- D. Motion: To Ratify the Hawaii Public Housing Authority's Amended Five Year and Annual Plan for the Fiscal Year July 1, 2009 to June 30, 2010 to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department of Housing and Urban Development

**V. REPORTS**

- A. Board Task Force Reports
  - Finance Task Force-Compliance Findings and Management Discussion and Analysis
  - Human Resources Task Force-Filling of Critical Positions
- B. Executive Director's Report: February 2010 Highlights
  - ED's Progress Report
  - Tsunami Response

## VI. FOR INFORMATION/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: Update on the Audit of the Hawaii Public Housing Authority by the Office of the Legislative Auditor

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the audit of the Hawaii Public Housing Authority by the Office of the Legislative Auditor

- C. For Information: Update on the Rock Fall and Mitigation Measures at the Kalihi Valley Homes

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the Rock Fall and Mitigation Measures at Kalihi Valley Homes

- D. For Information: Update on the American Recovery and Reinvestment Act (ARRA) Capital Fund Grant Program

- E. For Information: Update on the American Recovery and Reinvestment Act (ARRA) Homeless Prevention and Rapid Re-Housing Program and TANF Funded Grant Program

- F. For Information: Update on the Status of Legislative Bills Affecting the Hawaii Public Housing Authority's Programs

- G. For Information: Update on the Status of the Memorandum of Agreement to Temporarily Transfer the Hawaii Public Housing Authority's Homeless Programs Branch Staff and Programs to the Department of Human Services

- H. For Information: Update on the Status of the Transition Plan for the Homeless Families at Puahala Homes

- I. For Discussion: Change to Preferences for Applicants to Public Housing

- J. Request for Information from the U.S. Department of Homeland Security Immigration and Customs Enforcement Office

- K. For Information: Update on the Status of the U.S. Department of Housing and Urban Development's Corrective Action Order Against the Hawaii Public Housing Authority

\*\*Meals will be served to the Board members as an integral part of the board meeting.\*\*

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

**HAWAII PUBLIC HOUSING AUTHORITY**

**MINUTES OF THE REGULAR MEETING  
OF THE HAWAII PUBLIC HOUSING AUTHORITY  
HELD AT 1002 N. SCHOOL STREET, BUILDING E,  
ON THURSDAY, JANUARY 21, 2010  
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors of the Hawaii Public Housing Authority met for their Special Meeting at 1002 N. School Street, on Thursday, January 21, 2010 at 9:15 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 Clarissa Hosino  
Director Eric Beaver  
Designee Henry Oliva  
Director Linda Smith  
Director Matilda Yoshioka  
Director Rene Berthiaume  
Director Roger Godfrey  
Director Sam Aiona  
Director Sherrilee Dodson

Krislen Chun, Deputy Attorney General

**EXCUSED:** Director Carol Ignacio

**STAFF PRESENT:** Barbara Arashiro, Executive Assistant  
Alan Sarhan, Planner  
Charlene Nakamoto, Housing Compliance & Evaluation  
Specialist  
Glori Inafuku, Housing Compliance & Evaluation  
Specialist  
Joanna Chaves, Public Housing Supervisor  
Lydia Camacho, State Housing Development  
Administrator  
Marcel Audant, Housing Development Specialist  
Mark Buflo, Acting Chief Financial Management  
Advisor  
Michael Hee, Private Management Contracts Section  
Chief  
Norhana Schumacher, Acting Section 8 Subsidy Program  
Branch Chief  
Rick Sogawa, Acting Contracts and Procurement Officer  
Sandra Miyoshi, Homeless Programs Administrator  
Shirley Befitel, Personnel Supervisor  
Stephanie Fo, Property Management and Maintenance  
Services Branch Chief  
Steve Chang, Chief Compliance Officer  
Taryn Chikamori, Secretary to the Board

**OTHERS:** Alice Black, Waimaha Sunflower resident  
Augala Ene, Mayor Wright Homes resident  
Ava Goldman, Michaels Development Company  
David Moakley, Ameresco  
Fetu Kolio, Mayor Wright Homes resident  
Greg Carroll, Michaels Development Company  
Jesse Ponce de Leon, Kalakaua Homes resident  
Jun Yang, Faith Action for Community Equity  
June Talia, Kuhio Park Terrace resident  
Leo Molina, Waimaha Sunflower resident  
Leva Alualu, Kuhio Park Terrace resident

**ORDER/  
ROLL CALL**

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Monika Mordasini, Michaels Development Company  
Nora Oliphant, Kalakaua Homes resident  
Robert Hanna, private resident  
Roy Nakamura, Kalakaua Homes resident

Chairperson Thompson declared a quorum present.

QUORUM

Director Beaver moved, Director Hosino seconded,

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

APPROVAL  
OF MINUTES  
REGULAR  
MEETING  
DECEMBER 17,  
2009

The minutes were unanimously approved.

Director Beaver moved, Director Hosino seconded,

That the minutes of the Special Meeting held on  
January 7, 2010 be approved as circulated.

APPROVAL  
OF MINUTES  
SPECIAL  
MEETING  
JANUARY 7,  
2010

The minutes were unanimously approved.

Nora Oliphant, Kalakaua Homes resident, stated that she has two issues she would like to testify on. The first issue is that she has termites in her unit. Ms. Oliphant stated that treatment was done before, but the termites have returned and has gotten worse. She has called the management office regarding the infestation. The second issue is that a former member of the tenant association owes the tenant association money for over two years now.

PUBLIC  
TESTIMONY

Director Smith asked if anyone came to treat the termite infestation. Ms. Oliphant responded that a professional contractor came about two years ago and the Hawaii Public Housing Authority's (HPHA) maintenance has also treated the infestation, but now the termites are moving to a different part of the cabinets.

Director Smith asked how long Ms. Oliphant has been living in public housing. Ms. Oliphant responded 14 years. Director Smith asked if in the 14 years Ms. Oliphant lived in public housing does she remember the building being tented. Ms. Oliphant responded that she does not remember the building ever being tented.

Roy Nakamura, Kalakaua Homes resident, stated that the Lanakila Meals on Wheels Program has the Paoakalani activity room reserved Monday through Friday from 8:00 a.m. to 12:00 p.m. Mr. Nakamura stated a request to use the room was submitted on December 2, 2009 and was returned on December 4, 2009 disapproved.

Director Smith stated she appreciates his interest in the issue, but the issue has been resolved with the help of Chairperson Thompson.

Mr. Nakamura stated the issue has been resolved but Stephanie Fo, property management and maintenance services branch chief, informed him that Chairperson Thompson's signature is not valid.

Director Smith stated that Chairperson Thompson signed the document because the executive director, executive assistant, and the property management and maintenance services branch chief were not physically available to sign the document. Mr. Nakamura was questioning why the room usage was denied by management.

Robert Hanna, private resident, stated Mr. Nakamura asked him to testify. He

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stated that the room usage was approved only two days before the party and because of the late notice the party was a flop.

Director Beaver asked if Mr. Hanna knew why the original request was denied. Mr. Hanna responded it was denied because of the hours the party was to take place. The second request the time was changed but was denied again because the party was taking place in the Lanakila Meals on Wheels site. The manager at Kalakaua Homes stated she contacted Lanakila Meals on Wheels and was informed that Lanakila Meals on Wheels would not take responsibility for the party. Mr. Hanna stated that the director of HPHA should have known that this would be the response from Lanakila Meals on Wheels and shouldn't have denied them of their party.

Alice Black, Waimaha Sunflower resident, stated that she is concerned about the residents at Waimaha Sunflower and there needs to be better communication with management.

Leo Molina, Waimaha Sunflower resident, stated that he is part of the neighborhood watch and is concerned with security and the Micronesians damaging the property.

Fetu Kolio, Mayor Wright Homes (MWH) resident, stated he wants to work with the new executive director. The citizens patrol has been criticized by management and there is a resistance group. He stated he is disappointed that management has condemned the citizen patrol. Mr. Kolio reported that the citizens patrol was patrolling the project with security guards. The security guards were informing residents with tents that they need a permit from management. There was a confrontation with one family which escalated and the police had to be called. The manager informed him that the citizen patrol should not be knocking on doors because they are not management staff. Mr. Kolio stated that the citizen patrol does not approach tenants; they monitor the project.

Director Yoshioka asked if security is contracted out or if the HPHA is managing security. Ms. Fo responded that security is contracted.

Jesse Ponce de Leon, Kalakaua Homes resident, stated that a person from Faith Action for Community Equity (FACE) had taped him and he requested a copy of the tape and tried to get an interview with the manager of FACE. He stated the manager was going to give him an interview but then requested a list of questions. The questions were 1) why you are taking a position for Chad Taniguchi, executive director and 2) why are you not helping the senior citizens when they are complaining. Mr. Ponce de Leon asked what FACE is doing for the community? There are many problems that have arisen since the new year started.

June Talia, KPT resident, stated she wants to apologize to the Board. She wants to work with the new executive director. She stated she was upset, but she knows that she needs to move on and wished the new executive director good luck.

Director Beaver moved, Director Hosino seconded,

To Approve the Hiring of Denise Wise to Fill the Anticipated Vacancy for the Position of the Executive Director of the Hawaii Public Housing Authority.

Director Smith asked if the candidate accepted the position. Shirley Befitel, personnel supervisor, responded yes.

Director Smith asked if a start date is being negotiated. Ms. Befitel responded that the start date is contingent on the background check.

TO APPROVE THE HIRING OF DENISE WISE TO FILL THE ANTICIPATED VACANCY FOR THE POSITION OF THE EXECUTIVE DIRECTOR OF THE HAWAII

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Chairperson Thompson stated Michael Flores, HUD spoke to him and informed him of the correction action order (CAO) that was still in place. Chairperson Thompson stated he informed Mr. Flores of the background of the candidate and the Board's actions. Mr. Flores called the candidate and spoke to her. HUD subsequently sent a formal memo to the HPHA with HUD approval of Denise Wise.

Director Beaver asked if staff has a report on the CAO. Ms. Arashiro responded staff will put a report together for the next Board meeting. HUD continues to have issues with the obligation rate of the capital fund.

Director Beaver asked for the CAO to be a reoccurring report.

Director Berthiaume asked if the CAO means that the HPHA is a troubled agency. Ms. Arashiro responded no.

The motion was unanimously carried.

Director Beaver moved, Director Dodson seconded,

To Approve the Reappointment of Mr. Darren Gionson to the Oahu Eviction Board and Ms. Arde Long-Yamashita to the Kauai Eviction Board for a Two-Year Term Expiring on January 31, 2012 and To Reappoint Mr. Robert Hill to the Maui Eviction Board for a Two-Year Term Expiring on February 28, 2012

TO APPROVE THE REAPPOINTMENT OF MR. DARREN GIONSON TO THE OAHU EVICTION BOARD AND MS. ARDE LONG-YAMASHITA TO THE KAUAI EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON JANUARY 31, 2012 AND TO REAPPOINT MR. ROBERT HILL TO THE MAUI EVICTION BOARD FOR A TWO-YEAR TERM EXPIRING ON FEBRUARY 28, 2012

Chairperson Thompson stated he was impressed with the background of the volunteers.

Director Hosino asked if the volunteers have been notified that they are up for reappointment. Ms. Arashiro responded they have been informed.

Chairperson Thompson asked how the members were informed. Ms. Arashiro responded she is unsure if it was by telephone or by a letter but she knows they were informed. All of the volunteers expressed a willingness to continue serving on the Board.

The motion was unanimously carried.

Director Beaver moved, Director Dodson seconded,

To Authorize the Hawaii Public Housing Authority to Hold Public Hearings on the Draft Five Year and Annual Plan for Fiscal Year 2010 – 2011

TO AUTHORIZE THE HAWAII PUBLIC HOUSING AUTHORITY TO HOLD PUBLIC HEARINGS ON THE DRAFT FIVE YEAR AND ANNUAL PLAN FOR FISCAL

Ms. Arashiro stated that Alan Sarhan, planner, worked with the Resident Advisory Board (RAB) on the draft of the Public Housing Agency (PHA) plan.

Mr. Sarhan stated the annual plan has amendments. He has been meeting with the RAB for several months and there is another meeting in February which may change the PHA plan.

Director Smith asked if the Board can make changes to the plan after the public hearings. Mr. Sarhan responded the Board can make changes, if it is not a substantial change. If it is a substantial change then it would need to go back to public hearings, which would not leave enough time for the HPHA to submit the PHA plan to HUD.

Director Smith asked if the Board can make changes after the PHA plan has been submitted to HUD. Mr. Sarhan responded yes, but there would need to be public hearings.

Director Yoshioka asked if the RAB has formally adopted the PHA plan. Mr. Sarhan responded that there has been disagreement on a few changes, but the changes are not substantial. Mr. Sarhan clarified that “substantial” is defined in the PHA plan.

Director Yoshioka asked what the deadline to submit to HUD is. Mr. Sarhan responded the HPHA’s timeline is to submit to HUD on March 24, 2010. The HUD deadline is April 15, 2010.

Director Smith asked what the differences between the draft and the RAB’s request. Mr. Sarhan stated there are three significant items that the RAB disagree with. Mr. Sarhan stated that the first item is the timeliness of evictions. The HPHA wants to start the eviction process after 30 days of delinquencies, whereas; the RAB wants the eviction process to start 60 days after the delinquencies.

Chairperson Thompson asked how the HPHA can make the 30 day timeline if it takes the HPHA a couple of months to recalculate the rent. Mr. Sarhan responded the 30 day timeline is assuming everything is timely, the tenant has been notified of the delinquency, the tenant has not complied with the repayment plan, and amount of rent is not in dispute.

Mr. Sarhan stated the second item is the HPHA wants 25 days for tenant requested work orders to be completed, whereas; the RAB wants 14 days. The HPHA feels that that it is unable to complete tenant requested work orders in 14 days because of the time it takes to obtain contractors and materials for the repairs.

Chairperson Thompson stated if the HPHA uses 14 days, then shouldn’t the staff work harder to make the 14 days. Mr. Sarhan responded stated that if the HPHA uses the 14 days as a standard and does not complete the work in 14 days then the HPHA is not meeting the standard that was set.

Director Beaver asked if there is a prioritized list for health and safety issues. Ms. Arashiro responded that if it was a health and safety issue then it is an emergency work order which needs to be completed within 24 hours.

Chairperson Thompson asked if the “HPHA will use Asset Management conversion as an opportunity to assess the viability of individual housing projects sites” means that some Asset Management Project AMPs cannot adequately function under the asset management model and does the HPHA have an option to convert. Mr. Sarhan stated this is not a question of whether the HPHA will do asset management; it is saying that the HPHA will use the asset management conversion as an opportunity to look at project and determine whether it will be financially viable. The assessment would look at whether AMPs need to be reconfigured.

Director Berthiaume asked if operational costs can be separated from repairs and budget the repairs under the Capital Improvement budget. Director Beaver responded that would defeat the asset management process.

Director Smith asked for “tenant selection” will the HPHA do credit checks and

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home visits, and has the HPHA gotten an opinion from the attorney as to if this is permissible. Mr. Sarhan responded that this item has changed slightly to state that besides credit checks, the HPHA will investigate and assess the possibility of the suitability assessment.

Chairperson Thompson stated that the assessment would be subjective to the inspector unless there is a very strict criteria.

Director Beaver stated if someone is found not suitable then what happens. Ms. Fo responded doing a suitability check will save the HPHA money because there will be a strict criteria. The criteria entails tenant caused damages and does not look at if the tenant is messy or cluttered. All suitability will be documented.

Director Dodson stated that Habitat for Humanity does a suitability check.

Chairperson Thompson stated the other issue he has is that Hawaii has multiple ethnic backgrounds and the HPHA should not put standards on them. Director Dodson stated the HPHA is not talking about if the home is messy; the HPHA is talking about tenant caused damages. Every other landlord does a suitability check; the HPHA should do one too.

Director Smith stated that Director Dodson's comments were very helpful but would like the HPHA to consult with the Department of the Attorney General.

Director Beaver stated he agrees with the suitability check if the criteria is clear.

Director Hosino stated that if she was living in a private unit she would not like someone coming into her home. The private landlord does inspections and know how you care for the property.

Director Hosino stated that the RAB is against: 1) improving the timeliness of evictions; 2) waitlist/tenant selection changes; 3) standards requiring repair within 270 days; 4) suitability assessments; 5) homeless preference; 6) work orders; 7) self-sufficiency requirements; and 8) assessing resident services program. The RAB did not have enough discussion on the review and standardized house rules to make any comment.

Chairperson Thompson asked if there will be more discussions with the RAB because of the disagreements. Mr. Sarhan responded that most of the contention items are expressed in the PHA plan as items the HPHA will look into and consider. The RAB is saying they are against doing it. There is more time for the Board and residents to state if they are for or against each item as they arise.

Director Aiona asked who can testify at the public hearing. Mr. Sarhan responded anyone who is interested.

Director Aiona asked because the public hearings are taking place on all islands who will be on the neighbor islands answering questions. Mr. Sarhan responded that the public hearing is for people to submit either verbal or written testimony. There will be no feedback provided at the public hearing.

Director Aiona asked who residents can speak to if they have questions. Director Hosino stated that because there are not enough RAB members, each RAB member needs to take the initiative to go to each project and address the PHA plan to ensure the residents understand the plan.

Director Dodson stated the RAB is not the only place residents can get answers, regarding the plan; the residents may also call Mr. Sarhan. The information is in the rent bill, newspaper, at the projects, and the RAB.

Director Hosino stated that as a requirement of the resident participation funds a

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RAB member goes to the property to discuss the PHA plan. Director Dodson clarified that she is not saying that the RAB shouldn't go to each project, but that there are many avenues the residents have to get the information and questions answered.

Director Yoshioka stated that she is concerned with the PHA plan timeline. When will the Board have time to review the PHA plan because it will be finalized on March 17 and the Board will receive it on March 18? Director Dodson responded that the plan is due on April 16 and the Board has another meeting on April 15. Ms. Arashiro stated that the timeline has always been a problem. The Housing and Community Development Corporation of Hawaii (HCDCH) Board would have a have a Special Board meeting to approve the PHA plan.

Chairperson Thompson stated he would like the Board inputs at the February meeting so the Board can discuss the changes in March before the public hearings.

Director Hosino stated she has a concern that the RAB doesn't have quorum and cannot approve the plan.

Chairperson Thompson stated the Hawaii Administrative Rules address the issue of quorum and if the RAB can't get the people then it is a problem. It is incumbent on the RAB to get its members there.

Director Berthiaume asked why the Board needs to vote on the PHA plan if it is a statutory requirement. Ms. Arashiro responded that the Board needs to authorize the staff to take the plan to the public.

Director Beaver asked why it will take the HPHA 270 days to repair new long-term vacant units. Mr. Sarhan responded that this was the goal that the Board approved. These units are severely damaged by fire, sewer problems or structural issues, etc.

Ayes: Chairperson Thompson  
Director Aiona  
Director Beaver  
Director Berthiaume  
Director Dodson  
Director Godfrey  
Director Smith  
Director Yoshioka

Nay: Director Hosino

The motion was carried.

Chairperson Thompson called a recess at 10:36 a.m. and reconvened at 10:49 a.m.

Director Beaver moved, Director Hosino seconded,

To Accept the Proposed Amendment to the  
Discrimination Policy of the Admissions and  
Continued Occupancy Policy (ACOP)

Ms. Arashiro stated that the change to the Admissions and Continued Occupancy Policy (ACOP) is to comply with the Violence Against Women Act (VAWA).

Steve Chang, Chief Compliance Officer, stated the change is to include language that states "history of domestic violence or stalking, gender identity or expression,

RECESS/  
RECONVENED

TO ACCEPT THE  
PROPOSED  
AMENDMENT  
TO THE DIS-  
CRIMINATION  
POLICY OF THE  
ADMISSIONS  
AND CON-  
TINUED  
OCCUPANCY  
POLICY (ACOP)

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sexual orientation.”

Chairperson Thompson stated that the wording sounds like it is protecting the perpetrators, although he understands this is to protect the victims. Mr. Chang responded that the language is from the statute and is intended to protect victims of domestic violence.

Ayes: Director Aiona  
Director Beaver  
Director Berthiaume  
Director Dodson  
Director Godfrey  
Director Hosino  
Director Smith  
Director Yoshioka

Abstained: Chairperson Thompson

The motion was carried.

Ms. Arashiro requested that the decision making to adopt the Hawaii Public Housing Authority’s revised reasonable accommodations policy be deferred.

Director Beaver moved, Director Hosino seconded,

Deferred The Decision Making To Adopt The  
Hawaii Public Housing Authority’s Revised  
Reasonable Accommodations Policy.

The motion was unanimously carried.

Director Beaver moved, Director Aiona seconded,

Requesting Approval to Request a Waiver from  
HUD’s Regulatory Requirement to Decrease the  
Payment Standard Amounts at the First Regular  
Annual Reexamination Instead of at the Second  
Regular Annual Reexamination  
(see 24 CFR 982.505(c)(3))

Norhana Schumacher, Acting Section 8 Subsidy Program Branch Chief, stated the HPHA wants to ask HUD for a waiver of the regular rules to lower the payment standard at the first regular annual reexamination, instead of the second regular annual reexamination. This would prolong the HPHA running out of funds for six months.

Director Dodson asked if any other agencies are requesting this wavier. Ms. Schumacher responded the HPHA is unique in this request.

Director Berthiaume asked if this affects the Veterans Assisted Supportive Housing vouchers (VASH). Ms. Schumacher responded it does not affect the VASH vouchers.

Chairperson Thompson asked how much funds should be in the reserves. Ms. Arashiro responded \$3 to \$4 million.

Chairperson Thompson asked how much the HPHA is spending per month. Ms. Schumacher responded \$1.6 million.

Chairperson Thompson asked how much money the HPHA would save. The HPHA would have an additional six months before running out of money.

TO ADOPT THE  
HAWAII PUBLIC  
HOUSING  
AUTHORITY’S  
REVISED  
REASONABLE  
ACCOMMODA-  
TIONS POLICY

REQUESTING  
APPROVAL TO  
REQUEST A  
WAIVER FROM  
HUD’S REG-  
ULATORY RE-  
QUIREMENT  
TO DECREASE  
THE PAYMENT  
STANDARD  
AMOUNTS AT  
THE FIRST REG-  
ULAR ANNUAL  
REEXAMINA-  
TION INSTEAD  
OF AT THE  
SECOND REG-  
ULAR ANNUAL  
REEXAMINA-  
TION (SEE 24  
CFR 982.505  
(C)(3))

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Chairperson Thompson stated if the HPHA changes from 100% to 90% the HPHA would be saving 10% which is approximately \$150,000.

Ms. Schumacher responded that when the payment standard is lowered, the HPHA share goes down and tenant share goes up. Currently at 100%, the HPHA is paying \$1,140 for a studio. At 90%, the HPHA would be paying \$1,072 which would save the HPHA \$68.

Director Smith asked why is this being requested now, when the HPHA will not run out of funds until September 2012, and the HPHA will lose clients through attrition to make up the difference. Ms. Schumacher responded that the attrition rate will not be enough and this is a preparatory step to addressing the over utilization. Other steps still need to be taken to address the issue.

Chairperson Thompson stated that the HPHA is lowering the payment to 90%, so the only difference is the HPHA would be giving a one year notice compared to a two year notice. Ms. Schumacher responded yes.

Director Smith stated she does not feel that the case has been made to request the waiver at this time because: 1) the HPHA is not issuing new vouchers; 2) the HPHA is losing clients through attrition; and 3) when families want to move out the HPHA can approve or deny the request.

Director Yoshioka asked if this decision making is approved who covers the difference. Ms. Schumacher responded that the tenant will pay the difference.

Chairperson Thompson asked what happens if the HPHA runs out of reserves. Ms. Schumacher responded the HPHA will need to use the operating funds and the families who were placed last will be first to be terminated from the program. This will be about 200-300 families.

Director Beaver stated that the attrition rate is so small that the HPHA will get to the point where we will need to remove 200-300 families from the program. Although all families will need to pay a little more, more families will be helped.

Chairperson Thompson asked how many families are currently in the Section 8 program. Ms. Schumacher responded 1,800.

Director Smith asked how the HPHA got into this situation. Ms. Schumacher responded because HUD has reduced funding.

Director Smith asked if the HPHA knew HUD would be reducing funding. Ms. Schumacher responded no.

Director Dodson stated that she is concerned about asking HUD for the waiver because the HPHA is the only agency requesting the waiver and the HPHA is still under the Corrective Action Order (CAO).

Director Thompson stated that he is concerned because this will affect 1,800 families.

Director Berthiaume asked what the rate the City and County is using is. Ms. Schumacher responded the City and County is below 90%.

Ms. Arashiro stated the HPHA is not asking for a waiver to lower the payment standard. The HPHA is asking to implement the 90% in one year, instead of two years.

Director Beaver asked if the HPHA waits will this impact the relationship between HUD and the HPHA. Ms. Schumacher responded that HUD will ask why the HPHA waited to the last minute.

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Chairperson Thompson asked whether the HPHA has had informal conversations with HUD. Ms. Schumacher responded no.

Chairperson Thompson asked who Section 8 works with at HUD. Ms. Schumacher responded Bill Sabalburo.

Director Smith stated the goal for using the funds is 100% and the HPHA is currently using 101.79%. Director Smith asked if Section 8 is saying that it cannot make the adjustment of 1.79% by 2012 without lowering the payment rate. Ms. Schumacher responded 100% is the goal, but because many people are losing their jobs the HPHA share will likely go up.

Director Smith asked if Section 8 can deny the increase of the voucher. Ms. Schumacher responded no, because it is in the administrative plan.

Director Smith stated that if nothing is done then Section 8 will run out of money in September 2012 instead of January 2013.

Nays:           Chairperson Thompson  
                  Director Aiona  
                  Director Berthiaume  
                  Director Dodson  
                  Director Godfrey  
                  Director Hosino  
                  Director Smith  
                  Director Yoshioka

Abstained:    Director Beaver

The motion was not carried.

Director Beaver moved, Director Hosino seconded,

To go into executive session at 11:24 a.m. pursuant to sections 92-4 and 92-5(a)(2), Hawaii Revised Statutes, to discuss the term of the current Executive Director, where matters of privacy are involved, and pursuant to section 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, as related to the term of the current Executive Director.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:24 p.m.

Chairperson Thompson stated that there was a motion made and unanimously passed to place the current executive director on leave with pay effective close of business of January 22, 2010 with the employment termination date of February 19, 2010. The Board also authorized the executive assistant to act as acting executive director effective January 25, 2010 and until the new executive director's start date.

Designee Oliva arrived at 12:25 p.m.

Director Smith reported that the Goals and Objectives task force met with Calvin Taketa, Hawaii Community Foundation. The task force briefed Mr. Taketa on the Board's goals and objectives. Mr. Taketa asked to keep him apprised of the

EXECUTIVE  
SESSION

RECONVENED

GOALS AND  
OBJECTIVES  
TASK FORCE

## HAWAII PUBLIC HOUSING AUTHORITY

development and he offered to assist the Board if the Board decides to approach other non-profit organizations.

UPDATE

Director Smith also has an intern, David Okimoto, who will be doing research on other housing agencies who has been successful in Hope IV, rent to own programs, and mixed use projects.

Chairperson Thompson asked if there was an offer for funding. Director Smith responded that the task force did not make the request. The Board needs to keep in mind that the Hawaii Community Foundation manages donations from other agencies and these funds come with specific parameters.

Chairperson Thompson asked the Goals and Objectives task force continue the effort and report back at the next meeting.

Designee Oliva stated that the Human Resources task force has no report. Chairperson Thompson asked the Human Resources task force to continue the effort and report back at the next meeting.

HUMAN  
RESOURCES

Director Beaver stated that the Mixed Income task force discussed Kuhio Park Terrace (KPT) and the Energy Performance Contract (EPC). The task force is in favor of staff's recommendations that will be discussed later. Chairperson Thompson asked the Mixed Income task force to continue the effort and report back at the next meeting.

MIXED  
INCOME

Director Dodson stated she would like to start a new task force that would explore Board trainings.

Director Berthiaume asked because the Homelessness task force is not on the agenda does this mean that the task force has been dissolved. Krislen Chun, deputy attorney general, clarified that the task force has not been dissolved but the task forces do not take action unless Chairperson Thompson instructs them to do so.

Director Berthiaume and Director Aiona volunteered to be on the Board Training task force.

Chairperson Thompson appointed Director Dodson, Director Berthiaume, and Director Aiona to be on the Board Training task force. Chairperson Thompson asked that the task force ask the staff for help.

Director Dodson stated her intention is to give each Board member a Board packet and update each year.

Chairperson Thompson asked that the Finance/Audit task force meet to discuss the current audit and to make comments and report back to the Board at the next meeting. Chairperson Thompson stated that Director Smith, Director Beaver, and the Chairperson are on the Finance/Audit task force.

Chairperson Thompson asked Director Godfrey to be on the Finance/Audit task force. Director Godfrey agreed.

Ms. Arashiro stated that there was discussion with the AG's office regarding the Executive Order (EO) for Homeless Programs Branch (HPB). The AG's office does not feel that the EO will accomplish all that needs to be accomplished. Ms. Arashiro stated she asked the AG's office if a Memorandum of Agreement (MOA) would work. The MOA would give the funds to the Department of Human Services (DHS) and to ask the DHS staff manage the funds.

EXECUTIVE  
DIRECTOR'S  
REPORT

## HAWAII PUBLIC HOUSING AUTHORITY

Designee Oliva asked if the HPHA wanted the HPB to physically move. Ms. Arashiro responded yes.

Chairperson Thompson asked does this mean that the EO will not be happening. Ms. Chun responded she is not sure but believes that it will be handled through a MOA.

Director Berthiaume asked if this means that the legislature does not need to pass a bill. Ms. Chun responded that the executive director and/or MOA are only interim measures and that legislative action is still required.

Director Smith stated that Diane Taira, deputy attorney general, indicated that she received only part of the information regarding what the EO is for and how it will be implemented. The HPHA has always known that the statute needs to be cleaned up. The HPHA can make the transfer without statutory changes right now. Some changes can be done by EO and some by MOA. If the HPHA does not move quickly, then funding of the HPHA and the HPB are being jeopardized. Director Smith stated she will re-write the EO to make sure that the HPHA can move forward.

Director Beaver asked what the holdup is. Director Smith responded there was a draft completed, but it needs a lot more work.

Director Berthiaume stated there was a bill in the legislature last year. Will that bill take precedence over the EO or MOA? Director Smith responded that the bill, EO, and MOA are all in tandem with each other.

Chairperson Thompson asked that Ms. Arashiro keep the Chair informed.

Designee Oliva stated that the first thing that can be done without documentation is to look for a physical location for the HPB. He will be working on the move.

Chairperson Thompson asked who will be working on the MOA. Ms. Chun stated she will check with Ms. Taira on who will draft the MOA. Director Smith stated she will work with Ms. Chun and Ms. Taira on the EO and MOA.

Chairperson Thompson asked that on the report it states that two units have been referred to Construction Management Services (CMS) due to earthquake damage. When was the earthquake? Director Smith responded October 2006.

Chairperson Thompson stated that Maui has 61 CMS units delayed because the contractor's equipment was stolen. It happens that a person that working on the job is his neighbor. He asked him how many items were stolen. The neighbor responded about \$100-\$200 worth of items. Chairperson Thompson asked that staff ask question when contractors report incidents.

Chairperson Thompson stated that with regards to rent collection there are two AMPs that have half the units delinquent for 30 or more days. Ke Kumu Elua has 11 occupied units but 12 units with delinquencies. Chairperson Thompson stated that Kahale Mua has a 93% rate of non-vacated delinquencies.

Director Smith stated the Hana vacant parcel sale needs to be submitted as part of the administrative package on January 25. She has asked her staff to get the information from the HPHA and her staff will write the resolution. The public hearing can still take place on February 5.

Ms. Fo stated that the rent collection policy is that notices are sent, there is a meeting with the tenants and a repayment agreement is made or they are forwarded for eviction.

Chairperson Thompson asked if a repayment agreement is made does it show as delinquent. Ms. Fo responded yes, she will make a new column which includes how many tenants are on a repayment agreement.

HAWAII PUBLIC HOUSING AUTHORITY

Chairperson Thompson stated that for the month of December, no elevators were down for more than one day. This is great news.

Chairperson Thompson asked what the supplemental amount of \$330,360 to Realty Laua, LLC for Wilikina Apartment is for. Director Smith responded it deals with the timing of the sale of the property. The contract has been extended to August 31, 2010 and there is a clause in the contract that allows the HPHA to terminate earlier with 30 days notice.

Ms. Arashiro reported that all the AMPS passed the REAC inspection.

Chairperson Thompson asked what AMP had the highest score. Ms. Fo responded Puuwai Momi, Makua Alii and Lanakila Homes all had a score of 92 points.

Chairperson Thompson stated instead of the staff reviewing the report, he would like the Board to read through the packet and be ready to ask their questions at the Board meeting.

Ms. Arashiro reported that HUD was able to bring the asset management training to Hawaii on January 27 and January 28. The HPHA will be having two full days of training from the consultant and the Board is welcome to attend.

Chairperson Thompson stated the Board will discuss the master schedule for the sale of Banyan Street Manor.

Michael Hee, Private Management Contracts Section Chief, stated that the Purchase & Sale Agreement (P & SA) draft #2 was transmitted to the buyer. The AG's office is communicating with the buyer on the remaining issues.

Ms. Chun stated that there has been agreement on many of the terms.

Mr. Hee stated that once the P & SA is signed, then the buyer can obtain finances.

Director Smith asked how long will it take for the AG's office to iron out the differences. Ms. Chun responded the buyer has the P & SA and their attorneys need to get approval from their clients. The plan is to try and get the P & SA signed by next week.

Chairperson Thompson asked if the HPHA is selling the property "as is". Mr. Hee responded yes, but the buyer has come back with things that they need changed in order to get financing.

Chairperson Thompson stated that if the property is being sold "as is", then the HPHA would save six months because the schedule stated 180 days to waive conditions.

Director Smith asked why HUD needs to approve the sale. Mr. Hee responded because it is an insured mortgage and because of Section 8.

Director Smith asked if some of the items could be completed simultaneously. Mr. Hee responded yes, and once the P & SA is signed this will give the buyers site control and they can get financing.

Chairperson Thompson asked if Mr. Hee is in charge of the sale. Mr. Hee responded yes, but he believes the HPHA will need to hire outside counsel to help transfer the physical assets.

Chairperson Thompson stated the Board will be discussing the master schedule for the sale of Wilikina Apartments.

MASTER  
SCHEDULE  
FOR THE SALE  
OF BANYAN  
STREET MANOR

MASTER  
SCHEDULE  
FOR THE SALE

HAWAII PUBLIC HOUSING AUTHORITY

Mr. Hee stated that the P & SA agreement draft #5 has been transmitted to the buyer. The AG's office is discussing with the buyers the final details. Ms. Chun stated the lead attorney called the buyer and the plan is to have the P & SA signed by next week.

OF WILIKINA  
APARTMENTS

Director Berthiaume asked if the sale requires legislative approval. Mr. Hee responded no.

Director Smith asked if Hawaii Housing Finance and Development Corporation (HHFDC) is listed because the buyer is requesting tax credit. Mr. Hee responded yes.

Director Smith stated the master schedule looks long. Mr. Hee stated Alvarez & Marsal estimating the timelines based on past experience.

Director Smith asked if the sale is contingent on the tax credit as financing. Mr. Hee responded no, it's contingent on financing.

Chairperson Thompson stated the Board would be discussing the master schedule for the sale of Hana.

MASTER  
SCHEDULE  
FOR THE SALE  
OF HANA

Mr. Hee stated once the HPHA gets legislative approval, the HPHA is ready to sell. Mr. Hee stated that Jordann Ares from Director Smith's office is helping to write the resolution to submit to the legislature.

Director Smith asked why an appraisal needs to be completed. Mr. Hee responded it is required by the legislature.

Director Smith asked if the HPHA already got the appraisal. Ms. Chun clarified that the broker provided a fair market rate, but no formal appraisal was completed.

Director Smith asked if there needs to be a public meeting. Mr. Hee responded that he is awaiting approval from the County of Maui to use its facilities to hold a public meeting.

Chairperson Thompson asked does he want to use Helene Social Community Hall. Mr. Hee responded yes.

Director Smith stated she would like the HPHA to ask the Department of Land and Natural Resources (DLNR) to assign someone to do the appraisal right away.

Director Smith asked if the HPB is processing the \$7 million of temporary assistance to needy families (TANF) funds. Sandra Miyoshi, Homeless Programs Administrator, responded DHS ran out of money for child care assistance and DHS quickly adopted a sliding scale with little notice to the public.

EXECUTIVE  
DIRECTOR  
REPORT/  
HOMELESS

Director Smith asked what the role of HPB is. Ms. Miyoshi responded that Director Koller asked Ms. Miyoshi what was available to help with the situation. Ms. Miyoshi informed Director Koller that there are two programs, 1) the Homelessness Prevention and Rapid Housing program with American Recovery and Reinvestment Act (AARA) funds and 2) the homeless rent programs. Director Koller wanted an enhancement of the grant program because the grant program has \$380,000 for the year. Director Koller signed an MOA for \$7 million in TANF ARRA funds. The HPB grant agencies will be doing an assessment and then providing the funds as needed.

Designee Oliva asked for an example of how a family can receive the funds. Ms. Miyoshi responded all families that receive a letter from DHS indicating that they are able to apply for the funds. The agencies will then do an assessment, which includes review of their income versus expenses. The parents must also take a financial literacy course to qualify for the assistance.

HAWAII PUBLIC HOUSING AUTHORITY

Director Smith asked whether these families do not need to be homeless; they only need to be part of the current DHS program. She asked if the reason the funds are being distributed by HPB is because the grantees are currently under the HPB. Ms. Miyoshi responded yes.

Designee Oliva asked for an update on the homeless program working with the Office of Community Services on potentially transferring the Emergency Shelter Grant. Ms. Miyoshi responded Scott Ray, DHS, informed her that he was checking on the progress and if it is possible. Director Aiona stated this is contingent on the HPB move, because the homeless services should stay in one place unless it becomes too difficult for the HPB. Ms. Miyoshi stated the HPB is at .03% in compliance with the spending of these funds.

Director Aiona asked why the HPB can't process the funds. Ms. Miyoshi responded someone needs to learn how to verify all the payment requests and would need to input the information in three reporting systems to draw down the funds. Between the two staff people in HPB, they do not have the expertise and time.

Director Aiona asked then why did the HPB take on an additional \$7 million for childcare subsidy. Ms. Miyoshi responded because these funds are under programs that HPB is already handling and knows how to process the funds.

Director Smith stated that the focus and priority should be transferring the HPB to Benefit Employment and Support Services Division (BESSD) because there will be staff to help with these programs.

Chairperson Thompson stated the Board will discuss the transition plan to move the homeless families from Puahala Homes.

Ms. Miyoshi stated a transition plan is being prepared for the families at Puahala Homes. The two years will end in July 2010. The contractor is not accepting any new clients. There are three families transitioning out and as the families leave the units are being cleaned and turned back over to the HPHA inventory.

Chairperson Thompson asked how long it will take to clean up the units. Ms. Miyoshi responded one week and the unit will be turned back to public housing for inspections.

Chairperson Thompson asked if the Property Management and Maintenance Services Branch (PMMSB) are aware and getting tenants ready to move into these units. Ms. Fo responded PMMSB is aware and are getting tenants ready to move in.

Chairperson Thompson asked how long the resident manager will stay in the unit. Ms. Miyoshi responded the resident manager will stay in the unit until all the families are transitioned out.

Chairperson Thompson asked if there is an assessment on how the program went relative to objectives that were set. Ms. Miyoshi responded there is a report and the Board will receive it once the program ends. There has been a great synergy between the HPB tenants and the HPHA tenants.

Director Berthiaume asked because some residents applied for public housing will they still have the homeless priority. Ms. Miyoshi responded they will still have the preference.

Director Smith asked if any of the existing tenants are eligible for public housing. Ms. Miyoshi responded she believes all of them are eligible.

Director Smith requested that staff research whether the current families are

TRANSITION  
PLAN TO MOVE  
THE HOMELESS  
FAMILIES  
FROM  
PUAHALA  
HOMES

HAWAII PUBLIC HOUSING AUTHORITY

eligible for public housing and where they are on the waitlist. Ms. Fo stated that staff will look at the list and if they are close to the top, the HPHA will determine whether we can leave them in their current units.

Director Smith stated if they qualify and the HPHA does not leave them in the unit, then the HPHA will incur the expenses of moving the families out, cleaning the units, etc. This will ensure the HPHA that the units are continuously occupied and avoid disruption to their family

Ms. Miyoshi stated H5 is giving her a list of the families and she will consult with PMMSB.

Director Yoshioka asked if the HPB cleans the units. Ms. Miyoshi responded the families are responsible for cleaning the units before they leave and H5 is responsible for inspection and oversight.

Director Hosino asked if Puahala was a State project. Chairperson Thompson responded it is a State project.

Chairperson Thompson asked if the HPHA has more flexibility with placement because it's a state project. Ms. Fo stated we would be in violation of the Hawaii Administrative Rules.

Chairperson Thompson stated that the Board will be discussing the master schedule for the redevelopment at Kuhio Park Terrace and Kuhio Homes.

Ms. Arashiro reported that there was a meeting with The Michaels Development Company team. Majority of the discussion centered on what is needed to get the project started. There is a need for a master development agreement, a pre-development loan, and a site control document.

Chairperson Thompson asked who decides what needs approval and what doesn't. Ms. Arashiro responded some are legal agreements, for example the pre-development loan needs Board approval because it requires an amendment to the capital improvement program plan and requires public hearing because it is considered a significant amendment to last year's PHA plan. Ava Goldman, The Michaels Development Company added that any legal agreement between parties needs Board approval.

Director Berthiaume asked that the draft master agreement be distributed to all Board members.

Ms. Goldman stated that the draft master agreement was submitted to the HPHA months ago. The HPHA wants to hire outside counsel to review the document, but the HPHA needs approval from the AG's office before issuing a request for qualifications (RFQ). Ms. Chun stated that the request is with Mark Bennett, Attorney General. She will convey the need to get the document signed.

Designee Oliva asked that Ms. Goldman be introduced again. Ms. Goldman stated she is the Senior Vice President of The Michaels Development Company. Ms. Goldman introduced Greg Carroll, Vice President of Construction; and Monika Mordasini, Vice President of Development.

Director Beaver asked what will be the next steps to be taken. Ms. Goldman stated that The Michaels Development Company will submit an application for low income tax credits to HHFDC. The application has about 30-40 exhibits that The Michaels Development Company needs to complete. There are two items that need to be completed by the HPHA in order to file the application: 1) the option; and 2) exemption from environmental assessment.

Ms. Goldman stated the HPHA needs to approve the master development

MASTER  
SCHEDULE  
FOR THE RE-  
DEVELOPMENT  
AT KUHIO  
PARK TERRACE  
AND KUHIO  
HOMES

HAWAII PUBLIC HOUSING AUTHORITY

agreement (MDA) which is for the protection of the HPHA and the pre-development loan agreement.

Director Smith asked why the HPHA did an RFQ instead of using one of the AG's outside counsel that is on retainer. Ms. Arashiro clarified that the HPHA did not check the list because the request is only to hire outside counsel, the RFQ was not issued yet.

Director Smith asked if there is a pre-approved list of attorneys that can provide services to the State, why the HPHA can't use one of those attorneys. Director Beaver stated that based on his discussions with people in the housing community none of these attorneys have the expertise needed for this project.

Director Smith asked who stated that the attorneys do not have the expertise. Director Beaver responded he has spoken to people in the community.

Director Dodson asked because it is a long term lease will the HPHA need legislative approval. Ms. Chun responded that Act 176 specifically refers to transfers of fee simple land. The concern is the general guideline for leases is a maximum of 65 years, and Michaels Development Company is asking for a 99 lease.

Ms. Goldman stated that her attorneys drafted the contract for a 99 year lease but this could be reworded.

Director Aiona requested that The Michaels Development Company meet with the Pioneering Healthier Communities group to discuss creating a healthier environment at the project. Ms. Goldman stated they can talk to Mr. Carroll.

Chairperson Thompson stated that the HPHA needs to get a project manager for the redevelopment at KPT/Kuhio Homes.

Chairperson Thompson stated that the Board will be discussing the master schedule for the energy performance contract (EPC) between the Hawaii Public Housing Authority and Ameresco.

Lydia Camacho, state housing development administrator, introduced David Moakley of Ameresco.

Ms. Camacho stated the most important thing is to get financing. As of yesterday the packet was ready to send to Crews and Associates to submit to Standard and Poor's (S & P).

Chairperson Thompson asked if the HPHA will have expenses for engaging with S & P. Director Beaver and Ms. Arashiro responded they believe it was around \$40,000 to \$50,000.

Chairperson Thompson asked if the HPHA has the funds to cover the cost. Ms. Camacho responded the funds have been budgeted.

Director Beaver stated he is concerned about the S & P rating, but feels that the HPHA should proceed. The task force recommended that Kuhio Park Terrace (KPT) and Mayor Wright Homes (MWH) be taken out of the EPC project.

Director Smith stated that she is still concerned about the project. She would like to know, 1) if the amount that has been budgeted are state funds or federal funds, and if it is federal funds where the funds are coming from; 2) would like to revisit the items that has a short term payback; and 3) thought the Board would get a chance to look at the energy conservation measures (ECMs).

Chairperson Thompson stated that the concern Director Smith had with the meters has been resolved.

MASTER  
SCHEDULE FOR  
THE ENERGY  
PERFORMANCE  
CONTRACT  
BETWEEN THE  
HAWAII PUB-  
LIC HOUSING  
AUTHORITY  
AND  
AMERESCO

HAWAII PUBLIC HOUSING AUTHORITY

Director Smith stated there are other ECMs she is concerned about. For example, what is the rationale of buying front-loading washers when the simple payback is less than a year for a 20 year term? Ms. Arashiro responded that buying washers would be an operational cost and the HPHA does not have \$12,000 to spend on buying new washers.

Ms. Arashiro stated that the decisions on the ECMs have not been made and will be brought to the Board.

Director Smith asked when the Board will get a chance to look at the ECMs. Ms. Camacho responded she will provide the back up to why each ECM was chosen by the next meeting. Director Smith asked that the task force be provided the information.

Director Hosino stated that the HPHA does not own washers so how does this pertain to the HPHA. Mr. Moakley responded because the HPHA pays the utility bills.

Director Beaver stated the HPHA knows Ameresco is committed to the savings but is Ameresco committed to the savings by making sure that there is a operating front end washer. Mr. Moakley responded yes.

Director Aiona stated that Hawaii Energy is providing low flow shower heads to public housing. Director Beaver responded yes, but if the HPHA saves money that way then HUD will decrease the amount of subsidy that the HPHA receives.

Mr. Moakley stated that the shorter payback scopes help support the longer scopes. If all the shorter paybacks are removed then the longer paybacks become challenged.

Chairperson Thompson called a recess at 2:07 p.m. and reconvened at 2:22 p.m.

RECESS/  
RECONVENED

Chairperson Thompson stated the Board will be discussing the plan of action for resolution of "No Opinion" audit of Banyan Street Manor for fiscal years 2006, 2007, 2008.

PLAN OF ACTION FOR RESOLUTION OF "NO OPINION" AUDIT OF BANYAN STREET MANOR FOR FISCAL YEARS 2006, 2007, 2008

Mr. Hee stated that RC Hosinger wants to start the 2009 audit with a clean slate. RC Holsinger submitted a proposal of \$30,000 to re-audit 2009 with a clean slate and conduct the 2010 audit.

Director Smith asked is it a requirement of the P & S to have a clean audit. Mr. Hee responded that the HPHA would need to have clean books in order for HUD to approve the transfer of assets.

Chairperson Thompson asked that a "For Action" regarding a start date to wipe the slate clean.

Director Smith asked why the HPHA needs procurement for someone to enter the adjustments. Mr. Hee responded the procurement is for the auditor to re-do the 2009 audit under the new managing agent taking 2009 as the clean start point.

Director Smith asked why procurement needs to be done and can't the HPHA do an amendment to the existing contract. Mr. Hee responded that he would need to check with the procurement office.

Director Aiona stated that if the contract is still open it can be amended; if not then procurement would need to be done.

Chairperson Thompson asked if the Board has any items that need to be taken up

HAWAII PUBLIC HOUSING AUTHORITY

at the next Board meeting.

Director Aiona asked for an update on manager trainings.

Director Yoshioka asked for a financial update on the AMPs and their budgets. Chairperson Thompson asked that this issue be referred to the finance task force.

Designee Oliva asked that the Human Resources task force identify the highest priority positions for hiring.

Director Smith asked: 1) for agency financial totals; 2) how will the HPHA make it through the year; 3) where the HPHA stands on reserves; 4) for a report on the REAC scores; and 5) for an update on the position the HPHA is taking on legislative bills.

Chairperson Thompson asked that the task force be briefed on the financial audit.

Chairperson Thompson asked about the legislative audit. Mr. Sarhan stated he spoke with Trisha Oftana at the Office of the Auditor and they are running behind schedule. They should be ready by the end of January and are still planning to have exit interviews with staff.

Director Beaver asked for an assessment of the condition of the HPHA assets and a tenant follow-up report. Ms. Arashiro stated that if the follow-up is confidential then the Board receives a report in their packet, but if it is a general follow-up regarding the branch then the report is in the executive director's branch report.

Ms. Arashiro stated that 95% of testifiers received written responses.

Director Hosino stated that she feels that the reason Mr. Nakamura came to testify about the usage of the hall was because every year they need to go through the same process.

Director Hosino stated that the RAB By-Laws comes from HUD section 24-CFR 694 Hawaii Administrative Rules. She was told that the RAB needed approval from Mr. Taniguchi to change the By-Laws, and then she was later told that there needs to be Board approval.

Chairperson Thompson asked who the point of contact is for this issue. Ms. Arashiro responded Earl Nakaya, program specialist.

Director Berthiaume asked that a "For Information" regarding an educational program to help tenants quit smoking. It would not cost the HPHA any money.

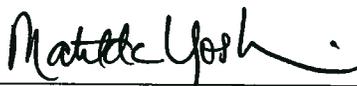
Director Godfrey asked if the Board will need to do anything to introduce the new executive director to the legislature and communities. Chairperson Thompson stated he will work with Ms. Arashiro.

There being no further items to be discussed,

Director Aiona moved, Director Hosino seconded,

That the meeting be adjourned at 2:56 p.m.

The motion was unanimously carried.

  
\_\_\_\_\_  
MATILDA YOSHIOKA  
Secretary

Approved

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, FEBRUARY 18, 2010  
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, February 18, 2010 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  
Director Eric Beaver  
Designee Henry Oliva

Director Matilda Yoshioka  
Director Rene Berthiaume  
Director Roger Godfrey  
Director Sam Aiona  
Director Sherrilee Dodson

Krislen Chun, Deputy Attorney General  
Barbara Arashiro, Acting Executive Director

EXCUSED: Director Linda Smith

STAFF PRESENT: Alan Sarhan, Planner  
Charlene Nakamoto, Housing Compliance & Evaluation  
Specialist  
Glori Inafuku, Housing Compliance & Evaluation  
Specialist  
Marcel Audant, Housing Development Specialist  
Mark Buflo, Acting Chief Financial Management  
Advisor  
Michael Hee, Private Management Contracts Section  
Chief  
Rick Sogawa, Acting Contracts and Procurement Officer  
Sandra Miyoshi, Homeless Programs Administrator  
Shirley Befitel, Personnel Supervisor  
Stephanie Fo, Property Management and Maintenance  
Services Branch Chief  
Taryn Chikamori, Secretary to the Board

OTHERS: Alice Black, Waimaha Sunflower resident  
Augala Ene, Mayor Wright Homes resident  
Ava Goldman, Michaels Development Company  
Barrie Stewart, Fiscal Officer  
Bob Nakata, Faith Action for Community Equity  
David Bylsma, Pumehana Homes resident  
Ed Tomczah, Kalakaua Homes resident  
Fetu Kolio, Mayor Wright Homes resident  
Jordann Ares, Governor's Policy Office  
Jun Yang, Faith Action for Community Equity  
June Talia, Kuhio Park Terrace resident  
Marino Ricky, Mayor Wright Homes resident  
Monika Mordasini, Michaels Development Company

ORDER/  
ROLL CALL

HAWAII PUBLIC HOUSING AUTHORITY

Roy Nakamura, Kalakaua Homes resident

Chairperson Thompson declared a quorum present.

QUORUM

Chairperson Thompson stated that the approval of the minutes will be deferred until next month.

APPROVAL  
OF MINUTES  
REGULAR  
MEETING  
JANUARY 21,  
2010

Chairperson Thompson commended management for the way they handled the Kalihi Valley Homes (KVH) rock fall.

Fetu Kolio, Mayor Wright Homes (MWH) resident, commended the maintenance staff at MWH. Mr. Kolio stated he supports legislative bills that help curb crime in public housing. He stated the MWH manager informed him that there were no safety issues regarding firework usage on New Year's eve. He stated he would like to submit a compact disc (CD) which includes photos of the New Year's eve fireworks usage at MWH, which pose as a safety issue. Mr. Kolio stated he heard rumors at MWH that a petition is being passed around to residents to remove the new Tenant Association Board because the Tenant Association Board is not doing their job. Mr. Kolio stated he feels the petition is being done because the Tenant Association Board is doing their job. Mr. Kolio stated management informed him that a staff member would go on the community walks, but no one has attended.

PUBLIC  
TESTIMONY

Chairperson Thompson asked Mr. Kolio to submit the CD to management.

Director Beaver asked if he is referring to the project management or to the Hawaii Public Housing Authority's (HPHA) management. Mr. Kolio responded the project management.

Director Beaver asked when the request was made to the manager. Mr. Kolio responded October 2009.

Director Ignacio asked who started the petition and who the petition is against. Mr. Kolio responded he believes the petition was started by the previous Tenant Association Board and the petition is to remove him as the Tenant Association president.

Chairperson Thompson informed Mr. Kolio that the procedure to resolve an issue is to speak to: 1) the project manager; 2) their supervisor; 3) Stephanie Fo, property management and maintenance services branch (PMMSB) chief; 4) the executive assistant; and 5) the Board, if the problem still has not been resolved.

Marino Ricky, Mayor Wright Homes resident, stated he is supporting Mr. Kolio.

Ed Tomczah, Kalakaua Homes resident, stated the residents at Kalakaua Homes would like to meet with the new executive director. Mr. Tomczah stated he would like to commend the Honolulu Police Department (HPD) for cracking down on the crystal methamphetamine problem at Kalakaua Homes, but there are still problems with alcohol and other drugs. Mr. Tomczah stated the land was previously owned by the Hawaiian people and would like to know how many Hawaiian people live in public housing.

Roy Nakamura, Kalakaua Homes resident, stated he wants to meet with the new executive director because rules are not being followed. He does not want to

HAWAII PUBLIC HOUSING AUTHORITY

speak to Ms. Fo.

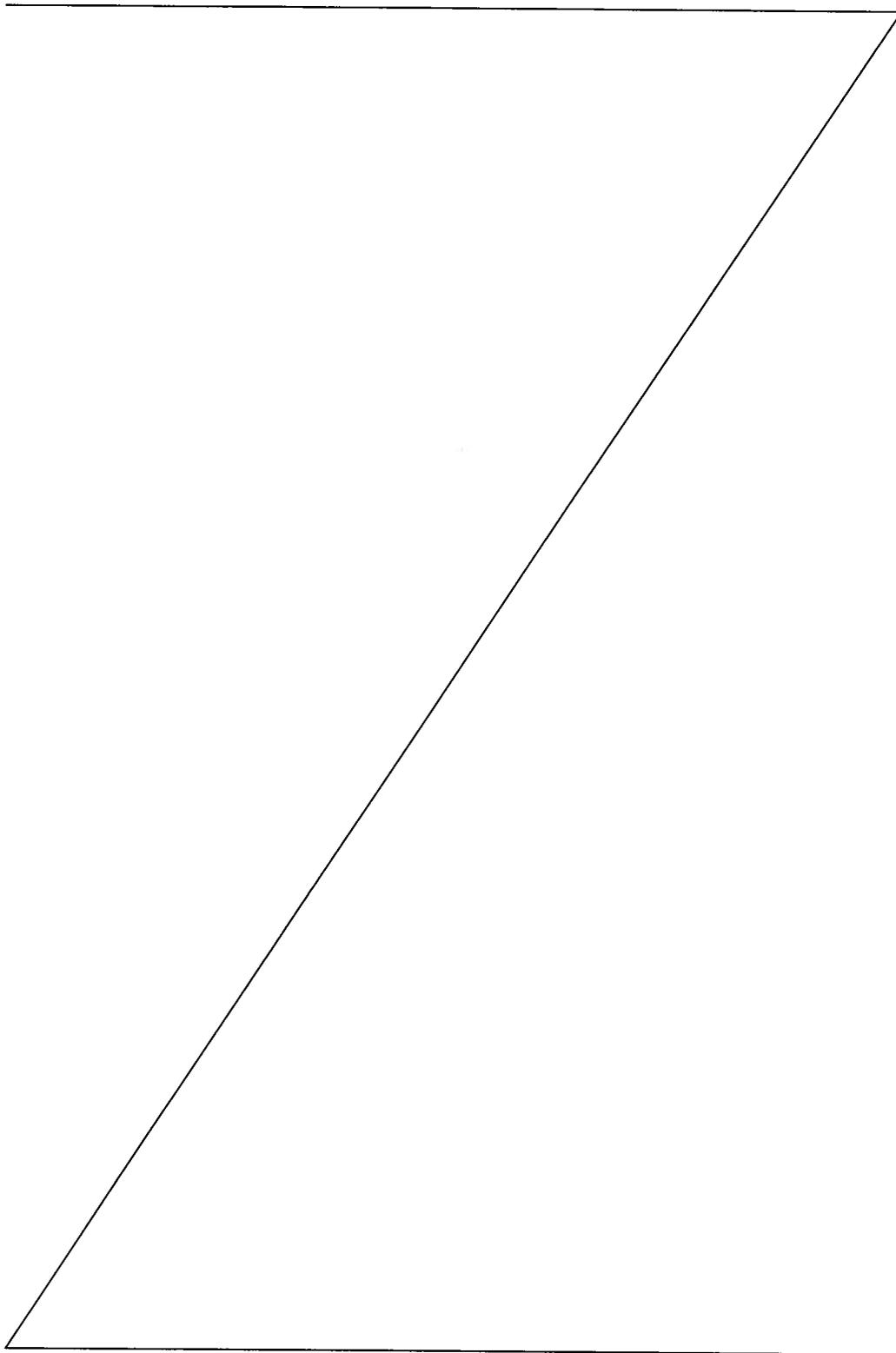
Chairperson Thompson informed Mr. Nakamura that the appropriate procedure to resolve an issue is to speak to: 1) the project manager; 2) their supervisor; 3) Ms. Fo; 4) the executive assistant; and 5) the Board if the problem still has not been resolved.

Director Beaver moved, Director Dodson seconded,

To Adopt Board Resolution No. 23 Expressing  
Appreciation to Chad K. Taniguchi, Executive  
Director.

The motion was unanimously carried.

TO ADOPT  
BOARD RE-  
SOLUTION  
NO. 23 EX-  
PRESSING  
APPRECIATION  
TO CHAD K.  
TANIGUCHI,  
EXECUTIVE  
DIRECTOR



HAWAII PUBLIC HOUSING AUTHORITY

Director Beaver moved, Director Dodson seconded,

To Appoint Mr. Keith Biho to the Hilo Eviction Board for a Two-Year Term Beginning March 1, 2010 and Expiring on March 1, 2012.

Barbara Arashiro, acting executive director, stated Mr. Biho is employed by the Adult Probation Services of the Third Circuit Court in Hilo and expressed a willingness to serve on the Hilo Eviction Board.

The motion was unanimously carried.

Director Beaver moved, Director Dodson seconded,

To Adopt Board Resolution No. 24 Statement of Non-Discrimination Policy and Revisions to the Hawaii Public Housing Authority's Policy on Reasonable Accommodations and Modifications

Ms. Arashiro stated that the HPHA is revising the current policy to keep the policy consistent with the U.S. Department of Housing and Urban Development (HUD) revision issued in 2004.

Ms. Arashiro stated there are four revisions in the policy: 1) persons with disabilities do not need to submit requests for reasonable accommodations in writing; 2) there are limited verifications needed when a disability is "obvious" or "readily known"; 3) modification for which the disability is "obvious and readily known" may be approved at the project level, except where a reasonable modification is expected to exceed \$1,000; and 4) to clarify that the HPHA understands its obligation to have a Section 504/Fair Housing Officer.

Ms. Arashiro stated that staff will receive a copy and be trained on the policy.

Chairperson Thompson asked how long the HPHA's policy has been different from HUD's policy. Ms. Arashiro responded the joint statement was issued in 2004 and the HPHA made revisions procedurally, but the policy was not revised.

Designee Oliva commended the HPHA on providing trainings. He recommends that after the training staff sign a form stating that they received and understand the training. Shirley Befitel, personnel supervisor, stated that this is already a HPHA requirement.

The motion was unanimously carried.

TO APPOINT MR. KEITH BIHO TO THE HILO EVICTION BOARD FOR A TWO-YEAR TERM BEGINNING MARCH 1, 2010 AND EXPIRING ON MARCH 1, 2012

TO ADOPT BOARD RESOLUTION NO. 24 STATEMENT OF NON-DISCRIMINATION POLICY AND REVISIONS TO THE HAWAII PUBLIC HOUSING AUTHORITY'S POLICY ON REASONABLE ACCOMMODATIONS AND MODIFICATIONS

RESOLUTION NO. 024

STATEMENT OF NON-DISCRIMINATION POLICY

WHEREAS, the Hawaii Public Housing Authority (HPHA) is established as a corporate body and politic under §356D, Hawaii Revised Statutes; and

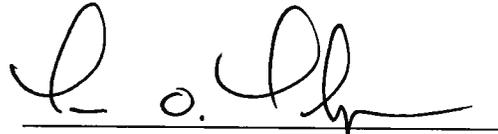
WHEREAS, notwithstanding its semi-autonomous nature, the HPHA is deemed to be a public instrumentality and agency of the State; and

WHEREAS, as an agency of the State, the HPHA is obligate to maintain, implement, and enforce all State policies regarding non-discrimination under either federal or State law, including but not limited to those policies attached hereto as Exhibit 1); and

WHEREAS, the HPHA is committed towards maintaining a policy of nondiscrimination and prohibiting discriminatory practices in the operations, procedures, or programs it administers;

NOW THEREFORE, BE IT RESOLVED, that it is the policy of the HPHA to prohibit discrimination or discriminatory practices in its operations, procedures or programs/services, and that the attached non-discrimination policy in Exhibit 1 shall be incorporated herein and shall take effect immediately upon adoption of this Resolution; and

BE IT FURTHER RESOLVED, that the HPHA hereby authorizes the Executive Director to do all things necessary and proper to maintain, implement, and enforce such non-discriminatory policies.



Travis O. Thompson  
Chairperson

FEB 18 2010

\_\_\_\_\_  
Date

HAWAII PUBLIC HOUSING AUTHORITY

Director Aiona arrived at 9:25 a.m.

Director Beaver moved, Director Dodson seconded,

To Accept the Audited Financial Statements of  
the Hawaii Public Housing Authority for the  
Fiscal Year Ending June 30, 2009

Chairperson Thompson stated that the audited financial statements include three main parts: 1) the financial statement; 2) notes to the financial statements; and 3) the findings. Chairperson Thompson stated that there are government and business activities. The business activity has expenditures and revenues and include federal low rent housing and the revolving fund. The government activities include general funds, capital funds, housing choice vouchers, and Section 8.

Chairperson Thompson stated at the end of June the HPHA's assets were \$383.4 million. Seventy-two million was in government activities and \$310 million was business activities. The HPHA's net assets were \$360 million, which is \$11.7 million less than the previous year.

Chairperson Thompson stated that the Homeless Programs Branch spends \$19 million and their revenue is \$1.3 million. The rental housing program spends \$48 million and their revenue is \$45 million. At the end of the year the general fund was \$4 million, down from \$5.8 million. The cash flow increased by \$5.3 million.

Chairperson Thompson stated that the findings have not changed from previous years. Financial reporting is the troubled area. Ms. Arashiro reported that the Fiscal Management Office (FMO) does not have adequate staffing. The HPHA received accountants due to the reduction in force (RIF). The problem is RIF staff has not worked with the type of funds that the HPHA manages.

Director Beaver asked about outsourcing the accountant function. Ms. Arashiro responded the HPHA is outsourcing.

Director Beaver asked how long has the HPHA been outsourcing and what progress has been made. Ms. Arashiro responded that the HPHA has been outsourcing from September 2009. Chairperson Thompson responded the HPHA is unable to see the progress because the audit covers the year ending June 2009.

Director Berthiaume asked if the pay for the chief financial officer is a problem. Ms. Arashiro responded it was not the pay, but the uncertainty of the furloughs.

Director Beaver asked if the HPHA can hire consultants, but not civil servants. Ms. Arashiro responded yes, but outsourcing comes at a higher cost.

Director Godfrey asked if the HPHA is hiring civil servants. Ms. Arashiro responded that the HPHA does not have approval to fill positions.

Chairperson Thompson asked if the HPHA can outsource. Designee Oliva responded the HPHA needs to be careful because there was a decision made with regards to utilizing outside contractors to do work that is normally done by civil servants.

Director Beaver stated that the HPHA needs to work through all the barriers.

Chairperson Thompson stated that the Finance task force with help from Designee Oliva will work on finding a way to hire civil servants or to outsource some FMO functions.

The motion was unanimously carried.

TO ACCEPT  
THE AUDITED  
FINANCIAL  
STATEMENTS  
OF THE  
HAWAII  
PUBLIC  
HOUSING  
AUTHORITY  
FOR THE  
FISCAL  
YEAR END-  
ING JUNE 30,  
2009

HAWAII PUBLIC HOUSING AUTHORITY

Director Beaver moved, Director Dodson seconded,

To Approve the Hawaii Public Housing Authority's Annual Public Housing Agency (PHA) Plan for Fiscal Year 2010 – 2011 as Published, Subject to Comments at the March 15, 2010 Public Hearing

Alan Sarhan, planner, stated he took into consideration the Board's goals and objectives. Some of the items include homeownership, redevelopment, resident self-sufficiency, and security. The Resident Advisory Board is concerned with suitability checks for new tenants and waitlist changes.

Director Beaver asked why the Board is approving this before the public hearing and not after. Mr. Sarhan responded this should have been approved before the public hearings.

Director Beaver asked who decides on what changes are made after the public hearing. Ms. Arashiro responded that staff will make recommendations and the Board will decide.

Director Beaver asked if the HPHA will expand public housing because in 6.0, PHA Goal: the word "expand" is used. Ms. Arashiro responded that the Bold wording is from the HUD boiler plate.

Chairperson Thompson asked if the Board will get a chance to decide on the possible implementation of the home visits. Ms. Arashiro responded it is a policy change and will have to come to the Board for approval.

Ms. Arashiro stated that all comments received will be responded to and will be included in the PHA plan before submission to HUD.

Director Beaver asked that staff work with the RAB in resolving the three issues and if the issues cannot be resolved then bring it back to the Board.

Director Berthiaume asked if HUD approves the plan. Ms. Arashiro responded no, HUD looks at the response to the comments.

The motion was unanimously carried.

Chairperson Thompson called a recess at 9:56 a.m. and reconvened at 10:11 a.m.

Director Beaver moved, Director Hosino seconded,

To Accept the Proposed Energy Conservation Measures and to Authorize the Executive Director to Undertake All Actions Necessary to Execute an Energy Services Agreement with Ameresco

Director Beaver stated the Mixed Income task force reviewed the projects and removed Kuhio Park Terrace (KPT) and MWH. He stated the task force discussed the short term and long term energy conservation measures (ECM) and understands that there needs to be some short term ECM's for the model to work. The Mixed Income task force recommends the approval of the "For Action".

The motion was unanimously carried.

TO APPROVE  
THE HAWAII  
PUBLIC HOUS-  
ING AUTHO-  
RITY'S ANN-  
UAL PUBLIC  
HOUSING  
AGENCY (PHA)  
PLAN FOR  
FISCAL YEAR  
2010 – 2011 AS  
PUBLISHED,  
SUBJECT TO  
COMMENTS  
AT THE  
MARCH 15,  
2010 PUBLIC  
HEARING

RECESS/  
RECONVENED

TO ACCEPT  
THE PROPOSED  
ENERGY CON-  
SERVATION  
MEASURES  
AND TO  
AUTHORIZE  
THE EXECU-  
TIVE DIRECTOR  
TO UNDER-  
TAKE ALL  
ACTIONS  
NECESSARY  
TO EXECUTE  
AN ENERGY  
SERVICES  
AGREEMENT  
WITH  
AMERESCO

Director Beaver moved, Director Dodson seconded,

To Authorize the Executive Director to Hold  
Public Hearings on Proposed Changes to the  
Hawaii Public Housing Authority's 2009-2010  
Capital Fund Plan

TO AUTHO-  
RIZE THE  
EXECUTIVE  
DIRECTOR TO  
HOLD PUBLIC  
HEARINGS ON  
PROPOSED  
CHANGES TO  
THE HAWAII  
PUBLIC HOUS-  
ING AUTHO-  
RITY'S 2009-  
2010 CAPITAL  
FUND PLAN

Ms. Arashiro stated on March 19, 2009 the Board approved the project list. In a past meeting staff informed the Board that bids were coming in lower than projected so the HPHA is amending the project list.

Ms. Arashiro stated David Malo Circle will be using 718/719 or 2008/2009 funds. Hale Hauoli, Kaimalino, Kealakehe, and Makani Kai Hale will be using the American Recovery and Reinvestment Act (ARRA) funds. Hale Hookipa, Nani Olu, Noelani, and Paoakalani, Kalihi Valley Homes, and Puuwai Momi will be using 717 or 2007 funds. MWH and type C units will be 718 funds.

Ms. Arashiro stated that projects that were ready were moved to the 717 funds. These projects all have executed contracts and construction has started. Ms. Arashiro stated because these projects were moved, Kalanihuia, Palolo Valley Homes, Kahekili Terrace, and Makua Alii have been added to the ARRA funds list.

Ms. Arashiro stated that David Malo Circle is listed twice because it is delayed and will not reach the March 20<sup>th</sup> expenditure deadline.

Director Dodson asked why the project is delayed. Ms. Arashiro responded because the Construction Management Section (CMS) is short staffed.

Chairperson Thompson asked how this affects the stimulus package. Ms. Arashiro responded this is the reason the HPHA reshuffled the projects. Staff met with HUD and HUD understands that the HPHA will meet the obligation deadlines. HUD also understands that the HPHA will be taking the maximum administrative expense.

Chairperson Thompson asked what the consequences are if the HPHA does not expend all of the funds. Ms. Arashiro responded there are no sanctions, but HUD will probably send a letter and the money will be recaptured.

Director Berthiaume asked when the funds need to be spent. Ms. Arashiro responded the HPHA has one year to encumber the funds, two years to expend 60% of the funds, and three years to expend 100% of the funds.

Director Aiona asked if the funds can be spent somewhere else. Designee Oliva responded it may be possible, but the HPHA needs to be careful on where the funds are spent.

Designee Oliva asked that a meeting be scheduled with Mark Anderson to update him on the HPHA intentions.

Director Berthiaume asked if the HPHA can borrow engineers from the Department of Accounting and General Services (DAGS). Ms. Arashiro responded that the HPHA has requested assistance, but all state agencies are managing under similar conditions.

Chairperson Thompson asked if there needs to be public hearings. Ms. Arashiro responded that HUD used the current approved plan and the current plan did not include Kalanihuia, Kahekili Terrace, and Kalakaua Homes. Public hearing is needed to approve the amended plan. There is a 10-day notice requirement for public hearing under the ARRA funds. Ms. Arashiro stated she does not foresee any problems because projects are being added and not displaced.

The motion was unanimously carried.

HAWAII PUBLIC HOUSING AUTHORITY

Director Beaver moved, Director Dodson seconded,

To Authorize the Executive Director to Issue a Pre-Development Loan to The Michaels Development Company for the Redevelopment at Kuhio Park Terrace and Kuhio Homes and Undertake All Action Necessary to Implement the Loan

Director Beaver stated that the Mixed Income task force has discussed the issues and is in favor of moving forward.

Ms. Arashiro stated that The Michaels Development Company is requesting \$1.7 million to pay for pre-development costs. The HPHA is asking for Board's approval for up to \$2 million, in case the costs are higher than anticipated.

Chairperson Thompson asked the source of the funds. Ms. Arashiro responded capital funds.

Director Beaver stated there will be a revolving loan, money gets paid back at closing and is reused to fund the next phase of the project.

The motion was unanimously carried.

Director Beaver moved, Director Dodson seconded,

To Authorize the Executive Director to Enter into a Lease and Sale Option Agreement with The Michaels Development Company for Kuhio Park Terrace and Kuhio Homes

Director Berthiaume asked what is the sale option because this is a lease. Director Beaver responded the lease is for the ground and the sale is for the building.

Director Godfrey asked if the lease is a 65 year fixed lease. Director Dodson responded that all the terms will be discussed at a later date. Ms. Arashiro stated this approval is not for the lease and sale agreement. This is a mutual agreement between both parties that the HPHA fully intends to execute a lease and sale document. The option agreement applies only to the towers.

Chairperson Thompson asked what does, "At any time on or before the latest of (i) [December 1, 2011], (ii) the date on which Optionee is notified that it has not received an award of [2010-2011] rental housing tax credits or (iii) if Optionee is notified does receive an award of 2010-2011 tax credits, then at any time on or before the date twelve months after notification of such award of tax credits..." mean. Mr. Sarhan responded if The Michaels Development Company receives tax credits from Hawaii Housing Finance and Development Corporation (HHFDC) they have 30 days to exercise the option. If The Michaels Development Company doesn't receive the tax credit they have one year to find financing.

Chairperson Thompson stated that is not what it is saying.

Director Yoshioka asked when the deadline to apply for tax credits is. Ava Goldman responded the 9% has a deadline and the 4% has no deadline.

Director Beaver asked when does The Michaels Development Company need this document signed. Ms. Arashiro responded The Michaels Development Company was hoping to submit the tax credit application by March 2010.

TO AUTHO-  
RIZE THE  
EXECUTIVE  
DIRECTOR TO  
ISSUE A  
PRE-DEVE-  
LOPMENT  
LOAN TO THE  
MICHAELS  
DEVELOP-  
MENT COM-  
PANY FOR THE  
REDEVELOP-  
MENT AT  
KUHIO PARK  
TERRACE  
AND KUHIO  
HOMES AND  
UNDERTAKE  
ALL ACTION  
NECESSARY  
TO IMPLE-  
MENT THE  
LOAN

TO AUTHORIZE  
THE EXECU-  
TIVE DIRECT-  
OR TO ENTER  
INTO A LEASE  
AND SALE  
OPTION  
AGREEMENT  
WITH THE  
MICHAELS  
DEVELOPMENT  
COMPANY  
FOR KUHIO  
PARK TERRACE  
AND KUHIO  
HOMES

HAWAII PUBLIC HOUSING AUTHORITY

Director Beaver asked that the AG's office review the document and have the Mixed Income task force review the document before signing.

The motion was unanimously carried.

Director Aiona moved, Director Beaver seconded,

To Temporarily Transfer the Hawaii Public Housing Authority's Homeless Programs Branch Staff to the Department of Human Services

Krislen Chun, deputy attorney general, stated the AG's office is working on a memorandum of agreement (MOA) to transfer the Homeless Program Branch (HPB) staff temporarily until legislative action is taken.

Ms. Chun stated HUD has made the HPHA aware that they should not be handling emergency shelter grants because the HPHA is a public housing agency.

Director Berthiaume asked what happens if the legislature doesn't approve the transfer. Ms. Chun responded the MOA is good for one year with the option to extend. The legislature has to do the change. The bill has passed the House Judiciary and is waiting for a hearing with the House Finance Committee.

Mr. Sarhan stated that the problem is getting Senate Bill 910 on the House Finance Committee agenda. The bill has already passed the Senate.

Director Ignacio asked if the Board can submit a letter to the House Finance Committee to support the bill. Mr. Sarhan stated he will draft the letter.

The motion was unanimously carried.

Chairperson Thompson reported that the Finance task force committee discussed the findings of the audit report. The management discussion and analysis (MD & A) was missing from the audit. Ms. Arashiro responded that the MD & A is due at the end of March. The draft should be done by the end of next week and she will forward it to the Finance task force members and auditors.

Chairperson Thompson asked who is writing the MD & A. Ms. Arashiro responded Barrie Stewart, with input from Mark Buflo, acting chief financial management advisor, and Michael Hee, private management contracts section chief.

Chairperson Thompson stated the Finance task force will review the draft MD & A and report back at the next meeting.

Director Beaver acknowledged The Michaels Development Company.

Chairperson Thompson reported that both "For Actions" regarding The Michaels Development Company passed unanimously.

Director Beaver asked The Michaels Development Company to reword the option language.

Designee Oliva reported that the Human Resources task force identified 21 positions to fill and pared the list down to 9 positions.

TO TEMPORARILY TRANSFER THE HAWAII PUBLIC HOUSING AUTHORITY'S HOMELESS PROGRAMS BRANCH STAFF TO THE DEPARTMENT OF HUMAN SERVICES

FINANCE TASK FORCE

MIXED INCOME TASK FORCE

HUMAN RESOURCES TASK FORCE

HAWAII PUBLIC HOUSING AUTHORITY

Director Aiona asked why the list was pared down. Designee Oliva responded that it would be difficult to get approval for 21 positions.

Director Beaver asked if the staff and task force are in agreement with the nine positions. Ms. Arashiro responded yes.

Chairperson Thompson asked who the list goes to. Designee Oliva responded to: 1) the Board; 2) Budget and Finance (B & F); and 3) the Governor.

Director Hosino asked what the housing planner does. Ms. Arashiro responded the planner would help Mr. Sarhan. Mr. Sarhan's office is in charge of the strategic plan, 5-year plan, the consolidated plan, legislative actions, media inquiries, public requests, impact statements, and policy and administrative rules changes.

Ms. Arashiro stated that when the HPHA was Housing and Community Development Corporation of Hawaii (HCDCH) there were four planners and HHFDC currently has three planners.

Chairperson Thompson asked that the Human Resources task force take the next step as required to fill the positions with the understanding that the Board fully endorses the recommendation.

Ms. Arashiro reported that all the asset management projects (AMP) passed the REAC inspections.

Chairperson asked what the "b and c's" stands for. Ms. Arashiro responded that "b and c's" are for health and safety findings.

Director Ignacio asked what is done if the scores are down. Ms. Fo responded that the managers need to do a corrective action plan.

Director Ignacio stated that it concerns her that the HPHA waits for HUD to tell them something is wrong.

Director Ignacio asked what is being done to ensure that the corrections are made. Ms. Fo responded maintenance is doing weekly walks and she visits the properties.

Director Hosino asked why Kalakaua's score dropped so much. Ms. Fo stated she would need to check.

Director Beaver asked how are AMPs being recognized for raising their score. Director Dodson stated that the AMPs need to get to a 100% without health and safety issues to be recognized.

Director Aiona asked that Ms. Fo recommend to Chairperson Thompson the AMPs that should receive a letter for improving their REAC score.

Director Godfrey asked if AMPs are aware of each other's score. Ms. Fo responded yes.

Ms. Arashiro stated that on January 27 and 28, 2010 the HPHA had training on asset management conducted by Nan McKay.

Chairperson Thompson asked how many people attended the training. Ms. Arashiro responded about 40.

Director Yoshioka asked if this was the first training. Ms. Arashiro responded no, but the training by Nan McKay was superior to previous training sessions.

EXECUTIVE  
DIRECTOR'S  
REPORT/  
REAC SCORES

TRAINING

HAWAII PUBLIC HOUSING AUTHORITY

Chairperson Thompson asked if staff gave feedback on the training. Mr. Buflo responded he liked the training and FMO staff is grateful for the training. The training was very holistic.

Chairperson Thompson stated the HPHA should ask staff for feedback on the training.

Ms. Arashiro stated that the training was tailored to the HPHA as Ms. Befitel and Mr. Buflo coordinated this with Nan McKay.

Director Beaver stated the HPHA should have the training on an ongoing basis.

Ms. Arashiro stated HUD and the HPHA executed the settlement agreement for the Banyan Street Manor FY 2008-2009 audit.

SETTLEMENT  
AGREEMENT  
ON BANYAN  
STREET  
MANOR

Ms. Arashiro stated that the HPHA executed the Purchase and Sale Agreement (P & SA) on January 28, 2009. The HPHA received \$50,000 in an escrow account on February 4, 2010.

SALE OF  
BANYAN  
STREET  
MANOR

Chairperson Thompson asked what the HPHA is doing with the funds. Ms. Arashiro responded the funds will be put into the HPHA's general funds.

Ms. Arashiro stated that the Wilikina P & SA was signed on February 17, 2010.

WILIKINA

Ms. Arashiro stated on January 22, 2010 a boulder fell from the Board of Water Supply's (BWS) property into building J at Kalihi Valley Homes. No one was injured, but there is structural damage to the building. It took about 50 staff members to help relocate the families.

KALIHI  
VALLEY  
ROCKFALL

Director Aiona asked who mobilized staff. Ms. Arashiro responded Ms. Fo.

Ms. Arashiro stated that the HPHA received help from the Department of Accounting and General Services (DAGS), State Procurement Office (SPO), AG's office, Department of Human Services (DHS).

Ms. Arashiro stated that on January 28, 2010 Ms. Fo and Lydia Camacho, state housing development administrator, received a call from BWS informing them that there are additional rock formations that posed an imminent danger to two buildings. The BWS recommended that the HPHA take action including possible relocation. The next morning Ms. Fo and Ms. Camacho along with maintenance staff helped move the 17 families to hotels.

Director Aiona stated that one of the residents who was affected by this incident complimented the HPHA's efforts.

Director Ignacio stated that the nuns were also very impressed with how the HPHA handled the incident.

Ms. Fo stated that a tenant association board member helped inform all the families and she helped with the relocation of the families.

Ms. Arashiro stated initially the BWS wouldn't acknowledge that it was their property, so the HPHA hired a geologist, structural engineer, and architect to assess the damage. Later, the AG's office clarified with BWS that it was their property.

HAWAII PUBLIC HOUSING AUTHORITY

Chairperson Thompson stated that a letter of commendation should be written to all the staff that helped.

Director Beaver moved, Director Hosino seconded,

To go into executive session at 11:35 a.m. pursuant to sections 92-4 and 92-5(a)(2), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, as related to the Kalihi Valley Homes Rock fall

The motion was unanimously carried.

The Board reconvened from Executive Session at 11:50 a.m.

Chairperson Thompson stated that the Board discussed possible litigation relative to the Kalihi Valley Homes rock fall.

Director Beaver moved, Director Hosino seconded,

To go into executive session at 11:51 a.m. pursuant to sections 92-4 and 92-5(a)(2), Hawaii Revised Statutes, to discuss the term of the current Executive Director, where matters of privacy are involved, and pursuant to section 92-5(a)(4), Hawaii Revised Statutes, to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, as related to the term of the current Executive Director and the KPT Lawsuits.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:35 p.m.

Chairperson Thompson stated that the Board unanimously agreed to extend Chad Taniguchi's unpaid leave to February 26, 2010. The Board also discussed the KPT lawsuit.

Chairperson Thompson stated that the Board will discuss the audit of the HPHA by the Office of the Auditor.

Ms. Arashiro stated that she has no report because she did not receive the draft audit from the auditor.

Chairperson Thompson asked if the HPHA has seen the audit. Ms. Arashiro responded no, the auditor is still asking follow up questions.

Chairperson Thompson stated the Board will be discussing the update on the operating subsidy from HUD for the operation of the federal low income public housing program.

Ms. Arashiro stated that this is to keep the Board informed on the operating subsidy because in the coming months there will be discussions on the budget for the next fiscal year.

Mr. Hee stated that there was a major change in how HUD provided the subsidy starting in 2007. Before the change there were eligible expenses and the HPHA

EXECUTIVE SESSION

RECONVENED

EXECUTIVE SESSION

RECONVENED

UPDATE ON THE AUDIT OF THE HAWAII PUBLIC HOUSING AUTHORITY BY THE OFFICE OF THE LEGISLATIVE AUDITOR

UPDATE ON THE OPERATING SUBSIDY FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE OPERATION OF THE

would subtract rents and other income to come up with the subsidy amount, which was subject to proration. From 2007, HUD figures out what the operating subsidy should be then takes the project expense level which includes 10 different items and is based on occupied units. HUD then subtracts rent roll and this becomes the subsidy. HUD also changed it from fiscal year to a calendar year. The problem is HUD doesn't collect the data mid-year so what HUD does for the first couple of months is take last year's subsidy and inflate it. Once the information is submitted to HUD, then HUD can reduce or increase the HPHA's subsidy.

Chairperson Thompson asked where the money comes from if the subsidy goes down. Mr. Hee stated that in the past, the HPHA used reserves and the HPHA budgeted conservatively.

Ms. Arashiro stated that there are two views, one view is to project revenues according to the HPHA goals and the other view is project revenues conservatively.

Chairperson Thompson stated he feels the HPHA needs to be conservative.

Chairperson Thompson asked what the penalties are for the AMPs that are not meeting asset management requirements. Ms. Arashiro responded that HUD has not worked out all of the sanctions.

Director Ignacio stated that she believes that the HPHA needs to change the way they think. The HPHA can't be HUD driven, do things because it is right for the residents.

Chairperson Thompson asked Mr. Hee if he is retiring. Mr. Hee responded yes. Chairperson Thompson thanked Mr. Hee for all his work at the HPHA.

Chairperson Thompson stated the Board will be discussing the update on legislative bills affecting the HPHA.

Mr. Sarhan stated that HB 1877 HD1 exempts non-general funded public employees from furloughs; HB 2561 would repeal the requirement to get legislative approval to sell land; and HB 2568 and SB 2721 SD1 is to reduce the quorum requirement for the HPHA Board. Mr. Sarhan stated all of these bills are moving through the legislature.

Director Hosino asked about HB 2281. Mr. Sarhan stated it has been deferred.

Director Hosino asked does that mean the age requirement is 55 and not 62. Mr. Sarhan responded yes. If the bill passed, then everyone in the household except the spouse would need to be 62 or older to live in an elderly project.

Director Beaver asked if the HPHA submits a bill every year to raise the salary for the executive director and the executive assistant. Director Dodson stated this isn't the year to do it.

Mr. Sarhan stated that HCR 041 is to approve the sale of the Hana parcel. The Chairperson for the Water Land and Ocean Resources wanted to consult with the local representative before passing the resolution. He doesn't know where the resolution currently stands and will follow up on this issue.

Mr. Sarhan stated that SB 2276 SD1 relates to the open liquor container in public housing and is moving through the legislature.

Mr. Sarhan stated that SB 2473 is relating to grandchildren in public housing. If this bill passes the HPHA would be required to allow grandchildren to live with their grandparents in a crisis situation. The HPHA supports placing

HAWAII PUBLIC HOUSING AUTHORITY

children with the grandparents, but the bill would undermine elderly housing. The HPHA's testimony was that the HPHA would try to immediately move the family to a family housing project.

Mr. Sarhan stated that SB 2108 would change the number of tenant members from one to two.

Director Berthiaume asked if that means one Board member would lose their slot. Mr. Sarhan responded yes.

Chairperson Thompson stated that the Board will be discussing the update on the status of the HUD corrective action order against the HPHA.

Ms. Arashiro stated that the HPHA was under a MOA with HUD, but has since been put on an improvement plan. The two areas that the HPHA needs to improve on are the fiscal office and the obligation of the capital funds.

Chairperson Thompson asked if the actions are the HPHA's actions or HUD's actions. Ms. Arashiro responded this is the HPHA's actions, but it was based on the MOA, improvement plan, and a meeting with HUD.

Director Yoshioka asked when the new executive director is starting. Chairperson Thompson stated March 1' 2010. Ms. Arashiro stated she and Chairperson Thompson will meet with the new executive director in the morning, then there will be a pre-board meeting and staff luncheon to follow.

Ms. Arashiro invited the Board to the luncheon on March 1.

There being no further items to be discussed,

Director Aiona moved, Director Hosino seconded,

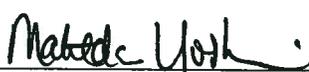
That the meeting be adjourned at 2:56 p.m.

The motion was unanimously carried.

This represents the proceedings of this Board meeting to the best of my knowledge:

  
TARYN T. CHIKAMORI  
Secretary to the Board

Certified:

  
MATILDA YOSHIOKA  
Secretary

UPDATE ON  
THE STATUS  
OF THE U.S.  
DEPARTMENT  
OF HOUSING  
AND URBAN  
DEVELOP-  
MENT'S  
CORRECTIVE  
ACTION ORDER  
AGAINST THE  
HAWAII PUB-  
LIC HOUSING  
AUTHORITY

ADJOURN-  
MENT

Approved by the Board of Directors at its meeting on

MAR 18 2010

EXECUTIVE DIRECTORS OFFICE

Approved by the Executive Director   
March 18, 2010

Please take necessary action

  
EXECUTIVE DIRECTOR

FOR ACTION

**SUBJECT:** To Accept the Management Discussion and Analysis of the Audited Financial Statements and the Single Audit for the Hawaii Public Housing Authority for the Fiscal Year Ended June 30, 2009

**I. FACTS**

- A. The Single Audit of the Hawaii Public Housing Authority (HPHA) for the fiscal year ending June 30, 2009 was conducted by the independent auditors, KMH LLP.
- B. During the February 18<sup>th</sup> meeting, the HPHA's Board of Directors accepted the financial statements as prepared by KMH LLP.
- C. The completion of an independent financial audit and a single audit is an annual requirement. The HPHA's audit will be incorporated into the State's Consolidated Audit and submitted to the U.S. Department of Housing and Urban Development (HUD).
- D. The HPHA is required to complete the audit and file them with the Office of the Auditor and HUD's Real Estate Assessment Center (REAC) no later than March 31, 2010.

**II. DISCUSSION**

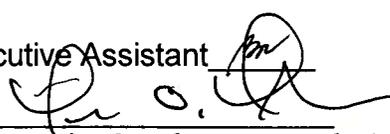
- A. The Management Discussion & Analysis (MD&A) is management's analysis of the financial statement and activities of the HPHA over the last fiscal period. The MD&A is designed to:
  - 1. Assist the reader of the audit in focusing on significant financial issues;
  - 2. Provide an overview of the HPHA's financial activity; and
  - 3. Identify changes in the HPHA's financial position (its ability to address the next and subsequent year challenges); and
  - 4. Identify individual fund issues or concerns.
- B. The single audit includes the auditor's report on compliance with program requirements and on internal controls over compliance issue. As part of the Schedule of Findings and Questioned Costs, the HPHA is required to file a corrective action plan.
- C. With Board approval, the audit will be submitted to the Office of the Auditor and the Federal Clearinghouse no later than March 31, 2010.

**II. RECOMMENDATION**

That the HPHA Board of Directors Accept the Management Discussion and Analysis of the Audited Financial Statements and the Single Audit for the Hawaii Public Housing Authority for the Fiscal Year Ended June 30, 2009.

Prepared by: Barbara E. Arashiro, Executive Assistant 

Approved by the Board of Directors

  
Travis O. Thompson, Chairperson

# **Hawaii Public Housing Authority**

**Financial Statements**

**June 30, 2009**

**Together with Independent Auditor's Report**

Draft

**Submitted by**

**THE AUDITOR  
STATE OF HAWAII**

March 18, 2010

Ms. Denise Wise  
Executive Director  
Hawaii Public Housing Authority  
State of Hawaii

Dear Ms. Wise:

This is our report on the financial audit of the Hawaii Public Housing Authority (Authority) as of and for the fiscal year ended June 30, 2009. Our audit was performed in accordance with the terms of our contract with the State of Hawaii and with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, Government Auditing Standards, *Audits of States, Local Governments, and Non-Profit Organizations*.

#### **OBJECTIVES OF THE AUDIT**

The primary purpose of our audit was to form an opinion on the fairness of the presentation of the Authority's basic financial statements as of and for the fiscal year ended June 30, 2009, and to comply with the requirements of OMB Circular A-133. The objectives of the audit were as follows:

1. To provide a basis for an opinion on the fairness of the presentation of the Authority's basic financial statements.
2. To determine whether expenditures and other disbursements have been made and all revenues and other receipts to which the Authority is entitled have been collected and accounted for in accordance with the laws, rules and regulations, and policies and procedures of the State of Hawaii and the federal government.
3. To determine whether the Authority has established sufficient internal controls to properly manage federal financial assistance programs and to comply with the applicable laws and regulations.
4. To determine whether the Authority has complied with the laws and regulations that may have a material effect on the basic financial statements and on its major federal financial assistance programs.

## **SCOPE OF THE AUDIT**

Our audit was performed in accordance with auditing standards generally accepted in the United States of America as prescribed by the American Institute of Certified Public Accountants; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of OMB Circular A-133. The scope of our audit included an examination of the transactions and accounting records of the Authority as of and for the fiscal year ended June 30, 2009.

## **ORGANIZATION OF THE REPORT**

This report is presented in six parts as follows:

- Part I – The basic financial statements and related notes of the Authority as of and for the fiscal year ended June 30, 2009, and our opinion on the basic financial statements.
- Part II – Our report on internal control over financial reporting and compliance.
- Part III – Our report on compliance with requirements applicable to each major program and internal control over compliance.
- Part IV – The schedule of findings and questioned costs and management responses
- Part V – The summary schedule of prior audit findings.

We wish to express our sincere appreciation for the excellent cooperation and assistance extended by the officers and staff of the Authority.

Sincerely,

Wilcox Choy  
Partner

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**PART I**  
**FINANCIAL SECTION**

Draft

## Independent Auditor's Report

The Auditor  
State of Hawaii

Board of Directors  
Hawaii Public Housing Authority:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hawaii Public Housing Authority (Authority), as of and for the year ended June 30, 2009. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in note 1, the financial statements of the Authority are intended to present the financial position, changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate other fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2009, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2009, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2010, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 8 to 18 and Budgetary Comparison Schedules on pages 66 to 68 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on Management's Discussion and Analysis or on the Budgetary Comparison Schedules.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KMH LLP

Honolulu, Hawaii  
March 18, 2010

# **Hawaii Public Housing Authority**

Management Discussion and Analysis  
June 30, 2009

This Management's Discussion and Analysis (MD&A) provides an overall review of the Hawaii Public Housing Authority's (HPHA) financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the HPHA's financial performance as a whole. Readers should also review the financial statements to enhance their understanding of the HPHA's financial performance.

## **INTRODUCTION**

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

Presently, the HPHA administers the following major programs:

- **Federal and State public housing programs**  
The HPHA administers over 5,300 federal public housing units in Hawaii with funds received from the United States Department of Housing and Urban Development (HUD), and 860 state public housing units developed with State funds.
- **Federal and State rent subsidy programs**  
The HPHA administers two federally funded rental assistance programs -Section 8 Housing Choice Voucher Program, Veterans Affairs Supportive Housing Program and the State funded rental assistance program, subsidizing monthly rental payments to qualified households. HPHA also has a Special Allocation Program which administers a project based program under a contract with the federal government through a subcontract, Contract Management Services (a subsidiary of the Bremerton, Washington Housing Authority).
- **Homeless programs**  
The HPHA also administers Homeless programs utilizing Federal grants and state appropriations allotments.

As management of the HPHA, we offer readers of the HPHA's financial statements this narrative overview and analysis of the financial activities of the HPHA for the fiscal year ended June 30, 2009.

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

The HPHA's Management's Discussion and Analysis (MD&A) is designed to:

- a) assist the reader in focusing on significant financial issues;
- b) provide an overview of the HPHA's financial activity; and
- c) identify changes in the HPHA's financial position (its ability to address the next and subsequent year challenges); and d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the financial activities of the HPHA for the last fiscal year ended June 30, 2009, readers should review this in conjunction with the financial statements that follow.

## FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the assets of the HPHA exceeded its liabilities by \$363,987,326 (net assets). Of this amount, \$302,682,255 is invested in capital assets, net of related debt. (Detailed on Government-Wide Statement of Net Assets, page 19)
- The HPHA's net assets decreased by \$12,275,752 or 3.2%. This is primarily due to the one time transfer of the Teacher Housing Revolving Fund's net assets of \$2,258,211 and the transfer of \$4,420,657 of capital projects to other state agencies and business type activities operating losses, before transfers, of approximately \$5,840,177. (Detailed on Government-wide Statement of Activities, page 21)
- Although operating and capital subsidies from the U.S. Department of Housing and Urban Development (HUD) increased from \$26,037,416 to \$35,593,322 an increase of \$9,555,906 or 36.7% from prior year, the amounts were not sufficient to cover the business-type activities operating losses of \$41,604,608 for the year. Consequently, business-type activities recognized net losses, before transfers, of \$5,840,177 for the fiscal year. (Detailed on Proprietary Funds, Statement of Revenues, Expenses, and Changes in Fund Net Assets, page 29)
- Governmental funds reported a combined ending fund balance of \$39,787,058, a decrease of \$8,677,695 in comparison from prior year. Approximately \$5,606,132 of this total amount was due to transfers to support rental housing service operating shortfalls and capital projects expended for the benefit of certain properties under the Federal low Rent Program fund. (Detailed on Governmental Funds, Statement of Revenues, Expenditures and changes in Fund Balance, page 24)

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the HPHA's basic financial statements. The HPHA's basic financial statements comprise three components:

- 1) Government-wide financial statements;
- 2) Governmental fund financial statements; and
- 3) Proprietary fund financial statements.

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

This report also contains other supplemental information in addition to the basic financial statements themselves.

**Government-wide Financial Statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the HPHA's finances in a manner similar to a private-sector business. The first two government-wide financial statements – *Statement of Net Assets* and the *Statement of Activities* provide both long-term and short-term information about the HPHA's overall financial status.

The *Statement of Net Assets* presents information on all of the HPHA's assets less liabilities, resulting in net assets. The statement displays the financial position of the HPHA. Over time, increases and decreases in net assets help determine whether the HPHA's financial position is improving or deteriorating.

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

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

- **Governmental activities.** The activities in this section are primarily supported by State appropriations or by HUD contributions, and focus on money flow into and out of those funds and the balances left at year-end. The governmental funds statements – the *Balance Sheet* and the *Statement of Revenues and Expenditures and Changes in Fund Balances* – are reported using modified accrual accounting (an accounting method measuring cash and all other financial assets readily convertible to cash). The governmental fund statements provide a detailed short-term view to help determine whether there are more or fewer financial resources to finance the HPHA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to explain the relationship (or differences) between them.
- **Business-type activities.** Business type activities (also referred to as "proprietary funds") are financed and operated in a manner similar to private business enterprises, where funding to recover costs of providing goods and services to the general public is derived through user charges. Business-type activities are reported using an accrual basis of accounting and the economic resources measurement focus.
- **Fiduciary funds.** Fiduciary funds account for assets held by the HPHA in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the HPHA cannot use these assets for its operations. Fiduciary

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

funds of the HPHA, consisting of agency funds and private-purpose trust funds, are reported in the Statement of Fiduciary Net Assets using an accrual basis of accounting. Agency funds held by the HPHA involve only the receipt, temporary investment, and remittance of resources to individuals, private organizations, or other governments in a purely custodial capacity.

Detailed information on HPHA's most significant funds is represented in the fund financial statements, but the fund statements are not a representation of the HPHA as a whole.

**Fund Financial Statements:** The HPHA uses fund accounting to ensure and demonstrate fiscal accountability. A fund is defined as a grouping of related accounts used to keep track of specific sources of funding and spending for particular purposes (sometimes referred to as a "self-balancing" set of accounts). This means a fund's assets will equal the total of its liabilities and its fund balance (or net assets), similar to the way financial statements are presented.

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

**Notes to the Financial Statements:** Notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### HAWAII PUBLIC HOUSING AUTHORITY Condensed Statement of Net Assets June 30, 2009 & June 30, 2008

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 43,815	\$ 54,896	\$ 28,130	\$ 19,859	\$ 71,945	\$ 74,755
Assets held by trustee	-	-	-	-	-	-
Capital assets	27,814	39,813	275,285	269,826	303,099	309,639
Other assets	-	-	8,367	8,937	8,367	8,937
<b>Total Assets</b>	<b>\$ 71,629</b>	<b>\$ 94,709</b>	<b>\$ 311,782</b>	<b>\$ 298,623</b>	<b>\$ 383,411</b>	<b>\$ 393,331</b>
Current and other liabilities	\$ 4,028	\$ 6,632	\$ 9,971	\$ 8,352	\$ 13,999	\$ 14,984
Long-term liabilities	212	271	5,213	1,814	5,425	2,084
<b>Total Liabilities</b>	<b>\$ 4,240</b>	<b>\$ 6,902</b>	<b>\$ 15,184</b>	<b>\$ 10,165</b>	<b>\$ 19,424</b>	<b>\$ 17,022</b>
Net assets:						
Invested in capital assets, net of related debt	\$ 27,814	\$ 39,813	\$ 274,868	\$ 269,319	\$ 302,682	\$ 309,132
Restricted	-	-	7,345	7,917	7,345	7,917
Unrestricted	39,574	47,993	14,384	11,221	53,960	59,214
<b>Total net assets</b>	<b>\$ 67,389</b>	<b>\$ 87,806</b>	<b>\$ 296,598</b>	<b>\$ 288,457</b>	<b>\$ 363,987</b>	<b>\$ 376,263</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 71,629</b>	<b>\$ 94,709</b>	<b>\$ 311,782</b>	<b>\$ 298,623</b>	<b>\$ 383,411</b>	<b>\$ 393,332</b>

#### Statement of net assets

Net assets may serve over time as a useful indicator of the HPHA's financial position. At the close of the fiscal year, the HPHA's assets exceeded its liabilities by \$363,987,326. As noted earlier, \$302,682,255 of net assets is invested in capital assets, net of related debt.

*Of the HPHA's total assets, \$302,682,255 (or 83%) represents capital assets, net of related debt. Cash and due from the State of Hawaii (as presented in the detailed Government-Wide Statement of Net Assets, page 19) in the amount of \$62,473,362 and comprises 16.3% of total assets. Amounts that are "Due from the state of Hawaii" represent available State allotted appropriations as of the end of the fiscal year and are primarily designated for capital improvement projects. Net assets for the previous fiscal year had a similar composition with the majority of total net assets represented by capital assets, net of related debt.*

Accounts payable and accrued expenses of \$12,041,599 (as detailed in the *Government-Wide Statement of Net Assets*, pg 20) comprise 61.9% of the HPHA's total current liabilities.

Long term liabilities increased by \$3,341,327 from prior year. This is primarily due to the increase in the other post retirement employee benefits liability of \$1,702,170 (as detailed in the *Notes to the Financial Statements*, #10.)

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

## HAWAII PUBLIC HOUSING AUTHORITY Government-Wide Statement of Activities Years Ended June 30, 2009 – June 30, 2008 (In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ -	\$ -	\$24,101	\$ 21,940	\$ 24,101	\$ 21,940
Operating Grants and Contributions	46,284	44,374	20,308	17,404	66,592	61,778
Capital Grants and Contributions	-	-	15,285	9,521	15,285	9,521
<b>General Revenues:</b>						
State Allotted Appropriations, net of Lapses	21,446	58,682	-	-	21,446	58,682
<b>Total Revenues</b>	<b>68,156</b>	<b>103,056</b>	<b>59,694</b>	<b>48,865</b>	<b>127,850</b>	<b>151,921</b>
<b>Expenses</b>						
<b>Governmental Activities</b>						
Homeless Services and assistance program	18,991	12,834	-	-	18,991	12,834
Rental housing assistance program	48,922	54,887	-	-	48,922	54,887
<b>Business-type activities</b>						
Rental assistance program	-	-	56,136	47,508	56,136	47,508
Housing development program	-	-	8,319	9,145	8,319	9,145
Other	-	-	1,079	1,056	1,079	1,056
<b>Total governmental-wide expenses</b>	<b>67,913</b>	<b>67,721</b>	<b>65,535</b>	<b>57,709</b>	<b>133,447</b>	<b>125,430</b>
Excess of revenues over expenses	243	35,335	(5,840)	(8,844)	(5,597)	26,491
Transfers	(20,660)	(8,136)	13,981	8,136	(6,679)	0
<b>CHANGES IN NET ASSETS</b>	<b>(20,417)</b>	<b>27,199</b>	<b>8,141</b>	<b>(708)</b>	<b>(12,276)</b>	<b>26,491</b>
Total net assets, beginning of year	87,806	60,607	288,457	289,165	376,263	349,772
<b>Total net assets, end of year</b>	<b>67,389</b>	<b>\$87,806</b>	<b>297,598</b>	<b>\$ 288,457</b>	<b>363,987</b>	<b>\$376,263</b>

### Statement of Activities

Operating grants and contributions increased \$4,814,449 in the current year from \$61,778,335 to \$66,592,784. Capital grants and contributions also increased by \$5,763,478 in the current year from \$9,521,427 to \$15,284,905. Although HUD operating and capital subsidies increased from \$26,037,416 to \$35,593,322, an increase of \$9,555,906 or 36.7% from prior year, the amounts were not sufficient to cover the business-type activities operating losses of \$41,604,658 for the year, as detailed in the *Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Assets, page 29*. Consequently, business-type activities recognized net losses, before transfers, of \$5,840,177 for the year.

## Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

However, in comparison with prior year's business type activities net losses, before transfers of \$8,844,184, current net losses, before transfers, represents a decrease of \$3,004,007 from prior year. This variance from prior year is primarily due to the increases in HUD operating and capital subsidies of \$9,555,906, which compensated for the corresponding increases in operating expenses of \$7,825,465 or 13.5%, from prior year. Current year increases in operating expenses including, but not limited to, increase in repairs and maintenance expenses from \$2,500,813 to \$4,431,636, an increase of \$1,930,823, or 77%; increases in utilities expenses from \$11,709,437 to \$12,932,993, an increase of \$1,223,556 or 10.4%; and increases in the post retirement benefit obligation of approximately \$1,702,170 or 122% from prior year.

Government activities net assets decreased by \$20,416,852. The detailed charts on *Government-Wide Statement of Activities, page 21*, note that this change is primarily due to a \$16,239,488 of operating transfer to business-type activities and \$4,420,657 transfers to capital projects at other agencies. When capital projects are completed with governmental funds, they are transferred to a business-type activity. Of the \$16,239,488 transferred to business-type activities, approximately \$11,682,000 fall into that category.

In comparison with the prior year, government activities increased in net assets of \$27,198,977. The key elements of this variance were due to additional State Allotted appropriations received in prior year of \$37,236,756, of which \$30,510,000 were capital projects funding, and operating transfers of \$8,136,190 compared with transfers of \$20,660,145 for the current year.

### FINANCIAL ANALYSIS OF THE HPHA'S FUNDS

#### Governmental funds

The focus of the HPHA's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the HPHA's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the HPHA's net resource available for spending at the end of the fiscal year. (Detailed on *Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balance, page 24*).

- At the end of the fiscal year, combined fund balances amounted to \$39,787,058, of which \$28,890,680 is reserved for capital projects, a decrease of \$8,677,695 in comparison with the prior year.
- The key factors in this decrease were capital outlays of \$4,648,290 and operating transfers of \$4,172,384 to pay for rental housing service shortfalls under certain proprietary funds during the current year.
- The prior year's Net Change in Fund Balance resulted in an increase of \$22,249,474. The current year's Net Change in Fund Balance which resulted in a decrease of \$8,677,695 is primarily due to \$30,510,000 of state allotted appropriations for capital projects which was received in the prior year.

# **Hawaii Public Housing Authority**

Management Discussion and Analysis  
June 30, 2009

## **Proprietary funds**

The HPHA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

With the implementation of HUD's Asset Management and Project Based Budgeting, the HPHA established the Central Office Cost Center (COCC) fund to account for costs related to the general oversight of its housing projects and other indirect and administrative costs of the Authority. The COCC fund charges fees to the HPHA's various housing projects for administrative services and general oversight.

The combined net assets restricted by legislation and contractual agreement amounted to \$7,345,511 are related to restricted deposits and funded reserves. (Detailed on *Proprietary Funds, Statement of Net Assets, page 26*)

Other factors concerning the finances of these funds have already been addressed in the discussion of the HPHA's business-type activities.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, the original budget was decreased by approximately \$671,000 due to reductions in the family homeownership program. The budgetary actual revenue and expenditures were lower than the amended final budget by approximately \$144,000 and \$2,313,000 due to change in program requirements during fiscal year 2009.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

The HPHA's investment in capital assets for its governmental and business-type activities for the fiscal year ended June 30, 2009 is \$302,682,255 (net of related debt). This investment in capital assets includes land, buildings and improvements, equipment, furniture, and fixtures. (Detailed in *Notes to the Financial Statements, #5*)

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

## HPHA Capital Assets Years ended June 30, 2009 and June 30, 2008 (In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2009	2008	2009	208	2009	2008
Land	\$ 2,373	\$ 2,373	\$ 22,966	\$ 22,973	\$ 25,339	\$ 25,346
Buildings and improvements	46,487	48,061	523,135	487,642	569,622	535,703
Equipment	1,198	1,198	10,001	10,285	11,199	11,483
Construction in progress	2,291	11,642	6,684	23,755	8,975	35,397
Total	52,349	63,274	562,786	544,655	615,135	607,929
Accumulated Depreciation	(24,534)	(23,462)	(287,502)	(274,829)	(312,036)	(298,291)
Total Capital Assets Net	\$ 27,814	\$ 39,812	\$ 275,285	\$ 269,826	\$303,099	\$ 309,638

Major capital asset events during the current fiscal year included the following:

Major Projects Outstanding (in-progress) at the end of the year

- AMP 140 Installation of a fire alarm system at Kuhio Park Terrace at \$1,072,043
- AMP 137 Major modernization at Lanikila Homes at \$1,856,490

Major projects completed with Governmental Funds and transferred to Fixed Assets

- Kalaeloa Homeless Shelter at \$1,781,306

Major projects completed with Governmental Funds and transferred to Business Type Activities

- AMP 132 Mayor Wright Homes, Design at \$866,665
- AMP 138 Renovations at Lokahi at \$494,830
- AMP 137 Major modernization at Lanakila Homes at \$1,048,624
- AMP 131 Major modernization at Kalihi Valley Homes at \$300,000
- AMP 131 Renovation of long term vacant units at Kalihi Valley Homes at \$1,065,584
- AMP 143 Major modernization at Kahale Kahaluu at \$1,500,000

# Hawaii Public Housing Authority

Management Discussion and Analysis  
June 30, 2009

## Major projects completed with Proprietary Funds and transferred to Fixed Assets

- AMP 135 Structural and spall repairs at Makamae at \$4,159,564,
- AMP 135 Structural investigation and repairs at Pumehana at \$2,187,297
- AMP 143 Major modernization at Kahale Kahaluu at \$9,221,009
- AMP 131 Major modernization at Kalihi Valley Homes, Phase 3b at \$5,695,538
- AMP 146 Physical improvements at Noelani I & II at \$2,428,407

## Debt Activity

As of June 30, 2009, HPHA had \$416,782 of Mortgage and Notes Payable debt outstanding related to two loans for the Banyan Street Manor development. (Detailed in *Notes to the Financial Statements, #6.*) During the fiscal year ended June 30, 2009, approximately \$89,959 was paid as part of the planned amortization of the existing loans. No additional debt was assumed during the fiscal year ended June 30, 2009.

As of June 30, 2009, \$7,345,511 of cash was considered restricted. This was comprised of the following:

Replacement reserves and escrow accounts – Banyan Street Manor	\$1,536,832
Replacement reserves and escrow accounts – HHA Wilikina Apartments	5,808,679
Total Restricted Cash as June 30, 2009	<u>\$7,345,511</u>

## ECONOMIC FACTORS AND NEXT YEAR BUDGETS AND RATES

HUD increased operating funding for public housing for fiscal year 2009 by increasing the operating subsidy proration (actual funding) rate from 82% to 89% of full funding, and by adjusting the base subsidy for 2009. Due to HUD's inability to provide appropriations for a full fiscal year, the HPHA projects its budget forward using current subsidy amounts and produces revised budgets once the actual appropriations are provided.

During the fiscal year, the HPHA's received funds under the American Recovery and Reinvestment Act in the amounts of \$16,245,443 for the Capital Fund Program and \$2,166,888 for the Homelessness Prevention and Rapid Re-housing Program. The HPHA also received notice that the Committee on Appropriations U.S. House of Representatives allotted funds for capital improvements at Lanakila Homes (\$475,000), Kalihi Valley Homes (\$380,000), Kahale Mua (\$400,000) and Pahala Elderly (\$400,000).

The HPHA was named as a defendant in a lawsuit over living conditions at Kuhio Park Terrace calling for capital improvements such as elevators, trash chutes, fire alarms, and sewers, as well as an increase in handicapped accessible units. The HPHA is working to address the issues involved with existing funds, and is seeking additional funding. The HPHA is in settlement negotiations with the plaintiffs.

## **Hawaii Public Housing Authority**

### **Management Discussion and Analysis**

June 30, 2009

During the fiscal year, the HPHA Board approved the selection of The Michaels Development Company for the mixed finance redevelopment project at the Kuhio Park Terrace and Kuhio Homes. As part of the partnership, the HPHA will sell the physical assets (e.g. building and improvements) to The Michaels Development Company and enter into a long term ground lease.

During the current fiscal year, the HPHA intends to transfer its Homeless Programs (a government funded program) to the Department of Human Services. The transfer will allow for better coordination of homeless services and will affect net assets and activities for both government activities and proprietary funds (central office management fees). A memorandum of agreement to transfer the program was executed effective March 1, 2010.

### **CONTACT INFORMATION**

This financial report is designed to provide a general overview of the HPHA's finances for all those with an interest in the HPHA's finances. If you have any questions about this report or need additional financial information, contact the Office of the Executive Director, Hawaii Public Housing Authority 1002 North School Street, Honolulu, HI 96817.

Hawaii Public Housing Authority

GOVERNMENT-WIDE  
STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Current Assets</b>			
Cash	\$ 5,532,184	\$ 21,479,896	\$ 27,012,080
Due from State of Hawaii	35,461,282	-	35,461,282
<b>Receivables</b>			
Accrued interest	-	182,971	182,971
Tenant receivables, less allowance for doubtful receivables of \$4,434,396	-	604,655	604,655
Other	268,253	265,245	533,498
	<u>268,253</u>	<u>1,052,871</u>	<u>1,321,124</u>
Internal balances	1,402,567	(1,402,567)	-
Due from other state agencies	-	713,390	713,390
Due from HUD	1,082,765	5,364,331	6,447,096
Inventories	-	832,325	832,325
Prepaid expenses and other assets	68,394	63,503	131,897
Deposits held in trust	-	26,464	26,464
<b>Total current assets</b>	<u>43,815,445</u>	<u>28,130,213</u>	<u>71,945,658</u>
Note Receivable	-	426,100	426,100
Accrued Interest	-	595,234	595,234
Restricted Deposits and Funded Reserves	-	7,345,511	7,345,511
Capital Assets, less accumulated depreciation	<u>27,814,340</u>	<u>275,284,697</u>	<u>303,099,037</u>
<b>TOTAL ASSETS</b>	<u>\$ 71,629,785</u>	<u>\$ 311,781,755</u>	<u>\$ 383,411,540</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENT-WIDE  
STATEMENT OF NET ASSETS (continued)

June 30, 2009

LIABILITIES AND NET ASSETS	Governmental Activities	Business-type Activities	Total
<b>Current Liabilities</b>			
Accounts payable	\$ 3,222,721	\$ 5,035,251	\$ 8,257,972
Accrued expenses	803,440	2,980,187	3,783,627
Due to other state agencies	-	5,846	5,846
Due to State of Hawaii	-	571,402	571,402
Due to HUD	2,226	12,659	14,885
Security deposits	-	911,935	911,935
Deferred income	-	330,868	330,868
Mortgage payable, current portion	-	122,176	122,176
<b>Total current liabilities</b>	<u>4,028,387</u>	<u>9,970,324</u>	<u>13,998,711</u>
Accrued Expenses	212,204	4,918,693	5,130,897
Mortgage and Note Payable, net of current portion	-	294,606	294,606
<b>Commitments and Contingencies</b>			
<b>Net Assets</b>			
Invested in capital assets, net of related debt	27,814,340	274,867,915	302,682,255
Restricted by legislation and contractual agreements	-	7,345,511	7,345,511
Unrestricted	39,574,854	14,384,706	53,959,560
<b>Total net assets</b>	<u>67,389,194</u>	<u>296,598,132</u>	<u>363,987,326</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 71,629,785</u>	<u>\$ 311,781,755</u>	<u>\$ 383,411,540</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENT-WIDE  
STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (expense) revenue and changes in net assets		
		Charges for services and other revenues	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
<b>Governmental activities</b>							
Homeless service and assistance program	\$ 18,991,285	\$ -	\$ 1,316,297	\$ -	\$ (17,674,988)	\$ -	\$ (17,674,988)
Rental housing and assistance program	48,921,820	-	44,968,070	-	(3,953,750)	-	(3,953,750)
<b>Total governmental activities</b>	<b>67,913,105</b>	<b>-</b>	<b>46,284,367</b>	<b>-</b>	<b>(21,628,738)</b>	<b>-</b>	<b>(21,628,738)</b>
<b>Business-type activities</b>							
Rental assistance program	56,135,742	17,388,885	20,308,417	15,284,905	-	(3,153,535)	(3,153,535)
Rental housing program	8,319,447	3,877,399	-	-	-	(4,442,048)	(4,442,048)
Others	1,079,396	2,834,802	-	-	-	1,755,406	1,755,406
<b>Total business-type activities</b>	<b>65,534,585</b>	<b>24,101,086</b>	<b>20,308,417</b>	<b>15,284,905</b>	<b>-</b>	<b>(5,840,177)</b>	<b>(5,840,177)</b>
<b>Total government-wide</b>	<b>\$ 133,447,690</b>	<b>\$ 24,101,086</b>	<b>\$ 66,592,784</b>	<b>\$ 15,284,905</b>	<b>(21,628,738)</b>	<b>(5,840,177)</b>	<b>(27,468,915)</b>
State Allotted Appropriations, net of lapsed funds of \$488,203					21,445,740	-	21,445,740
Other Non-Program Revenue					426,291	-	426,291
Net Transfers					(16,239,488)	16,239,488	-
Intergovernmental Transfer					(4,420,657)	(2,258,211)	(6,678,868)
<b>Total general revenues and transfers</b>					<b>1,211,886</b>	<b>13,981,277</b>	<b>15,193,163</b>
<b>Change in net assets</b>					<b>(20,416,852)</b>	<b>8,141,100</b>	<b>(12,275,752)</b>
<b>Net Assets at July 1, 2008</b>					<b>87,806,046</b>	<b>288,457,032</b>	<b>376,263,078</b>
<b>Net Assets at June 30, 2009</b>					<b>\$ 67,389,194</b>	<b>\$ 296,598,132</b>	<b>\$ 363,987,326</b>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS  
BALANCE SHEET

June 30, 2009

ASSETS	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Other Funds	Total Governmental Funds
<b>Current Assets</b>						
Cash	\$ -	\$ -	\$ 4,928,312	\$ 601,642	\$ 2,230	\$ 5,532,184
Due from State of Hawaii	6,079,656	29,381,626	-	-	-	35,461,282
Other receivables	268,253	-	-	-	-	268,253
Due from other funds	6,130	-	1,986,202	509,110	-	2,501,442
Due from HUD	-	-	-	447,819	634,946	1,082,765
Prepaid expenses and other assets	68,394	-	-	-	-	68,394
<b>TOTAL ASSETS</b>	<b>\$ 6,422,433</b>	<b>\$ 29,381,626</b>	<b>\$ 6,914,514</b>	<b>\$ 1,558,571</b>	<b>\$ 637,176</b>	<b>\$ 44,914,320</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 2,034,001	\$ 490,946	\$ 30,170	\$ 50,027	\$ 617,577	\$ 3,222,721
Accrued expenses	28,435	-	274,374	500,631	-	803,440
Due to other funds	358,311	-	565,910	157,281	17,373	1,098,875
Due to HUD	-	-	-	-	2,226	2,226
<b>Total liabilities</b>	<b>2,420,747</b>	<b>490,946</b>	<b>870,454</b>	<b>707,939</b>	<b>637,176</b>	<b>5,127,262</b>
<b>Fund Balances - Unrestricted</b>						
Reserved	4,001,686	28,890,680	-	-	-	32,892,366
Unreserved	-	-	6,044,060	850,632	-	6,894,692
<b>Total fund balances</b>	<b>4,001,686</b>	<b>28,890,680</b>	<b>6,044,060</b>	<b>850,632</b>	<b>-</b>	<b>39,787,058</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,422,433</b>	<b>\$ 29,381,626</b>	<b>\$ 6,914,514</b>	<b>\$ 1,558,571</b>	<b>\$ 637,176</b>	<b>\$ 44,914,320</b>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS

June 30, 2009

Total fund balance - governmental funds		\$	39,787,058
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	27,814,340		
Long-term compensated absences are not due and payable in the current period and therefore are not reported in the funds	<u>(212,204)</u>		<u>27,602,136</u>
Net assets of governmental activities		\$	<u>67,389,194</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	General	Capital Projects	Housing Choice Voucher	Section 8 Contract Administration	Other Funds	Total Governmental Funds
<b>Revenues</b>						
Intergovernmental – HUD annual contributions and others	\$ -	\$ -	\$ 20,578,390	\$ 23,632,408	\$ 2,120,065	\$ 46,330,863
State allotted appropriations, net of lapsed funds of \$488,203	21,445,740	-	-	-	-	21,445,740
Other	426,496	-	32,170	191	-	458,857
<b>Total revenues</b>	<b>21,872,236</b>	<b>-</b>	<b>20,610,560</b>	<b>23,632,599</b>	<b>2,120,065</b>	<b>68,235,460</b>
<b>Expenditures</b>						
Housing assistance payments	866,497	-	18,500,240	22,021,594	-	41,388,331
Homeless services	16,779,427	-	-	-	-	16,779,427
Grants	-	300,000	-	-	-	300,000
Personnel services	865,637	-	1,260,910	5,331	-	2,131,878
Administration	882,637	-	812,071	1,335,292	2,075,054	5,105,054
Professional services	54,140	-	65,615	4,636	-	124,391
Security	-	-	840	-	-	840
Repairs and maintenance	6,165	675,587	780	-	-	682,532
Insurance	10,959	-	17,068	-	-	28,027
Capital outlays	22,386	4,648,290	-	-	-	4,670,676
Other	-	-	16,805	-	-	16,805
<b>Total expenditures</b>	<b>19,487,848</b>	<b>5,623,877</b>	<b>20,674,329</b>	<b>23,366,853</b>	<b>2,075,054</b>	<b>71,227,961</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,384,388</b>	<b>(5,623,877)</b>	<b>(63,769)</b>	<b>265,746</b>	<b>45,011</b>	<b>(2,992,501)</b>
Nonoperating Expenditure - Interest Expense	(205)	-	(78,857)	-	-	(79,062)
Other Financing (Uses) Sources - Transfers (Out) In	(4,172,384)	(1,048,624)	45,011	(385,124)	(45,011)	(5,606,132)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,788,201)</b>	<b>(6,672,501)</b>	<b>(97,615)</b>	<b>(119,378)</b>	<b>-</b>	<b>(8,677,695)</b>
Fund Balances at July 1, 2008	5,789,887	35,563,181	6,141,675	970,010	-	48,464,753
<b>Fund Balances at June 30, 2009</b>	<b>\$ 4,001,686</b>	<b>\$ 28,890,680</b>	<b>\$ 6,044,060</b>	<b>\$ 850,632</b>	<b>\$ -</b>	<b>\$ 39,787,058</b>

The accompanying notes are an integral part of this statement

Hawaii Public Housing Authority

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

Year ended June 30, 2009

Net change in fund balances - total governmental funds		\$ (8,677,695)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the year.	3,055,610	
Long-term compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	58,466	
Other post-retirement employee benefits reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	200,780	
Intergovernmental transfers, capital related items	(4,420,657)	
Net operating transfers, capital related items	<u>(10,633,356)</u>	<u>(11,739,157)</u>
Change in net assets of governmental activities		<u>\$ (20,416,852)</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Current Assets</b>							
Cash	\$ 11,982,224	\$ 316,686	\$ 1,895,870	\$ 16,779	\$ 6,064,127	\$ 20,275,686	\$ 1,204,210
Receivables							
Accrued interest	-	-	60,155	-	82,672	142,827	40,144
Tenant receivables, less allowance for doubtful accounts of \$4,434,396	396,889	45,108	3,576	-	159,082	604,655	-
Other	192,314	-	-	318	72,613	265,245	-
	<u>589,203</u>	<u>45,108</u>	<u>63,731</u>	<u>318</u>	<u>314,367</u>	<u>1,012,727</u>	<u>40,144</u>
Due from other funds	400,105	1,024,999	206,461	9,281,217	284,420	11,197,202	117,389
Due from other state agencies	-	-	-	-	713,390	713,390	-
Due from HUD	5,252,461	-	-	-	111,870	5,364,331	-
Inventories	715,113	16,292	67,181	33,739	-	832,325	-
Prepaid expenses and other assets	-	-	-	-	63,503	63,503	-
Deposits held in trust	-	-	-	-	26,464	26,464	-
Total current assets	<u>18,939,106</u>	<u>1,403,085</u>	<u>2,233,243</u>	<u>9,332,053</u>	<u>7,578,141</u>	<u>39,485,628</u>	<u>1,361,743</u>
Note Receivable	-	426,100	-	-	-	426,100	-
Accrued Interest	-	595,234	-	-	-	595,234	-
Restricted Deposits and Funded Reserves	-	-	-	-	7,345,511	7,345,511	-
Capital Assets, less accumulated depreciation	200,931,241	15,310,202	40,222,685	86,269	18,681,751	275,232,148	52,549
<b>TOTAL ASSETS</b>	<u>\$ 219,870,347</u>	<u>\$ 17,734,621</u>	<u>\$ 42,455,928</u>	<u>\$ 9,418,322</u>	<u>\$ 33,605,403</u>	<u>\$ 323,084,621</u>	<u>\$ 1,414,292</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS (continued)

June 30, 2009

LIABILITIES AND NET ASSETS	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Current Liabilities</b>							
Accounts payable	\$ 3,032,373	\$ 62,575	\$ 141,028	\$ 10,221	\$ 1,789,054	\$ 5,035,251	\$ -
Accrued expenses	1,547,321	41,838	10,781	670,675	709,572	2,980,187	-
Due to other funds	6,843,772	303,718	249,569	-	5,263,835	12,660,894	56,264
Due to other state agencies	-	-	-	-	5,846	5,846	-
Due to State of Hawaii	-	-	-	-	571,402	571,402	-
Due to HUD	-	-	-	-	12,659	12,659	-
Security deposits	671,803	35,544	143,631	-	60,957	911,935	-
Deferred income	289,120	19,019	-	-	22,729	330,868	-
Mortgage payable, current portion	-	-	-	-	122,176	122,176	-
<b>Total current liabilities</b>	<b>12,384,389</b>	<b>462,694</b>	<b>545,009</b>	<b>680,896</b>	<b>8,558,230</b>	<b>22,631,218</b>	<b>56,264</b>
Accrued Expenses	690,888	45,442	-	4,182,363	-	4,918,693	-
Mortgage and Note Payables, net of current portion	-	-	-	-	294,606	294,606	-
<b>Commitments and Contingencies</b>							
<b>Net Assets</b>							
Invested in capital assets, net of related debt	200,931,241	15,310,202	40,222,685	86,269	18,264,969	274,815,366	52,549
Restricted by legislation and contractual agreements	-	-	-	-	7,345,511	7,345,511	-
Unrestricted	5,863,829	1,916,283	1,688,234	4,468,794	(857,913)	13,079,227	1,305,479
<b>Total net assets</b>	<b>206,795,070</b>	<b>17,226,485</b>	<b>41,910,919</b>	<b>4,555,063</b>	<b>24,752,567</b>	<b>295,240,104</b>	<b>1,358,028</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 219,870,347</b>	<b>\$ 17,734,621</b>	<b>\$ 42,455,928</b>	<b>\$ 9,418,322</b>	<b>\$ 33,605,403</b>	<b>\$ 323,084,621</b>	<b>\$ 1,414,292</b>

The accompanying notes are an integral part of this statement

Hawaii Public Housing Authority

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

30-Jun-09

Total net assets of enterprise funds	\$ 295,240,104
Amounts reported for business-type activities in the statement of net assets are different because internal service fund assets and liabilities are included with business-type activities	<u>1,358,028</u>
Net assets of business-type activities	<u>\$ 296,598,132</u>

Draft

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Eliminating Entries	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenues</b>								
Rental	\$ 17,152,436	\$ 908,306	\$ 1,936,653	\$ -	\$ 1,212,605	\$ -	\$ 21,210,000	\$ 130,618
Fee-for-service	-	-	-	11,311,274	-	(11,311,274)	-	-
Other	239,779	-	65,112	8,383	69,922	-	383,196	-
<b>Total operating revenues</b>	<b>17,392,215</b>	<b>908,306</b>	<b>2,001,765</b>	<b>11,319,657</b>	<b>1,282,527</b>	<b>(11,311,274)</b>	<b>21,593,196</b>	<b>130,618</b>
<b>Operating Expenses</b>								
Project	6,727,744	-	-	-	-	-	6,727,744	-
Personnel services	8,882,181	632,418	32,584	7,712,464	173,971	-	17,433,618	-
Depreciation	10,854,271	590,926	1,414,393	2,464	974,157	-	13,836,211	46,223
Administration	11,483,302	317,107	1,041,233	786,519	696,983	(11,311,274)	3,013,870	-
Bad debt expense	615,014	-	-	-	27,288	-	642,302	-
Professional services	332,638	27,819	9,069	209,094	4,302	-	582,922	2,967
Security	1,470,749	-	659	15,371	-	-	1,486,779	-
Insurance	680,738	38,099	106,851	-	150,595	-	976,283	-
Repairs and maintenance	3,481,699	103,242	166,668	263,790	416,237	-	4,431,636	-
Utilities	10,710,228	610,593	988,598	124,890	498,684	-	12,932,993	-
Capital expenditures	297,178	-	-	1,139	-	-	298,317	5,565
Other	600,000	7,463	3,498	-	300,081	-	911,042	-
<b>Total operating expenses</b>	<b>56,135,742</b>	<b>2,327,667</b>	<b>3,763,553</b>	<b>9,115,731</b>	<b>3,242,298</b>	<b>(11,311,274)</b>	<b>63,273,717</b>	<b>54,755</b>
<b>Operating (loss) income carried forward</b>	<b>(38,743,527)</b>	<b>(1,419,361)</b>	<b>(1,761,788)</b>	<b>2,203,926</b>	<b>(1,959,771)</b>	<b>-</b>	<b>(41,680,521)</b>	<b>75,863</b>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Eliminating Entries	Total Enterprise Funds	Internal Service Funds
Operating (loss) income brought forward	(38,743,527)	(1,419,361)	(1,761,788)	2,203,926	(1,959,771)	-	(41,680,521)	75,863
<b>Nonoperating Revenues (Expenses)</b>								
Interest income	76,200	99,906	117,218	67,194	56,665	-	417,183	87,474
HUD operating subsidy and others	35,593,322	-	-	-	-	-	35,593,322	-
Loss on disposals of capital assets	-	-	-	-	-	-	-	(10,570)
Other revenues (expenses)	(79,530)	(52,096)	(86,845)	(45,102)	-	-	(263,573)	(59,355)
Net nonoperating revenues	35,589,992	47,810	30,373	22,092	56,665	-	35,746,932	17,549
(Loss) income before transfers	(3,153,535)	(1,371,551)	(1,731,415)	2,226,018	(1,903,106)	-	(5,933,589)	93,412
Intergovernmental Transfer	-	-	-	-	(2,258,211)	-	(2,258,211)	-
Net Operating Transfers	7,960,912	4,469,300	1,003,380	2,329,045	476,851	-	16,239,488	-
<b>CHANGE IN NET ASSETS</b>	4,807,377	3,097,749	(728,035)	4,555,063	(3,684,466)	-	8,047,688	93,412
Net Assets at July 1, 2008	201,987,693	14,128,736	42,638,954	-	28,437,033	-	287,192,416	1,264,616
Net Assets at June 30, 2009	\$ 206,795,070	\$ 17,226,485	\$ 41,910,919	\$ 4,555,063	\$ 24,752,567	\$ -	\$ 295,240,104	\$ 1,358,028

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN NET ASSETS  
OF PROPRIETARY FUNDS  
TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2009

Change in net assets - total enterprise funds	\$ 8,047,688
Change in net assets - internal service fund	<u>93,412</u>
Change in net assets of business-type activities	<u>\$ 8,141,100</u>

Draft

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

Year ended June 30, 2009

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Cash received from renters	\$ 16,778,257	\$ 914,744	\$ 1,931,622	\$ -	\$ 1,115,556	\$ 20,740,179	\$ -
Cash payments to employees	(11,307,268)	(748,709)	(88,407)	-	(173,971)	(12,318,355)	-
Cash payments to suppliers	(28,097,031)	(1,060,275)	(2,445,861)	-	(2,099,430)	(33,702,597)	-
Cash receipts from (payments to) other funds	-	283,081	(271,268)	-	4,819,181	4,830,994	(5,908)
Other cash (payments) receipts	(358,939)	(7,463)	64,682	-	(114,609)	(416,329)	(8,532)
Net cash (used in) provided by operating activities	(22,984,981)	(618,622)	(809,232)	-	3,546,727	(20,866,108)	(14,440)
<b>Cash Flows from Noncapital Financing Activities</b>							
Intergovernmental transfer	-	-	-	-	(1,063,621)	(1,063,621)	-
HUD operating subsidy and others received	24,363,687	-	-	-	-	24,363,687	-
Operating transfers in	1,691,964	602,985	597,014	16,779	(40,526)	2,868,216	-
Net cash provided by (used in) noncapital financing activities	26,055,651	602,985	597,014	16,779	(1,104,147)	26,168,282	-
<b>Cash Flows from Capital and Related Financing Activities</b>							
HUD capital subsidy received	9,345,864	-	-	-	-	9,345,864	-
Principal payments on mortgage loans	-	-	-	-	(89,959)	(89,959)	-
Interest payments	-	-	-	-	-	-	-
Payments for acquisition of property and equipment	(9,345,864)	-	-	-	(457,979)	(9,803,843)	(13,573)
Net cash used in capital and related financing activities	-	-	-	-	(547,938)	(547,938)	(13,573)
Subtotal carried forward	3,070,670	(15,637)	(212,218)	16,779	1,894,642	4,754,236	(28,013)

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS (continued)**  
Year ended June 30, 2009

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Subtotal brought forward	3,070,670	(15,637)	(212,218)	16,779	1,894,642	4,754,236	(28,013)
<b>Cash Flows from Investing Activities</b>							
Receipts of interest	76,200	99,082	66,927	-	56,665	298,874	51,405
Change in Valuation of Cash Held in State of Hawaii Treasury	-	(10,736)	(78,530)	-	(257,892)	(347,158)	(54,627)
Net increase in restricted deposits and funded reserves	-	-	-	-	571,503	571,503	-
Net cash provided by (used in) investing activities	76,200	88,346	(11,603)	-	370,276	523,219	(3,222)
<b>NET INCREASE (DECREASE) IN CASH</b>	3,146,870	72,709	(223,821)	16,779	2,264,918	5,277,455	(31,235)
Cash at July 1, 2008	8,835,354	243,977	2,119,691	-	3,799,209	14,998,231	1,235,445
Cash at June 30, 2009	<u>\$ 11,982,224</u>	<u>\$ 316,686</u>	<u>\$ 1,895,870</u>	<u>\$ 16,779</u>	<u>\$ 6,064,127</u>	<u>\$ 20,275,686</u>	<u>\$ 1,204,210</u>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (continued)

Year ended June 30, 2009

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities							
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities							
Operating (loss) income	\$ (38,743,527)	\$ (1,419,361)	\$ (1,761,788)	\$ -	\$ (1,959,771)	\$ (43,884,447)	\$ 75,863
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities							
Depreciation	10,854,271	590,926	1,414,393	-	974,157	13,833,747	46,223
Bad debt expense	615,014	-	-	-	27,288	642,302	-
Changes in assets and liabilities:							
Tenant receivables	(429,351)	(15,148)	(153)	-	(113,787)	(558,439)	-
Other receivables	1,282	-	3,068	-	(48,152)	(43,802)	-
Due from other funds	2,747,738	(18,944)	(84,109)	-	5,661,761	8,306,446	(122,117)
Due from HUD	-	-	-	-	(111,870)	(111,870)	-
Inventories	(221,939)	4,453	(23,359)	-	-	(240,845)	-
Prepaid expenses and other assets	-	-	-	-	(111)	(111)	-
Deposits held in trust	-	-	-	-	701	701	-
Accounts payable	568,179	32,132	(70,408)	-	(55,513)	474,390	-
Other accrued expenses	(1,699,996)	(116,291)	(94,839)	-	128,474	(1,782,652)	-
Other liabilities	-	-	-	-	(22,726)	(22,726)	-
Due to other funds	3,268,176	302,025	(187,159)	-	(842,580)	2,540,462	(14,409)
Due to HUD	-	-	-	-	(1,901)	(1,901)	-
Security deposits	8,003	2,567	(4,878)	-	(6,692)	(1,000)	-
Deferred income	47,169	19,019	-	-	(82,551)	(16,363)	-
Net cash (used in) provided by operating activities	\$ (22,984,981)	\$ (618,622)	\$ (809,232)	\$ -	\$ 3,546,727	\$ (20,866,108)	\$ (14,440)

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

FIDUCIARY FUND  
STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2009

	<u>Private Purpose Trust</u>
<b>ASSETS</b>	
Cash	\$ <u>1,655</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,655</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
Liability - Accounts Payable	\$ -
Net Assets - Held in Trust	<u>1,655</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,655</u></b>

The accompanying notes are an integral part of this statement.

Hawaii Public Housing Authority

FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Year ended June 30, 2009

	<u>Private Purpose Trust</u>
Addition - Intergovernmental Revenue	\$ -
Deductions - Capital Outlays	<u>490,898</u>
CHANGE IN NET ASSETS	(490,898)
Net Assets at July 1, 2008	<u>492,553</u>
Net Assets at June 30, 2009	<u><u>\$ 1,655</u></u>

The accompanying notes are an integral part of this statement.

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies

### a. General

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

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

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

The financial statements of the Authority are intended to present the financial position, changes in financial position, and cash flows where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2009, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. The State Comptroller maintains the central accounts for all State funds and publishes financial statements for the State annually, which include the Authority's financial activities.

### b. Government-Wide and Fund Financial Statements

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

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

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

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

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

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

### c. Measurement Focus and Basis of Accounting

#### i. Government-Wide Financial Statements

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### c. Measurement Focus and Basis of Accounting (continued)

#### ii. Governmental Fund Financial Statements

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include employees' vested vacation and other post-retirement benefits, which are recorded as expenditures when utilized or paid. The amount of indebtedness related to accumulated vacation and other post-retirement benefits at June 30, 2009 has been reported in the government-wide financial statements.

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### c. Measurement Focus and Basis of Accounting (continued)

#### iii. Proprietary Funds and Fiduciary Fund

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

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

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

#### d. Fund Accounting

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

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### d. Fund Accounting (continued)

#### i. Governmental Funds

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

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

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

The Authority reports the following major governmental funds:

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### d. Fund Accounting (continued)

#### ii. Proprietary Funds

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

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

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

The Authority reports the following as major proprietary funds:

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

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

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

Central Office Cost Center Fund was established in 2009 to account for costs related to the general oversight of its housing projects and other indirect and administrative costs of the Authority. The fund charges fees to the Authority's various housing projects for such services. In addition to the fee income to operate the public housing programs, the Authority also earns fees from its other federal and state programs. The fee income earned by the fund is considered to be de-federalized.

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### d. Fund Accounting (continued)

#### iii. Fiduciary Fund

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

### e. HUD Subsidized Programs

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

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

### f. Capital Assets

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

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

Equipment \$ 5,000

## 1. Organization and Significant Accounting Policies (continued)

### f. Capital Assets (continued)

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

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

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

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

### g. Cash and Cash Equivalents

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

### h. Inventories

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

### i. Interfund Receivables and Payables

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### j. HUD Annual Contributions

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

### k. Vacation

Employees are credited with vacation at a rate of 168 hours per calendar year. Accumulation of such vacation credits is limited to 720 hours at calendar year end and is convertible to pay upon termination of employment. Liabilities for accumulated unpaid vacation are accrued at the end of each accounting period utilizing current salary rates. Such vacation credits are recorded as accrued wages and employee benefits payable in the government-wide and the enterprise funds financial statements at the balance sheet date. Accumulated unpaid vacation estimated to be used or paid during the next year is approximately \$573,000.

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

<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2009</u>
<u>\$2,099,000</u>	<u>\$969,000</u>	<u>\$847,000</u>	<u>\$2,221,000</u>

As of June 30, 2009, approximately \$212,000 and \$2,009,000 of the unpaid vacation balance was for government-wide activities and business-type activities, respectively, and is included in the accompanying balance sheets.

### l. Allocated Costs

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 1. Organization and Significant Accounting Policies (continued)

### m. Reservations of Fund Balances

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

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

### n. Risk Management

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

### o. Use of Estimates

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

# Hawaii Public Housing Authority

Notes to Financial Statements

June 30, 2009

## 2. Budgeting and Budgetary Control

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

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

The general fund and certain special revenue funds have legally appropriated annual budgets. The final legally adopted budget in the accompanying required supplementary information – budgetary comparison schedule represent the original appropriations, transfers and other legally authorized legislative and executive changes.

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

# **Hawaii Public Housing Authority**

Notes to Financial Statements  
June 30, 2009

## **2. Budgeting and Budgetary Control (continued)**

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

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

A summation of the differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with GAAP for the general and certain special revenue funds for the year ended June 30, 2009 is set forth in the required supplementary information.

## **3. Cash**

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

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

### 3. Cash (continued)

At June 30, 2009, total cash reported in the statement of net assets is \$27,038,544, which consisted of the following:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
State pool and petty cash	\$ -	\$ 8,825,357	\$ 8,825,357
Cash in bank (book balance)	<u>5,532,184</u>	<u>12,654,539</u>	<u>18,186,723</u>
	5,532,184	21,479,896	27,012,080
Deposits held in trust	<u>-</u>	<u>26,464</u>	<u>26,464</u>
Total Cash	<u>\$ 5,532,184</u>	<u>\$ 21,506,360</u>	<u>\$ 27,038,544</u>

During 2009, the Authority recorded a valuation adjustment of approximately \$402,000 for its State pool cash balances. The valuation adjustment relates primarily to the State of Hawaii action rate securities.

Bank balance of cash in bank was approximately \$19,312,000, of which \$936,000 was covered by federal depositary insurance and \$18,376,000 by collateral held by the pledging financial institution's trust department or agent in the name of the Authority.

### 4. Note Receivable

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 5. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	July 1, 2008	Increases	Decreases	June 30, 2009
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,373,410	\$ -	\$ -	\$ 2,373,410
Construction in progress	11,642,130	440,865	(9,925,390)	2,290,870
Total capital assets not being depreciated	<u>14,015,540</u>	<u>440,865</u>	<u>(9,925,390)</u>	<u>4,664,280</u>
Capital assets, being depreciated:				
Building and improvements	48,061,442	3,393,114	(4,967,999)	46,486,556
Equipment	1,197,769	-	-	1,197,769
Total capital assets being depreciated	<u>49,259,211</u>	<u>3,393,114</u>	<u>(4,967,999)</u>	<u>47,684,325</u>
Less accumulated depreciation for:				
Building and improvements	22,343,025	1,540,443	(482,381)	23,401,086
Equipment	1,118,982	14,197	-	1,133,179
Total accumulated depreciation	<u>23,462,007</u>	<u>1,554,640</u>	<u>(482,381)</u>	<u>24,534,266</u>
Governmental activities, net	<u>\$ 39,812,744</u>	<u>\$ 2,279,339</u>	<u>\$(14,411,008)</u>	<u>\$ 27,814,340</u>
	July 1, 2008	Increases	Decreases	June 30, 2009
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 22,972,800	\$ -	\$ (6,600)	\$ 22,966,200
Construction in progress	23,755,408	11,884,386	(28,955,773)	6,684,021
Total capital assets not being depreciated	<u>46,728,208</u>	<u>11,884,386</u>	<u>(28,962,373)</u>	<u>29,650,221</u>
Capital assets being depreciated:				
Building and improvements	487,642,229	37,650,782	(2,157,624)	523,135,387
Equipment	10,284,621	81,886	(365,519)	10,000,988
Total capital assets being depreciated	<u>497,926,850</u>	<u>37,732,668</u>	<u>(2,523,143)</u>	<u>533,136,375</u>
Less accumulated depreciation for:				
Building and improvements	265,423,787	13,560,075	(1,002,976)	277,980,886
Equipment	9,405,317	322,359	(206,663)	9,521,013
Total accumulated depreciation	<u>274,829,104</u>	<u>13,882,434</u>	<u>(1,209,639)</u>	<u>287,501,899</u>
Business-type activities capital assets, net	<u>\$ 269,825,954</u>	<u>\$ 35,734,620</u>	<u>\$ (30,275,877)</u>	<u>\$ 275,284,697</u>

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 5. Capital Assets (continued)

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

<b>Governmental Activities</b>	
Homeless Service and Assistance Program	\$ 121,326
Rental Housing and Assistance Program	<u>1,433,314</u>
Total depreciation expense – governmental activities	<u>1,554,640</u>
<b>Business-Type Activities</b>	
Federal Low Rent Program	10,854,271
Housing Revolving Fund	590,926
Housing for Elders Revolving Fund	1,414,393
Central Office Cost Center Fund	2,464
Others	<u>1,020,380</u>
Total depreciation expense – business-type activities	<u>13,882,434</u>
Total depreciation expense	<u>\$ 15,437,074</u>

At June 30, 2009, capital assets for the proprietary funds consisted of the following:

	Enterprise Funds						Internal Service Funds	Total
	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center	Other Enterprise Funds	Total Enterprise Funds		
Land	\$ 13,093,629	\$ 2,252,881	\$ 6,104,817	\$ -	\$ 1,514,873	\$ 22,966,200	\$ -	\$ 22,966,200
Buildings and improvements	419,451,696	22,311,062	55,275,568	42,857	26,054,204	523,135,387	-	523,135,387
Equipment, furniture and fixtures	6,800,599	252,521	208,356	65,557	703,087	8,030,120	1,970,868	10,000,988
Construction in Progress	6,319,137	288,541	76,343	-	-	6,684,021	-	6,684,021
Less accumulated depreciation	<u>244,733,820</u>	<u>9,794,803</u>	<u>21,442,399</u>	<u>22,145</u>	<u>9,590,413</u>	<u>285,583,580</u>	<u>1,918,319</u>	<u>287,501,899</u>
Net property and equipment	<u>\$ 200,931,241</u>	<u>\$ 15,310,202</u>	<u>\$ 40,222,685</u>	<u>\$ 86,269</u>	<u>\$18,681,751</u>	<u>\$275,232,148</u>	<u>\$ 52,549</u>	<u>\$275,284,697</u>

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 6. Mortgage and Note Payable

The Banyan Street Manor Project entered into a mortgage note agreement in October 1976 in the amount of \$1,727,800 with USGI, Inc. (insured by HUD). On September 1, 1996, Greystone Servicing Authority, Inc. (GSCI) became the new servicing agent and mortgagee. The mortgage loan bears interest at 7.5 percent and is collateralized by the rental property. At June 30, 2009, the mortgage payable balance was \$245,455. Principal and interest are payable in monthly installments of \$11,370, maturing January 1, 2018.

The note payable amounting to \$171,327 is an unsecured promissory note payable to an individual (the former owner of Banyan Street). The entire principal balance plus accrued interest, which accrues at the same rate as the residual receipt funds held by GSCI, Inc. (approximately 1.0 percent for the year ended June 30, 2009), is due within 45 days of full payment of the 7.5 percent GSCI, Inc. mortgage note collateralized by HUD which matures on January 1, 2018.

Mortgage and note payables activity during the year was as follows:

	Balance at July 1, 2008	Addition	Reductions	Balance at June 30, 2009	Less Current Portion	Long- Term Portion
Mortgage payable	\$ 335,414	\$ -	\$ 89,959	\$ 245,455	\$ 122,176	\$ 123,279
Note payable	171,327	-	-	171,327	-	171,327
Total	<u>\$ 506,741</u>	<u>\$ -</u>	<u>\$ 89,959</u>	<u>\$ 416,782</u>	<u>\$ 122,176</u>	<u>\$ 294,606</u>

## Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

### 6. Mortgage and Note Payable (continued)

The approximate debt service requirement of the mortgage and note payables through 2011 and thereafter to maturity are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 122,176	\$ 14,000	\$ 136,176
2011	123,279	5,000	128,279
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015-2019	<u>171,327</u>	<u>-</u>	<u>171,327</u>
	<u>\$ 416,782</u>	<u>\$ 19,000</u>	<u>\$ 435,782</u>

### 7. Leases

#### a. Lease Commitments

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

### 8. Commitments and Contingencies

#### a. Construction Contracts

At June 30, 2009, the Federal Low Rent Program fund and the Capital Projects fund had outstanding construction contract commitments to expend approximately \$5,261,000 and \$10,538,000, respectively, for the construction and renovation of housing projects.

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 8. Commitments and Contingencies (continued)

### b. Torts

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

### c. Workers' Compensation Policy

The State is self-insured for workers' compensation. Accordingly, the Authority is liable for workers' compensation claims filed by its employees. Liabilities for workers' compensation claims are established if information indicates that it is probable that liabilities have been incurred and the amount of those claims can be reasonably estimated. The basis for estimating the liabilities for unpaid claims include the effects of specific incremental claim adjustment expenses, salvage and subrogation, and other allocated or unallocated claim adjustment expenses. These liabilities include an amount for claims that have been incurred but not reported. The workers' compensation reserve amounted to approximately \$304,000 at June 30, 2009.

### d. Accumulated Sick Leave Pay

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limitation. It may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a State employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the Employees' Retirement System of the State of Hawaii (ERS). Accumulated sick leave at June 30, 2009 amounted to approximately \$4,996,000.

### e. Deferred Compensation Plan

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 8. Commitments and Contingencies (continued)

### f. Litigation

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

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

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

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

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 8. Commitments and Contingencies (continued)

### f. Litigation (continued)

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

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

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

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

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

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

## Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

### 8. Commitments and Contingencies (continued)

#### f. Litigation (continued)

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

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

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

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

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

On July 27, 1995, OHA filed suit against the Hawaii Housing Authority and the State Director of Finance to secure additional compensation and an itemized accounting of the sums previously paid to OHA for five specifically identified parcels of ceded lands, which were transferred to the Authority for rental housing projects. On January 11, 2000, all proceedings in this suit were pending the Hawaii Supreme Court's decision in the State's appeal. On March 31, 2009, the Supreme Court of the United States decided in favor with the State.

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 8. Commitments and Contingencies (continued)

### f. Litigation (continued)

#### Lewers Faletofo et al. v. HPHA & Realty Laua, et al., Civil No. 08-1-2608-12

On December 18, 2008, the residents of Kuhio Park Terrace filed a lawsuit against the Agency alleging various conditions at the project violated housing requirements. The plaintiffs seek injunctive and declaratory relief, retrospective and prospective rent abatement, special and compensatory damages, treble damages, attorney's fees and costs, and additional relief. The case is currently in the preliminary stages and as such, the ultimate outcome of the litigation and its effect on the Authority, if any, cannot be determined. Accordingly, no estimate of loss has been made in the accompanying statement of net assets of the Authority.

#### Hazel McMillion et al. v. HPHA & Realty Laua, et al., Civil No. 08-00578 JMS/LEK

On December 18, 2008, the disabled residents of Kuhio Park Terrace and Kuhio Homes filed a law suit against the Agency alleging housing conditions violated federal disability laws. The plaintiffs seek injunctive and declaratory relief, damages, attorney's fees and costs, and additional relief. As of June 30, 2009 the Authority estimates the loss to be approximately \$600,000, which has been recorded in the accompanying statement of net assets of the Authority.

## 9. Retirement Plan

### a. Plan Description

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

The ERS consists of a contributory plan and a noncontributory plan. Employees covered by Social Security on June 30, 1984 were given the option of joining the noncontributory plan or remaining in the contributory plan. All new employees hired after June 30, 1984, who are covered by Social Security, are generally required to join the noncontributory plan. Both plans provide a monthly retirement allowance based on the employee's age, years of credited service, and average final compensation (AFC). The AFC is the average salary earned during

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 9. Retirement Plan (continued)

### a. Plan Description (continued)

the five highest paid years of service, including the vacation payment, if the employee became a member prior to January 1, 1971. The AFC for members hired on or after this date is based on the three highest paid years of service excluding the vacation payment. All benefits vest after five and ten years of credited service for the contributory and noncontributory plans, respectively. All contributions, benefits and eligibility requirements are governed by Chapter 88.

On July 1, 2006, a new hybrid contributory plan became effective pursuant to Act 179, SLH of 2004. Members in the hybrid plan are eligible for retirement at age 62 with 5 years of credited services or age 55 and 30 years of credit service. Members will receive a benefit multiplier of 2% for each year of credited service in the hybrid plan. The benefit payment options are similar to the current contributory plan. Almost 58,000 current members, all members of the noncontributory plan and certain members of the contributory plan are eligible to join the new hybrid plan. Most of the new employees hired from July 1, 2006 are required to join the new hybrid plan.

### b. Funding Policy

Most covered employees of the contributory plan are required to contribute 7.8 percent of their salary. Police officers, firefighters, investigators of the department of the prosecuting attorney and the attorney general, narcotics enforcement investigators, and public safety investigators are required to contribute 12.2 percent of their salary. The actuarial cost or funding method used to calculate the total employer contribution required is the entry age normal actuarial cost method. Effective July 1, 2005, employer contribution rates are a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liability.

The Authority's contributions requirements as of June 30, 2009, 2008 and 2007 were approximately \$1,728,000, \$1,589,000, and \$1,556,000 respectively.

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 10. Other Post Retirement Employee Benefits

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

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

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

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

### Annual OPEB Cost and Net OPEB Obligation

It is the State's policy that measurement of the actuarial valuation and the annual required contribution (ARC) are made for the state as a whole and are not separately computed for the individual state departments and agencies such as the Authority. The state allocates the ARC to the various departments and agencies based upon a systematic methodology. The Authority's contribution for the year ended June 30, 2009 was \$1,020,066, which represented 37% of the Authority's share of the ARC for postretirement healthcare and life insurance benefits of \$2,722,236.

## Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

### 10. Other Post Retirement Employee Benefits (continued)

The following is a summary of changes in postretirement liability during the fiscal year ended June 30, 2009:

Balance at June 30, 2008	\$ 1,764,956
Additions	2,722,236
Deletions	<u>(1,020,066)</u>
Balance at June 30, 2009	<u>\$ 3,467,126</u>

As of June 30, 2009, approximately \$379,000 and \$3,088,000 of the postretirement liability balance was for government-wide activities and business-type activities, respectively, and is included in the accompanying balance sheets.

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 11. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2009 is as follows:

Due from	General Fund	Housing Choice Voucher	Section 8 Contract Admin	Federal Low Rent Program	Housing Revolving Fund	Housing For Elders Revolving Fund	Central Office Cost Center Fund	Internal Services Fund	Non-major Enterprise
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,016	\$ -	\$ 87,295
Housing Choice Voucher	-	-	-	-	-	-	565,910	-	-
Section 8 Contract Admin	-	-	-	-	-	-	131,932	-	25,349
Federal Low-Rent Program	-	28,262	-	-	-	-	6,815,510	-	-
Housing Revolving Fund	-	-	-	-	-	-	303,718	-	-
Housing for Elders Revolving Fund	3,407	-	-	-	-	-	246,162	-	-
Internal Services	-	-	-	-	-	-	-	-	56,264
Nonmajor – Enterprise	2,723	1,957,940	509,110	400,105	1,024,999	206,461	946,969	117,389	98,139
Nonmajor – Government	-	-	-	-	-	-	-	-	17,373
<b>Total</b>	<b>\$6,130</b>	<b>\$ 1,986,202</b>	<b>\$ 509,110</b>	<b>\$400,105</b>	<b>\$ 1,024,999</b>	<b>\$ 206,461</b>	<b>\$ 9,281,217</b>	<b>\$117,389</b>	<b>\$ 284,420</b>

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

# Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

## 12. Operating Transfers

The composition of net operating transfer balances reflected in the financial statements as of June 30, 2009 is as follows:

Transfer From	Housing Choice Voucher	Federal Low Rent Program	Housing Revolving Fund	Housing For Elders Revolving Fund	Central Office Cost Center Fund	Nonmajor – Enterprise
General Fund	\$ -	\$ 2,969,648	\$ 602,985	\$ 597,014	\$ 2,737	\$ -
Capital Projects Fund	-	1,048,624	-	-	-	-
Section 8 Contract Admin	-	-	-	-	-	385,124
Federal Low Rent Program	-	-	-	-	2,326,308	-
Nonmajor – Government	45,011	-	-	-	-	-
Government-Wide: Capital Projects	-	6,268,948	3,866,315	406,366	-	91,727
<b>Total</b>	<b>\$ 45,011</b>	<b>\$ 10,287,220</b>	<b>\$ 4,469,300</b>	<b>\$ 1,003,380</b>	<b>\$ 2,329,045</b>	<b>\$ 476,851</b>

The following describes the operating transfers noted above:

**General Fund:** The General Fund expended approximately \$4,172,000 from the current year annual State of Hawaii appropriations to pay for rental housing service shortfalls under certain enterprise funds.

**Capital Projects:** The Capital Projects fund expended approximately \$1,049,000 for the benefit of certain properties under the Federal Low Rent Program fund.

**Section 8 Contract Administration:** The Section 8 Contract Administration fund expended approximately \$385,000 from its administrative fee to pay for rental housing service shortfalls under certain enterprise funds.

**Federal Low Rent Program:** The Central Office Cost Center was established in 2009 to account for costs related to the general oversight of its housing projects and other indirect and administrative costs of the Authority. The net transfer from the Federal Low Rent Program to the Central Office Cost Center of approximately \$2,326,000 represents the net assets that were allocated from the Federal Low Rent Program to the Central Office Cost Center in accordance with project based accounting guidelines established by the U.S. Department of Housing and Urban Development.

## Hawaii Public Housing Authority

Notes to Financial Statements  
June 30, 2009

### 12. Operating Transfers (continued)

Nonmajor – Government: Approximately \$45,000 was transferred from the Resident Opportunities and Self-Sufficiency fund to the Housing Choice Voucher Program to pay for family self-sufficiency program services as permitted by the U.S. Department of Housing and Urban Development.

Government-Wide: Approximately \$10,633,000 of fixed assets was transferred from the government-wide statement of net assets to the Federal Low Rent Program, Housing Revolving Fund, Housing for Elders Revolving Fund, and certain non-major enterprise funds for projects wholly or partially funded by the General Fund and Capital Projects Fund.

### 13. Intergovernmental Transfers

Department of Education: Effective July 1, 2008 the Teacher Housing Revolving Fund was transferred to the Department of Education (DOE) as directed under Act 204, SLH 2005. The Teacher Housing Revolving Fund's net assets of \$2,258,211 were transferred out of HPHA at the beginning of the current fiscal year and were reflected on the financial statements as of June 30, 2009. In addition, the Authority also transferred to the DOE \$774,487 of Capital Project's assets. The Authority has agreed to complete any CIP projects that were initiated prior to the transfer to maintain continuity. The amounts were recorded as intergovernmental transfers during the year ended June 30, 2009.

Hawaii Housing Finance Development Corporation: The Authority has agreed to complete various capital projects related to the HFDC that were initiated prior to their bifurcation and creation of the Authority in 2006. As a result, \$3,646,170 of Capital Project's assets related to these projects was transferred out and recorded as intergovernmental transfers during the year ended June 30, 2009.

**Required Supplementary Information  
Other Than Management Discussion and Analysis**

Draft

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -  
MAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2009

	General Fund		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
State allotted appropriations	\$ 22,260,859	\$ 21,589,503	\$ 21,445,740
Expenditures:			
Homeless service and assistance program	15,988,592	15,317,236	13,881,958
Rental housing and assistance program	6,272,267	6,272,267	5,394,729
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 2,169,053
	Housing Choice Voucher Program		
	Original Budget	Final Budget	Budgetary Actual
Revenues -			
HUD contributions	\$ 21,323,703	\$ 20,502,126	\$ 20,578,390
Expenditures -			
Rental housing and assistance program	21,323,703	20,502,126	20,674,328
DEFICIENCY OF REVENUES UNDER EXPENDITURES	\$ -	\$ -	\$ (95,938)

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -  
MAJOR GOVERNMENTAL FUNDS (continued)

Year ended June 30, 2009

	<u>Section 8 Contract Administration</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>
Revenues			
HUD contributions	<u>\$ 27,374,925</u>	<u>\$ 22,660,093</u>	<u>\$ 23,632,408</u>
Expenditures			
Rental housing and assistance program	<u>27,374,925</u>	<u>22,660,093</u>	<u>23,366,853</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,555</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE -  
BUDGET-TO-GAAP RECONCILIATION

Year ended June 30, 2009

	<u>General Fund</u>	<u>Housing Choice Voucher Program</u>	<u>Section 8 Contract Administration</u>
Excess (deficiency) of revenues over (under) expenditures and other sources and uses - actual on budgetary basis	\$ 2,169,053	\$ (95,938)	\$ 265,555
Reserve for encumbrance at year end*	6,385,137	-	-
Expenditures for liquidation of prior year's encumbrances	(5,533,311)	-	-
Reversion of prior year's allotments	(488,203)	-	-
Accrual adjustments, operating transfers and other	<u>(4,320,877)</u>	<u>(1,677)</u>	<u>(384,933)</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER USES - US GAAP BASIS</b>	<u>\$ (1,788,201)</u>	<u>\$ (97,615)</u>	<u>\$ (119,378)</u>

\* Amount reflects the encumbrance balance included in continuing appropriation.

See accompanying independent auditor's report.

**Supplementary Information**

Draft

Hawaii Public Housing Authority

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

ASSETS	Shelter Plus Care	HOPWA Program	Emergency Shelter Grant Program	ROSS	Supportive Housing Program	Boys and Girls Club	Total
Current Assets							
Cash	\$ 2,087	\$ 29	\$ 31	\$ 28	\$ 51	\$ 4	\$ 2,230
Due from HUD	86,332	220	49,016	377,974	115,481	5,923	634,946
<b>TOTAL ASSETS</b>	<b>\$ 88,419</b>	<b>\$ 249</b>	<b>\$ 49,047</b>	<b>\$ 378,002</b>	<b>\$ 115,532</b>	<b>\$ 5,927</b>	<b>\$ 637,176</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Current Liabilities							
Accounts payable	\$ 86,332	\$ -	\$ 48,796	\$ 372,307	\$ 110,138	\$ 4	\$ 617,577
Due to other funds	-	220	220	5,667	5,343	5,923	17,373
Due to HUD	2,087	29	31	28	51	-	2,226
Total current liabilities	88,419	249	49,047	378,002	115,532	5,927	637,176
Fund Balances - Unreserved	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES         AND FUND BALANCES</b>	<b>\$ 88,419</b>	<b>\$ 249</b>	<b>\$ 49,047</b>	<b>\$ 378,002</b>	<b>\$ 115,532</b>	<b>\$ 5,927</b>	<b>\$ 637,176</b>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	Shelter Plus Care	HOPWA Program	Emergency Shelter Grant Program	ROSS	Supportive Housing Program	Boy and Girls Club	Total
Revenue							
Intergovernmental – HUD annual contributions and others	\$ 904,903	\$ 170,733	\$ 240,661	\$ 540,688	\$ 261,193	\$ 1,887	\$ 2,120,065
Expenditure - Administration	904,903	170,733	240,661	495,677	261,193	1,887	2,075,054
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	45,011	-	-	45,011
Other Financing Uses - Transfers Out	-	-	-	(45,011)	-	-	(45,011)
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
Fund Balances at July 1, 2008	-	-	-	-	-	-	-
Fund Balances at June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET ASSETS – NONMAJOR OTHER ENTERPRISE FUNDS

June 30, 2009

ASSETS	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
<b>Current Assets</b>							
Cash	\$ -	\$ 27,071	\$ 171,929	\$ 66,107	\$ 5,675,108	\$ 123,912	\$ 6,064,127
<b>Receivables</b>							
Accrued interest	-	-	-	-	82,672	-	82,672
Tenant receivables, less allowance for doubtful accounts	-	281	67,808	4,062	-	86,931	159,082
Other	-	67,023	5,590	-	-	-	72,613
	-	67,304	73,398	4,062	82,672	86,931	314,367
Due from other funds	-	-	-	-	284,420	-	284,420
Due from other state agencies	-	-	-	-	713,390	-	713,390
Due from HUD	-	-	111,870	-	-	-	111,870
Prepaid expenses and other assets	-	63,503	-	-	-	-	63,503
Deposits held in trust	-	-	-	26,464	-	-	26,464
<b>Total current assets</b>	-	157,878	357,197	96,633	6,755,590	210,843	7,578,141
Restricted Deposits and Funded Reserves	-	1,536,832	5,808,679	-	-	-	7,345,511
Capital Assets, less accumulated depreciation	-	3,277,402	4,488,117	-	-	10,916,232	18,681,751
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 4,972,112</b>	<b>\$ 10,653,993</b>	<b>\$ 96,633</b>	<b>\$ 6,755,590</b>	<b>\$ 11,127,075</b>	<b>\$ 33,605,403</b>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

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

June 30, 2009

LIABILITIES AND NET ASSETS	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
<b>Current Liabilities</b>							
Accounts payable	\$ -	\$ 218,198	\$ 18,471	\$ 25,830	\$ 1,526,555	\$ -	\$ 1,789,054
Accrued expenses - other	-	104,779	12,276	560,173	-	32,344	709,572
Due to other funds	-	408,619	57,639	140,906	4,653,863	2,808	5,263,835
Due to other state agencies	-	-	-	-	5,846	-	5,846
Due to State of Hawaii	-	-	-	-	571,402	-	571,402
Due to HUD	-	-	12,659	-	-	-	12,659
Security deposits	-	8,668	14,716	26,464	-	11,109	60,957
Deferred income	-	-	22,729	-	-	-	22,729
Mortgage payable, current portion	-	122,176	-	-	-	-	122,176
<b>Total current liabilities</b>	<b>-</b>	<b>862,440</b>	<b>138,490</b>	<b>753,373</b>	<b>6,757,666</b>	<b>46,261</b>	<b>8,558,230</b>
Mortgage Payable, net of current portion	-	294,606	-	-	-	-	294,606
<b>Net Assets</b>							
Invested in capital assets, net of related debt	-	2,860,620	4,488,117	-	-	10,916,232	18,264,969
Restricted by legislation and contractual agreements	-	1,536,832	5,808,679	-	-	-	7,345,511
Unrestricted	-	(582,386)	218,707	(656,740)	(2,076)	164,582	(857,913)
<b>Total net assets</b>	<b>-</b>	<b>3,815,066</b>	<b>10,515,503</b>	<b>(656,740)</b>	<b>(2,076)</b>	<b>11,080,814</b>	<b>24,752,567</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ -</b>	<b>\$ 4,972,112</b>	<b>\$ 10,653,993</b>	<b>\$ 96,633</b>	<b>\$ 6,755,590</b>	<b>\$ 11,127,075</b>	<b>\$ 33,605,403</b>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF REVENUES AND EXPENSES – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2009

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
<b>Operating Revenues</b>							
Rental	\$ -	\$ 217,549	\$ 219,084	\$ 325,995	\$ -	\$ 449,977	\$ 1,212,605
Other	-	5,225	54,627	10,070	-	-	69,922
<b>Total operating revenues</b>	<b>-</b>	<b>222,774</b>	<b>273,711</b>	<b>336,065</b>	<b>-</b>	<b>449,977</b>	<b>1,282,527</b>
<b>Operating Expenses</b>							
Personnel services	-	-	-	73,794	-	100,177	173,971
Depreciation	-	153,562	324,403	-	-	496,192	974,157
Administration	-	124,978	317,277	165,866	-	88,862	696,983
Provision for losses	-	-	-	-	-	27,288	27,288
Professional services	-	-	-	971	-	3,331	4,302
Insurance	-	32,250	20,959	80,771	-	16,615	150,595
Repairs and maintenance	-	93,641	202,679	65,567	-	54,350	416,237
Utilities	-	65,898	111,548	93,982	-	227,256	498,684
Other	-	300,081	-	-	-	-	300,081
<b>Total operating expenses</b>	<b>-</b>	<b>770,410</b>	<b>976,866</b>	<b>480,951</b>	<b>-</b>	<b>1,014,071</b>	<b>3,242,298</b>
<b>Operating loss</b>	<b>-</b>	<b>(547,636)</b>	<b>(703,155)</b>	<b>(144,886)</b>	<b>-</b>	<b>(564,094)</b>	<b>(1,959,771)</b>
<b>Nonoperating Revenues</b>							
Interest income	-	-	56,595	-	-	70	56,665
<b>Total nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>56,595</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>56,665</b>
<b>Loss</b>	<b>-</b>	<b>(547,636)</b>	<b>(646,560)</b>	<b>(144,886)</b>	<b>-</b>	<b>(564,024)</b>	<b>(1,903,106)</b>
Intergovernmental Transfer	(2,258,211)	-	-	-	-	-	(2,258,211)
Net Operating Transfers	-	21,333	70,394	385,124	-	-	476,851
<b>CHANGE IN NET ASSETS</b>	<b>\$ (2,258,211)</b>	<b>\$ (526,303)</b>	<b>\$ (576,166)</b>	<b>\$ 240,238</b>	<b>\$ -</b>	<b>\$ (564,024)</b>	<b>\$ (3,684,466)</b>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Net Assets at July 1, 2008	\$ 2,258,211	\$ 4,341,369	\$ 11,091,669	\$ (896,978)	\$ (2,076)	\$ 11,644,838	\$ 28,437,033
Change in Net Assets	(2,258,211)	(526,303)	(576,166)	240,238	-	(564,024)	(3,684,466)
Net Assets at June 30, 2009	\$ -	\$ 3,815,066	\$ 10,515,503	\$ (656,740)	\$ (2,076)	\$ 11,080,814	\$ 24,752,567

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR OTHER ENTERPRISE FUNDS

Year ended June 30, 2009

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
<b>Cash Flows from Operating Activities</b>							
Cash received from renters	\$ -	\$ 216,597	\$ 168,980	\$ 325,995	\$ -	\$ 403,984	\$ 1,115,556
Cash payments to employees	-	-	-	(73,794)	-	(100,177)	(173,971)
Cash payments to suppliers	-	(364,050)	(675,189)	(339,292)	(308,743)	(412,156)	(2,099,430)
Cash receipts from other funds	-	334,557	41,861	132,531	4,358,738	(48,506)	4,819,181
Other cash (payments) receipts	-	(63,588)	44,189	10,070	(105,280)	-	(114,609)
<b>Net cash provided by (used in) operating activities</b>	-	123,516	(420,159)	55,510	3,944,715	(156,855)	3,546,727
<b>Cash Flows from Noncapital Financing Activities</b>							
Intergovernmental transfer	(1,063,621)	-	-	-	-	-	(1,063,621)
Interest paid to Department of Budget and Finance	-	-	-	-	-	-	-
Cash payments to other state agencies	-	-	-	-	(40,526)	-	(40,526)
<b>Net cash used in noncapital financing activities</b>	(1,063,621)	-	-	-	(40,526)	-	(1,104,147)
<b>Cash Flows from Capital and Related Financing Activities</b>							
Payments for acquisition of property and equipment	-	(449,059)	(8,920)	-	-	-	(457,979)
Principal payments on mortgage loans	-	(89,959)	-	-	-	-	(89,959)
<b>Net cash used in capital and related financing activities</b>	-	(539,018)	(8,920)	-	-	-	(547,938)
<b>Cash Flows from Investing Activities</b>							
Receipts of interest	-	-	56,595	-	-	70	56,665
Change in Valuation of Cash Held in State of Hawaii Treasury	-	-	-	-	(257,892)	-	(257,892)
Net decrease in restricted deposits and funded reserves	-	442,573	128,930	-	-	-	571,503
<b>Net cash provided by (used in) investing activities</b>	-	442,573	185,525	-	(257,892)	70	370,276
<b>NET (DECREASE) INCREASE IN CASH</b>	(1,063,621)	27,071	(243,554)	55,510	3,646,297	(156,785)	2,264,918
Cash at July 1, 2008	1,063,621	-	415,483	10,597	2,028,811	280,697	3,799,209
Cash at June 30, 2009	\$ -	\$ 27,071	\$ 171,929	\$ 66,107	\$ 5,675,108	\$ 123,912	\$ 6,064,127

See accompanying independent auditor's report.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	Teacher Housing Revolving Fund	Banyan Street Manor Project	Wilikina Apartments Project	Kekumu at Waikoloa Project	Disbursing Fund	KPT Resource Center	Total
Cash Flows from Operating Activities							
Reconciliation of operating loss to net cash provided by (used in) operating activities							
Operating loss	\$ -	\$ (547,636)	\$ (703,155)	\$ (144,886)	\$ -	\$ (564,094)	\$ (1,959,771)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities							
Depreciation	-	153,562	324,403	-	-	496,192	974,157
Bad debt expense	-	-	-	-	-	27,288	27,288
Changes in assets and liabilities:							
Tenant receivables	-	14	(67,808)	-	-	(45,993)	(113,787)
Other receivables	-	(66,912)	101,432	-	(82,672)	-	(48,152)
Due from other funds	-	-	-	132,531	5,529,230	-	5,661,761
Due from HUD	-	-	(111,870)	-	-	-	(111,870)
Prepaid expenses and other assets	-	(111)	-	-	-	-	(111)
Deposits held in trust	-	-	-	701	-	-	701
Accounts payable	-	148,130	-	22,428	(226,071)	-	(55,513)
Other accrued expenses	-	104,779	-	45,437	-	(21,742)	128,474
Other liabilities	-	-	(22,726)	-	-	-	(22,726)
Due to other funds	-	334,557	41,861	-	(1,170,492)	(48,506)	(842,580)
Due to HUD	-	(1,901)	-	-	-	-	(1,901)
Security deposits	-	(966)	(5,025)	(701)	-	-	(6,692)
Deferred income	-	-	22,729	-	(105,280)	-	(82,551)
Net cash provided by (used in) operating activities	\$ -	\$ 123,516	\$ (420,159)	\$ 55,510	\$ 3,944,715	\$ (156,855)	\$ 3,546,727

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF NET ASSETS – INTERNAL SERVICE FUNDS

June 30, 2009

ASSETS	Equipment Rental	Vehicle Rental	Total
<b>Current Assets</b>			
Cash	\$ 768,664	\$ 435,546	\$ 1,204,210
Accrued interest receivable	25,688	14,456	40,144
Due from other funds	-	117,389	117,389
<b>Total current assets</b>	<b>794,352</b>	<b>567,391</b>	<b>1,361,743</b>
Capital Assets, less accumulated depreciation	9,666	42,883	52,549
<b>TOTAL ASSETS</b>	<b>\$ 804,018</b>	<b>\$ 610,274</b>	<b>\$ 1,414,292</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liability</b>			
Due to other funds	\$ 56,264	\$ -	\$ 56,264
<b>Net Assets</b>			
Invested in capital assets	9,666	42,883	52,549
Unrestricted	738,088	567,391	1,305,479
<b>Total net assets</b>	<b>747,754</b>	<b>610,274</b>	<b>1,358,028</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 804,018</b>	<b>\$ 610,274</b>	<b>\$ 1,414,292</b>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

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

Year ended June 30, 2009

	<u>Equipment Rental</u>	<u>Vehicle Rental</u>	<u>Total</u>
Operating Revenue - Rental	\$ 13,540	\$ 117,078	\$ 130,618
Total operating revenues	13,540	117,078	130,618
Operating Expenses:			
Professional services	1,480	1,487	2,967
Depreciation	15,361	30,862	46,223
Capital expenditures	5,565	-	5,565
Total operating expenses	<u>22,406</u>	<u>32,349</u>	<u>54,755</u>
Operating Income (loss)	(8,866)	84,729	75,863
Nonoperating Revenues (Expenses)			
Interest Income	55,125	32,349	87,474
Loss on disposals of capital assets	-	(10,570)	(10,570)
Other Expenses	<u>(34,869)</u>	<u>(24,486)</u>	<u>(59,355)</u>
Change in net assets	11,390	82,022	93,412
Net Assets at July 1, 2008	<u>736,364</u>	<u>528,252</u>	<u>1,264,616</u>
Net Assets at June 30, 2009	<u>\$ 747,754</u>	<u>\$ 610,274</u>	<u>\$ 1,358,028</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Year Ended June 30, 2009

	Equipment Rental	Vehicle Rental	Total
<b>Cash Flows from Operating Activities</b>			
Cash receipts from (payments to) other funds	\$ 3,721	\$ (9,629)	\$ (5,908)
Other cash payments	(7,045)	(1,487)	(8,532)
<b>Net cash used in operating activities</b>	<b>(3,324)</b>	<b>(11,116)</b>	<b>(14,440)</b>
<b>Cash Flows from Capital and Related Financing Activity</b>			
Payments for acquisition of property and equipment	(13,573)	-	(13,573)
<b>Net cash used in capital and related financing activity</b>	<b>(13,573)</b>	<b>-</b>	<b>(13,573)</b>
<b>Cash Flows From Investing Activities:</b>			
Change in Valuation of Cash Held in State of Hawaii Treasury	(34,869)	(19,758)	(54,627)
Receipts of interest	32,066	19,339	51,405
<b>Net cash used in investing activities</b>	<b>(2,803)</b>	<b>(419)</b>	<b>(3,222)</b>
<b>NET DECREASE IN CASH</b>	<b>(19,700)</b>	<b>(11,535)</b>	<b>(31,235)</b>
Cash at July 1, 2008	788,364	447,081	1,235,445
Cash at June 30, 2009	<u>\$ 768,664</u>	<u>\$ 435,546</u>	<u>\$ 1,204,210</u>
<b>Cash Flows from Operating Activities</b>			
Reconciliation of operating (loss) income to net cash used in operating activities			
Operating (loss) income	\$ (8,866)	\$ 84,729	\$ 75,863
Adjustments to reconcile operating (loss) income to net cash used in operating activities			
Depreciation	15,361	30,862	46,223
Changes in assets and liabilities			
Due from other funds	-	(122,117)	(122,117)
Due to other funds	(9,819)	(4,590)	(14,409)
<b>Net cash used in operating activities</b>	<b>\$ (3,324)</b>	<b>\$ (11,116)</b>	<b>\$ (14,440)</b>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

RECONCILIATION OF CASH

June 30, 2009

The Authority's cash consists of the following as of June 30, 2009:

Equity in State Treasury investment pool - Gov't Wide	\$ 8,825,357
Cash in banks	18,186,723
Deposits held in trust	26,464
	<u>27,038,544</u>
Equity in State Treasury investment pool - Fiduciary Funds	1,655
	<u>\$ 27,040,199</u>

Total cash is in agreement with the State Comptroller's central accounting records as of June 30, 2009, as reconciled below:

	Appropriation symbol	June 30, 2009
Cash in State Treasury		
Special Funds	S-04-337-K	\$ 18,309
	S-05-337-K	20,773
	S-07-337-K	76,886
	S-08-337-K	11,412
	S-09-337-K	1,682,284
	S-00-308-K	8,789
	S-02-308-K	1,062
	S-03-308-K	1,088
	S-05-308-K	70
	S-07-308-K	1,359
	S-08-308-K	45,567
	S-09-308-K	189,468
	S-08-304-K	89,005
	S-06-332-K	3,200
	S-07-332-K	40,818
	S-08-332-K	6,530
	S-09-332-K	5,767,348
	S-09-336-K	803,533
	S-09-335-K	455,304
Trust Funds	T-06-927-K	588
	T-07-920-K	1,062
	T-09-913-K	<u>36,007</u>
Total cash held in State Treasury as reported by State Comptrollers accounting records carried forward		9,260,462

See accompanying independent auditor's report.

Hawaii Public Housing Authority

RECONCILIATION OF CASH (continued)

June 30, 2009

	<u>Appropriation symbol</u>	<u>June 30, 2009</u>
Subtotal brought forward		<u>9,260,462</u>
Reconciling items:		
Summary Warrant Vouchers not recorded by DAGS		(31,665)
State Treasury Investment Pool Write-down		<u>(401,785)</u>
		<u>(433,450)</u>
Cash held outside State Treasury:		
Cash in bank		18,186,723
Deposits held in trust		<u>26,464</u>
		<u>18,213,187</u>
Cash on statement of net assets		<u>\$ 27,040,199</u>

See accompanying independent auditor's report.

Hawaii Public Housing Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2009

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development:</u>		
Section 8 Project-Based Cluster:		
Section 8 Housing Assistance Payments - Special Allocations	14.195	\$ 23,366,853
Emergency Shelter Grants Program	14.231	240,661
Supportive Housing Program	14.181	261,193
Shelter Plus Care	14.238	904,903
Housing Opportunities for Persons with AIDS Program	14.241	170,733
Public and Indian Housing	14.850	20,774,293
Section 8 Housing Choice Vouchers Program	14.871	19,925,782
Public Housing Capital Fund	14.872	15,284,905
Resident Opportunity & Self Sufficiency	14.870	495,677
Community Development Block Grants/Economic Development Initiative	14.246	1,887
TOTAL FEDERAL EXPENDITURES		<u>\$ 81,426,887</u>

The accompanying note is an integral part of this schedule.

## **Hawaii Public Housing Authority**

Note to the Schedule of Expenditures of Federal Awards  
Year ended June 30, 2009

### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Hawaii Public Housing Authority, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Draft

**PART II**

**INDEPENDENT AUDITOR'S 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**

Draft

**Independent Auditor's 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***

Board of Directors  
Hawaii Public Housing Authority

We have audited the financial statements of the Hawaii Public Housing Authority, as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated March 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of internal control over 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 certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 entity'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 the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs, items 2009-01 through 2009-04 to be significant deficiencies 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 entity'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, of the significant deficiencies described above, we consider items 2009-01 through 2009-04 to be material weaknesses.

We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Hawaii Public Housing Authority, in a separate letter dated March 18, 2010.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hawaii Public Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 response as items 2009-05, 2009-10, 2009-11, 2009-15 through 2009-18, 2009-24 and 2009-25.

We noted certain matters that we reported to management of the Hawaii Public Housing Authority in a separate letter dated March 18, 2010.

Hawaii Public Housing Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questions Costs. We did not audit the Hawaii Public Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors and management of the Hawaii Public Housing Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KMH LLP

Honolulu, Hawaii  
March 18, 2010

**PART III**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Draft

**Independent Auditor's Report on Compliance With Requirements Applicable to  
Each Major Program and on Internal Control Over Compliance in Accordance  
With OMB Circular A-133**

Board of Directors  
Hawaii Public Housing Authority

**Compliance**

We have audited the compliance of the Hawaii Public Housing Authority (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Hawaii Public Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Hawaii Public Housing Authority's management. Our responsibility is to express an opinion on the Hawaii Public Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Hawaii Public Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Hawaii Public Housing Authority's compliance with those requirements.

As described in item 2009-05 in the accompanying *Schedule of Findings and Questioned Costs*, the Hawaii Public Housing Authority did not comply with requirements regarding special tests and provisions that are applicable to its Section 8 Housing Choice Voucher program. Compliance with such requirements is necessary, in our opinion, for the Hawaii Public Housing Authority to comply with requirements applicable to that program.

As described in items 2009-10 and 2009-11 in the accompanying *Schedule of Findings and Questioned Costs*, the Hawaii Public Housing Authority did not comply with requirements regarding the Davis Bacon

Act and reporting that are applicable to its Public Housing Capital Fund program. Compliance with such requirements is necessary, in our opinion, for the Hawaii Public Housing Authority to comply with requirements applicable to that program.

As described in items 2009-15, 2009-16, 2009-17 and 2009-18 in the accompanying *Schedule of Findings and Questioned Costs*, the Hawaii Public Housing Authority did not comply with requirements regarding allowable costs and cost principles and special tests and provisions that are applicable to its Public and Indian Housing program. Compliance with such requirements is necessary, in our opinion, for the Hawaii Public Housing Authority to comply with requirements applicable to that program.

As described in items 2009-24 and 2009-25 in the accompanying *Schedule of Findings and Questioned Costs*, the Hawaii Public Housing Authority did not comply with requirements regarding reporting and subrecipient monitoring that is applicable to its Shelter Plus Care program. Compliance with such requirements is necessary, in our opinion, for the Hawaii Public Housing Authority to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Hawaii Public Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

#### **Internal Control Over Compliance**

The management of the Hawaii Public Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Hawaii Public Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hawaii Public Housing Authority's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies,

that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2009-06 through 2009-09, 2009-12 through 2009-14, 2009-19 to 2009-23 and 2009-26 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items 2009-06 through 2009-08, 2009-12 through 2009-14, 2009-19 to 2009-22 and 2009-26 to be material weaknesses.

The Hawaii Public Housing Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Hawaii Public Housing Authority's response and, accordingly, we express no opinion on it.

The Hawaii Public Housing Authority's responses to the findings identified in our audit are described in the Response by Affected Agency section. We did not audit the Hawaii Public Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

KMH LLP

Honolulu, Hawaii  
March 18, 2010

**PART IV**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Draft

# Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2009

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## Section I – Summary of Auditor’s Results:

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### *Financial Statements*

Type of auditors’ report issued: Unqualified.

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  None reported
  - Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None reported

Type of auditor’s report issued on compliance for major programs: Qualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers Program
14.872	Public Housing Capital Fund
14.850	Public and Indian Housing
14.238	Shelter Plus Care

Dollar threshold used to distinguish between type A and type B programs: \$2,442,806 (3% of federal award expended)

Auditee qualified as low-risk auditee?  Yes  No

# Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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## Section II – Financial Statement Findings

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### **Finding No.: 2009-01 Financial Management Competencies - Material Weakness**

**Criteria:** For effective internal control, a company needs sufficient accounting and financial reporting expertise to ensure development of reliable financial statements. Internal control is affected by people and is not merely policy manuals, procedures and forms.

**Condition & cause:** The lack of appropriate management leadership and shortage of adequate staffing in the Fiscal Management Office (FMO) have continued to significantly impact HPHA's ability to perform its core accounting functions. Many of the issues and conditions noted in the current year were originated from prior years.

HPHA is currently challenged in obtaining and retaining qualified accounting personnel, especially at more senior levels where a high level of understanding of accounting principles and financial reporting standards and application is required. With the recent departure of its Chief Financial Officer and Fiscal Officer, the agency's ability to provide timely and reliable financial reporting has been severely compromised. Consequently, numerous routine accounting functions and control activities were not being performed on a timely basis. This lack of dedicated oversight responsibilities and overall management of its accounting and financial reporting function during the 2009 fiscal year have limited the effectiveness of HPHA's ability to record and report accurate and timely financial information. Some of these conditions noted include the following:

- Incorrect implementation of "project-based" accounting
- Reconciled monthly general ledgers not prepared on a timely basis
- Monthly reconciliations of all account balances not performed
- Accruals incorrectly recorded or not recorded at all
- Certain revenue and expense items recorded on a cash basis
- Journal entries recorded incorrectly
- Expenses not allocated on a timely basis
- Depreciation expense not recorded on a timely basis
- Transfer of assets not properly accounted for between funds

**Context:** With the exception of the Fiscal Officer, who has since departed, accounting personnel continues to be challenged by the understanding and use of the "emPHAsys" computer system, the application of generally accepted governmental accounting standards, various State of Hawaii generated reports from the Department of Accounting and General Services and Housing Urban Development's (HUD) reporting requirements. Without proper supervision and oversight, these shortcomings are magnified.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-01 Financial Management Competencies - Material Weakness (continued)**

The lack of proper training continues to be a significant shortcoming of the HPHA. The shortage of training, in combination with the lack of clearly documented policies and procedures and the presence of shortage of staffing, has limited the effectiveness of the HPHA's internal control environment and procedures. Additionally, HUD's reporting requirements, including but not limited to "project-based" accounting, the Real Estate Assessment Center (REAC) electronic submission filing requirements and asset-management accounting further accentuates the need for proper training and supervision.

**Questioned costs:** None

**Effect:** The internal control over financial reporting, which is designed to provide reasonable assurance to HPHA's management and board of directors regarding the preparation of timely and reliable financial reporting, will be compromised.

Failure to provide adequate oversight and supervision and the ineffectiveness or absence of key accounting and internal control functions can lead to misstatement of financial results and non-compliance.

**Recommendation:** Management needs to identify the knowledge, skills and abilities for key financial positions needed to effectively carry out the associated responsibilities. An assessment should be done to determine its competencies "shortfall".

Given the current hiring freeze, HPHA will need to provide training to its employees involved in financial reporting processes. Additionally HPHA may also want to consider supplementing its in-house financial reporting competencies by establishing arrangements with outside specialists.

1. HPHA should continue its effort to hire a qualified Chief Financial Management Advisor (CFO) and Fiscal Officer.
2. During the interim period, HPHA should perform an assessment to identify its critical accounting and financial reporting, federal compliance and budgeting processes. This will allow HPHA to focus its resources in addressing higher-priority risks. Upon identifying its key processes, evaluate current policies and procedures supporting these processes and effectuate any required corrective actions to ensure that key control activities are being performed timely.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-01 Financial Management Competencies - Material Weakness (continued)**

If it is determined that HPHA does not have the required skills and ability to perform such an assessment and evaluation, HPHA should consider hiring an outside specialist to assist with this process.

In addition, the HPHA should evaluate the need to hire on a temporary basis experienced personnel to provide the appropriate oversight and supervision over the accounting and reporting functions.

3. Upon the hiring of the Chief Financial Management Advisor or Fiscal Officer, either should perform the following.
  - Gain an understanding of each program's objectives and type of major transaction. They should also perform interviews with the various branch chiefs, program managers, and the compliance officer.
  - Interview each accountant to determine their functions and what financial information is currently prepared and maintained.
  - Perform a gap analysis between the current conditions and desired conditions.
  - Prepare and implement recommendations.
  - Identify any missing key internal controls, including but not limited to the following:
    - Reviewing and approving of monthly bank reconciliations.
    - Performing month end reconciliations to detail supporting documents.
    - Reviewing and approving of month-end accruals.
    - Recording of routine transaction: expense allocation, monthly review of construction-in-progress (CIP) transfers, month end accruals.
  - Consider developing a month-end closing checklist to ensure that accurate financial information is prepared timely. The month-end checklist should be tailored to the specific requirements of each fund. For example: Federal low rent- checklist would include procedures specific to capital improvements.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-01 Financial Management Competencies- Material Weakness (continued)**

- Monitor control systems to ensure effectiveness, including the timely review and approvals by appropriate personnel.
- As a majority of the agency's funding are HUD subsidies, consider establishing and maintaining controls over operating and capital improvement budgets.

#### ***PHA Reply (Corrective Action Plan):***

In order to address the problem of untimely financial reporting, the HPHA has contracted with a professional services employment firm to retain five full time accounting professionals to function in the absence of agency filled positions. These contracted personnel are rectifying results of past operational deficiencies in recordkeeping, reconciliations and financial analyses.

With the retention of the professional services team the agency has focused responsibility for upgrading operations and planning departmental work flows that are distributed appropriately among FMO personnel. In the first phase of correction the team has begun its planning effort and will produce its written plan in the first calendar quarter of 2010.

Senior fiscal office staff will work with the team to assess capabilities of existing departmental personnel to recommend suitable staffing configuration and target appropriate additional training and cross training where needed. As a part of this process, HPHA has contacted a mainland Housing Authority to request the on-site services of their Finance Director and an additional senior finance team member to assist with HPHA's analysis of departmental operations deficits, personnel placement, and work flow. However, such an engagement is contingent on funding availability.

The HPHA will, with the Board's strong endorsement, continue to recruit for a qualified Fiscal Officer and budget analyst for the HPHA's fiscal office.

HPHA has developed a comprehensive *Fiscal Management Office Policy & Procedure Manual* that has been distributed to every member of the Financial Management Office. The manual includes reference material; delineates standard control procedures; itemizes processes in major programs; and depicts system flows including application screen shots. The manual was produced in 2009 and includes changes in government program mandates through FY 2009.

Most recently, the HPHA staff received training on project based budgeting and project based accounting by Nan McKay & Associates, a HUD-contractor in order to prepare for the fiscal year 2010-2011 budget cycle.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-01 Financial Management Competencies- Material Weakness (continued)**

The HPHA will develop a written corrective plan focused on process and desired outcomes including milestones to measure progress and efficacy. This plan will include a comprehensive monthly production checklist with review and monitoring responsibilities assigned to appropriate senior and management personnel.

**Contact Person:** Mark Buflo

**Target Completion Date:** March 2010; **Implementation:** beginning March 2010. Completion may be impacted by possible additional statewide reductions in force that could cause the FMO to lose existing personnel and replace those positions with employees transferred from other departments.

#### **Finding No.: 2009-02 Lack of Monitoring- Material Weakness**

**Criteria:** Monitoring is a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of the operations and ensures that internal control continues to operate effectively. This process involves assessment by appropriate personnel of the design and operations of controls on a suitably timely basis, and the taking of necessary actions.

**Condition, Cause and Context:** Activities that serve to monitor the effectiveness of internal control in the ordinary course of operations are manifold. They include regular management and supervisory activities, comparisons, reconciliations and other routine actions. However, such evaluations are not currently being performed and deficiencies are not being communicated to senior management. Consequently, management is not able to take corrective actions to mitigate those risks. An example of such was the implementation of "project-based" accounting. The change in the reporting requirements of HPHA's housing projects resulted in incorrect information being submitted to the Real Estate Assessment Center, which required the subsequent corrections and re-submission.

**Effect:** Monitoring ensures that internal control continues to operate effectively. Without proper monitoring, circumstances for which the internal control system originally was designed may change, causing it to be less able to warn of the risks brought by new conditions. Accordingly, management

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-02 Lack of Monitoring- Material Weakness (continued)**

needs to determine whether the internal control system continues to be relevant and able to address new risks.

**Recommendation:** We recommend that an evaluation of controls that addresses the higher priority risks and those most critical to reducing a given risk should be evaluated more often. All internal control deficiencies that can affect HPHA's attaining its financial reporting objectives should be reported to those who can take necessary corrective actions and to communicate with others in the organization whose activities may be affected.

#### ***PHA Reply (Corrective Action Plan):***

HPHA is aware of the need to consistently assess financial system performance and that risks need to be fully evaluated and disclosed. The HPHA contracted for the professional services team to work in conjunction with the existing fiscal staff and senior management to establish the groundwork for consistent timely reliable reporting.

Routine processes and production milestones will be calendared for reference and for monitoring. The Fiscal Office will schedule regular staff meetings and internal team meetings to measure progress and assess the consequences of delays or failures of performance, and to reevaluate the work flow and work load of specific staff persons.

The Accounting Supervisor will be required to draft month-end closing procedures and shall be responsible for monitoring adherence to the procedures.

**Contact Person:** Mark Buflo

**Target Completion Date:** June 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-03 No General Ledger and Non-reconciliations of General Ledger Accounts- Material Weakness**

**Criteria:** Sound internal control procedures and Federal regulations require that the books and records of account should be maintained on a regular monthly basis for all programs. Such records should be reconciled to supporting documents to ensure accurate and reliable reporting.

**Condition, cause & context:** Although the general ledger was in full use and financial transactions (checks, deposits, journal vouchers) were being recorded in the “emPHAsys” system and monthly financial statements were first produced for the November 2008 Board meeting, it was determined that certain key internal control activities, such as reconciliations of the general ledger accounts balances to the corresponding transaction or activity details, was not performed. Without these key month-end “closing” processes, the development of reliable financial statements is compromised. Financial statement preparation must involve processes to ensure that the information presented is accurate, complete and properly recorded.

The lack of a functioning general ledger system and related account reconciliations is a fundamental deficiency in the organization’s internal control environment. The following is a list of issues noted during the audit as a result of the lack of the general ledger and respective account reconciliations:

- Lack of monthly financial statements
- Reconciliation of the detailed fixed assets and CIP to the general ledger was not performed during the year and the detailed listings of additions and deletions were not available until requested by the auditors. Consequently, projects listed within the CIP schedule that were completed was not appropriately transferred to the Capital Assets account and depreciated.
- Lack of information to perform budget to actual comparisons to determine if the HPHA has sufficient funds to adequately cover operations. Additionally, the lack of budgetary control could result in the HPHA operating with deficits
- Lack of information to perform monthly cost analysis by Management Unit (MU) level to identify the causes of any overruns

**Questioned costs:** None

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-03 No General Ledger and Non-reconciliations of General Ledger Accounts- Material Weakness (continued)**

**Effect:** Failure to adequately record all related financial activities on a timely basis can lead to misstatement of financial results and non-compliance.

**Recommendation:** Month-end “closing” procedures should be developed and adhere to. A month-end checklist should be developed detailing the required account reconciliations and the process to resolve reconciliation exceptions noted during this process.

**PHA Reply (Corrective Action Plan):**

HPHA recognizes the need for routine, timely, accurate and complete and verifiable General Ledger postings.

To attain the target of routine monthly reporting, with inclusive reconciliations, timely closings, and with fiscal management review and approval, it is necessary to remediate historical deficiencies and inaccuracies in inter-fund, bank and G/L account reconciliations; establish the accrual basis for accounting; assure trial balances are accurate; and move to a production mode in which all necessary closing entries have been confirmed and checked off the monthly production calendar prior to report running.

The HPHA has begun to plan and assess operations, assign and reallocate duties and responsibilities to appropriate personnel, measure outputs, make adjustments as needed. Implementation will begin in March, and the goal is to complete the process by the end of June.

The Accounting Supervisor will be required to draft month-end closing procedures and shall be responsible for monitoring adherence to the procedures.

**Contact Person:** Mark Buflo

**Target Completion Date:** June 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section II – Financial Statement Findings (continued)

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#### **Finding No.: 2009-04 Lack of Clear Policies and Procedures - Material Weakness**

**Criteria:** Sound internal control procedures require that policies and procedures should be in place and operating effectively.

**Condition, cause, and context:** During our 2008 review of internal controls, it was revealed that the accounting and budgeting departments do not maintain updated formal policies and procedures manuals or documents related to key internal control functions or activities. For example, HPHA does not maintain documented policies and procedures related to cash reconciliations, tenant accounts receivable reconciliations, general accounts payable processing, HPHA'S reporting, Capital Fund monitoring, or financial reporting procedures, including REAC's electronic submission filing. Toward the end of fiscal 2009, HPHA was in the process of documenting these policies and procedures, but has yet to finalize and implement such policies and procedures.

**Effect:** The lack of clearly documented updated policies and procedures limits the effectiveness of the HPHA internal control environment and procedures and may result in additional costs expended by HPHA. This is especially true in situations where personnel are new to a position and performing certain functions for the first time. An example of such a situation was the hiring of an outside consultant to complete HPHA's REAC electronic submission filing.

**Recommendation:** HPHA should continue to complete the documentation of policies and procedures of its key processes. However, given that the Chief Financial Management Advisor and Fiscal Officer are both no longer with the HPHA, an outside specialist may need to be hired to complete the documentation process and to commence the training and implementation of such policies and procedures.

#### ***PHA Reply (Corrective Action Plan):***

In July 2009 HPHA distributed the *Fiscal Management Office Policy & Procedure Manual* to every member of the Financial Management Office. The manual includes reference material; delineates standard control procedures; itemizes processes in major programs; and depicts system flows including application screen shots. The manual was produced in 2009 and includes current changes in recent government program mandates.

Additional procedures will be defined as needed and appended to the Policy and Procedure Manual when issued.

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section II – Financial Statement Findings (continued)**

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**Finding No.: 2009-04 Lack of Clear Policies and Procedures - Material Weakness (continued)**

The HPHA's next step will include in-house training on procedural changes and monitoring for compliance with the policies and procedures.

**Contact Person:** Mark Buflo

**Target Completion Date:** Ongoing monitoring of compliance

Draft

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs

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#### **Section 8 Housing Choice Vouchers Program (HCVP) CFDA No. 14.871**

##### **Finding No.: 2009-05 Special Tests and Provisions - Waiting List**

**Criteria:** 24 CFR sections 5.410, 982.54(d) and 982.201 through 982.207 require HPHA to establish policies for verification and documentation of information relevant to the acceptance or rejection of an applicant.

**Condition, cause, and context:** Due to the limited number of housing vouchers, HPHA's policy for placing applicants into the program is based upon preference criteria. Applicants on the waiting list who met these preference criteria, with the proper documentation and verification, were admitted to the program. However, during our audit, we noted that the waitlist was not maintained in accordance with the approved administrative plan. We were informed by management that due to a software application error HPHA was not able to re-sequence the waitlist by preferences. Consequently, not all applicants placed during the year were in compliance with the requirements listed above.

Subsequent to year end, management was able to resolve the software application error with its vendor and has re-sequenced the waitlist in accordance with the above requirements.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA comply with its administrative plan and the above requirements.

##### ***PHA Reply (Corrective Action Plan):***

As the audit finding states, "Subsequent to year end, management was able to resolve the software application error with its vendor and has re-sequenced the wait list in accordance with the above requirements." The HPHA is also implementing the transition to the upgraded software and expects that problems with the waitlist will be resolved once implementation is completed.

HPHA will continue to comply with its administrative plan and the related requirements.

**Contact Person:** Norhana Schumacher

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Section 8 Housing Choice Vouchers Program (HCVP) CFDA No. 14.871 (continued)**

##### **Finding No.: 2009-05 Special Tests and Provisions - Waiting List (continued)**

**Target Completion Date:** Completed prior to June 30, 2009

##### **Finding No.: 2009-06 Special Tests and Provisions - Waiting List – Material Weakness**

**Criteria:** 24 CFR sections 5.410, 982.54(d) and 982.201 through 982.207 require HPHA to establish policies for verification and documentation of information relevant to the acceptance or rejection of an applicant.

**Condition, cause, and context:** HPHA continues to have challenges with its controls over the waiting list policy; specifically no quality review was performed over the input of initial application information into the waiting list system. The lack of such a review led to findings such as applicants' applications mistakenly not being inputted or improperly being placed on the waiting list. During our review of the waiting list, it was noted that applicants were manually written into the waiting list because their applications were mistakenly overlooked or inputted incorrectly. These mistakes were not corrected until the applicant followed up on the application. Also, we were informed by management that changes to the waiting list are not monitored.

In addition, 24 CFR 982.01, requires that not less than 75% of families admitted to Public Housing Authority's (PHA) tenant-based voucher program during the PHA fiscal year from the PHA waiting list shall be extremely low-income families. Although management is mindful of such a requirement, there is currently no documentation monitoring such a requirement.

**Effect:** Failure to adequately review and monitor the waiting list may result in non-compliance with program requirements.

**Questioned costs:** None

**Recommendation:** We recommend that HPHA implement a quality review over input into the waiting list system. Additionally, HPHA should implement monitoring procedures to ensure that the "not less than 75%" requirement is met.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Section 8 Housing Choice Vouchers Program (HCVP) CFDA No. 14.871 (continued)**

#### **Finding No.: 2009-06 Special Tests and Provisions - Waiting List – Material Weakness (continued)**

##### ***PHA Reply (Corrective Action Plan):***

With the implementation of the upgraded information system software the not less than 75% requirement has become automated, hence the requirement will be met. A quality assurance program is under development to meet change monitoring requirements on the waiting list.

**Contact Person:** Norhana Schumacher

**Target Completion Date:** June 30, 2010

#### **Finding No.: 2009-07 Activities Allowed or Unallowed – Material Weakness**

**Criteria:** Before assigning key financial and operational positions, management needs to establish and agree on the knowledge, skills, and abilities needed to effectively carryout the associated responsibilities. Additionally, a written policies and procedures manual will help to ensure that financial and operational knowledge is transferred should an employee retires or leaves the agency.

**Condition, cause, and context:** PHAs are allowed to recover their indirect costs related to the HCVP through the use of a fee-for-service model in lieu of a cost allocation plan. During the current year, HPHA adopted a fee-for-service model to charge the HCVP program. Upon further review, it became evident that management was not fully knowledgeable with HUD's requirements for using a fee-for-service model. The fees charged were subsequently adjusted.

In addition, we noted that with the retirement of a HCVP Branch Manager and the lack of a written policies and procedures manual, there was not an effective transfer of knowledge of the retired branch manager's responsibilities, critical job knowledge, skills and abilities to the appropriate recipients. Consequently, his interim replacement was unsure of the position requirements, which included the location of certain schedules and information. Knowledge transfer preserves the potential loss of intellectual capital in key function areas of the agency. A written policies and procedures manual will help in documenting data and information in a format that allows for the retrieval by others when needed.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Section 8 Housing Choice Vouchers Program (HCVP) CFDA No. 14.871 (continued)

#### Finding No.: 2009-07 Activities Allowed or Unallowed – Material Weakness (continued)

*Effect:* Without adequate knowledge and skills needed to accomplish tasks that define the individual's job, the risks of misstatements are greatly magnified.

*Questioned costs:* None

*Recommendation:* We recommend that management review and familiarize themselves with the requirements of the Code of Federal Regulations, including HUD's project based accounting and asset management requirements. We would encourage management to continue with its completion of the policies and procedures manual.

*PHA Reply (Corrective Action Plan):*

HPHA distributed the *Fiscal Management Office Policy & Procedure Manual* in July 2009; however, this manual is not necessarily relevant to all operations in other sections. Most recently, the HPHA participated in a 2-day training by Nan McKay & Associates on asset management requirements. HPHA staff represented all affected HPHA departments.

*Contact Person:* Mark Buflo

*Target Completion Date:* June 2010

#### Finding No.: 2009-08 Cash Management – Material Weakness

*Criteria:* OMB A-133 requires that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and federal reports and maintain accountability over assets.

*Condition, cause and context:* During our audit, we noted that HPHA did not perform timely monthly bank reconciliations of its cash balances. The ability to monitor and report cash management activities is eminently enhanced with timely bank reconciliations. This will provide management with the mechanism to compare actual amounts received and disbursed in relation to the internal budget and reports received from HUD.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Section 8 Housing Choice Vouchers Program (HCVP) CFDA No. 14.871 (continued)**

##### **Finding No.: 2009-08 Cash Management – Material Weakness (continued)**

*Effect:* Failure to perform timely reconciliations can lead to misstatement of financial information and increase the risk of misappropriation of cash.

*Questioned costs:* None

*Recommendation:* We recommend that management perform timely monthly bank reconciliations of its cash balances.

##### ***PHA Reply (Corrective Action Plan):***

HPHA is reconciling all bank accounts, with the target set to be current by April 2010. The Accounting Supervisor is responsible for ensuring the timely reconciliations and will be monitored by the Fiscal Officer.

*Contact Person:* Mark Buflo

*Target Completion Date:* May 2010

##### **Finding No.: 2009-09 Reporting**

*Criteria:* HUD 52681-B, *Voucher for Payment of Annual Contributions and Operating Statement (OMB No. 2577-0169)* requires HPHA to submit this form electronically to HUD. HUD relies on the audit of key line items of the form to determine the reasonableness of the data submitted for the purposes of calculating funding under the program.

*Condition, cause and context:* During our audit, we noted that amount of “units leased” reported on the monthly VMS reports received by HUD either did not agree with the supporting documentation or the supporting documentation was not available.

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Section 8 Housing Choice Vouchers Program (HCVP) CFDA No. 14.871 (continued)**

##### **Finding No.: 2009-09 Reporting (continued)**

Additionally, although the Executive Director signs the document, a review of the information prepared and submitted is not independently performed. Based on our testing, immaterial differences were noted from the actual amount of “units leased” and amount reported.

*Effect:* Failure to meet reporting requirements may lead to non-compliance with program requirements.

*Questioned costs:* None

*Recommendation:* We recommend that documentation supporting the preparation of the monthly VMS reports should be retained by management. To ensure that amounts are reported correctly, we also recommend that an independent review be performed to ensure that amounts being reported agree with supporting documents.

##### ***PHA Reply (Corrective Action Plan):***

The Voucher Management System reports are created in the Section 8 department; however, the FMO accountant in charge of FMO Section 8 processing will be cross-trained in order to back up Section 8, and to provide an additional level of review prior to submitting the VMS reports.

*Contact Person:* Mark Buflo, Norhana Schumacher

*Target Completion Date:* May 2010

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public Housing Capital Fund CFDA No. 14.872**

##### **Finding No.: 2009-10 Davis Bacon Act**

**Criteria:** Projects funded with Capital Funds that are developed in accordance with 24 CFR part 941 – Public Housing Development and/or modernized in accordance with 24 CFR part 968 – Public Housing Modernization that contain only public housing units and mixed-finance projects developed in accordance 24 CFR part 941 subpart F – Public/Private Partnerships for the Mixed-Finance Development of Public Housing are subject to the Davis-Bacon Act (42 U.S.C.1437j (a) and (b), 24 CFR section 941.208 and 24 CFR section 941.610 (a)(8)(vi)).

**Condition, cause and context:** During the current year HPHA had procured 12 contracts. In our testing for compliance, we selected three contracts and noted that all three contract files were missing certified weekly payroll summary reports, which validates compliance with Davis Bacon Act requirements. Management was not able to confirm to us whether the certified payroll reports were not received or had been misfiled.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA complies with the requirements of Davis Bacon Act by requiring its contractors and subcontractors to submit the required certified payroll reports and the reports are retained to document such compliance.

##### ***PHA Reply (Corrective Action Plan):***

The HPHA has clarified its procedures to obtain and retain certified payroll reports for all construction contracts as required under the Davis Bacon Act. Additionally, the Construction Management supervisors have been instructed to withhold payments for contractors who fail to submit payroll documents as required.

**Contact Person:** Lydia Camacho

**Target Completion Date:** Implemented February 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### **Public Housing Capital Fund CFDA No. 14.872 (continued)**

##### **Finding No.: 2009-11 Reporting**

**Criteria:** For each public and Indian housing grant that involves development, operating, or modernization assistance, the prime recipient must submit Form HUD 60002 (24 CFR sections 135.3(a) and 135.90). Additionally in accordance with 24 CFR Section 902.33, HPHA is required to electronically submit the financial statements to HUD in a format prescribed by HUD using the “Financial Data Schedule” (FDS).

**Condition, cause and context:** During our audit, we noted that Form HUD 60002 was not completed and submitted to HUD. Management indicated that the non-compliance was due oversight.

HPHA did not comply with the FDS requirements. The lack of appropriate expertise, experience and training in the preparation of the FDS schedule is the primary cause of the non-compliance.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA complies with the reporting requirements of the program.

##### ***PHA Reply (Corrective Action Plan):***

The Branches that contract for services and/or construction using federal funds will continue to maintain responsibility for receiving and reviewing reports for the contractors. In addition, the HPHA will assign the Compliance Office the responsibility of monitoring compliance and the tracking of due dates for reporting requirements under 24 CFR 135.

HPHA has subsequently contracted a consultant to assist with the preparation and submission of the FDS schedule.

**Contact Person:** Steven Chang

**Target Completion Date:** March 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public Housing Capital Fund CFDA No. 14.872 (continued)

#### Finding No.: 2009-12 Activities Allowed or Unallowed – Material Weakness

**Criteria:** Before assigning key financial and operational positions, management needs to establish and agree on the knowledge, skills, and abilities needed to effectively carryout the associated responsibilities.

**Condition, cause and context:** Similar to the HCVP, at the option of the PHAs, they are allowed to recover their indirect costs related to the Public Housing Capital Fund (PHCF) through the use of a fee-for-service model in lieu of a cost allocation plan. During the current year, HPHA initially adopted a fee-for-service model to charge the program. However, it was determined subsequent to year end that the PHCF would not be charged for such indirect costs, and the fees charged were reversed. Subsequent to that determination, management decided to charge the fees for the fiscal year, and at June 30, 2009, management fees were charged to the PHCF by the COCC. Upon further review, it became evident that management was not fully knowledgeable with HUD's requirements related to indirect costing.

**Effect:** Without adequate knowledge and skills needed to accomplish tasks that define the individual's job, the risks of misstatements is greatly magnified.

**Questioned costs:** None

**Recommendation:** We recommend that management review and familiarize themselves with the requirements of the Code of Federal Regulations, including HUD's project based accounting and asset management requirements. We would encourage management to continue with its completion of the policies and procedures manual.

#### **PHA Reply (Corrective Action Plan):**

HPHA is aware of the need to establish a fee-for-service matrix to charge indirect costs to the asset management programs. It is anticipated that the basis will be finalized in March and implemented immediately. Most recently, the HPHA participated in a 2-day training by Nan McKay & Associates on asset management requirements. This training helped lay a foundation for compliance with HUD's requirements for project based accounting.

**Contact Person:** Mark Buflo

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public Housing Capital Fund CFDA No. 14.872 (continued)**

#### **Finding No.: 2009-12 Activities Allowed or Unallowed – Material Weakness (continued)**

*Target Completion Date:* March 31, 2010

#### **Finding No.: 2009-13 Equipment and Real Property - Material Weakness**

*Criteria:* The requirements for maintaining equipment inventory and capital asset accounting are contained in the Federal Common Rule OMB A-102 and the Code of Federal Regulations. Also, the maintenance of appropriate accounting records and the conducting of physical inventory counts were annual requirements contained in the 7510, Low-Rent Housing Accounting Guidebook.

*Condition, cause and context:* HPHA continues to have challenges in maintaining appropriate accounting records of its equipment and CIP balances. Amounts were not properly monitored and tracked during the fiscal year. A reconciliation of the detailed fixed assets and CIP to the general ledger was not performed during the year and the detailed listings of additions and deletions were not available until requested by the auditors. We also noted that the CIP schedule did not detail when projects were completed. Consequently, projects listed within the CIP schedule were completed and not transferred to the Capital Assets account. This resulted in a reclassification of CIP assets to Property and Equipment and an adjustment to record the corresponding depreciation expense.

Additionally, the HPHA does not maintain an automated detail capital asset register, instead manual excel worksheets and previous detail general ledger printouts are used.

*Effect:* The lack of appropriate monitoring and reporting may lead to misstatement of the CIP and equipment and real property balances and non-compliance with program requirements.

**Questioned costs:** None

*Recommendation:* We recommend that the HPHA maintain monthly detailed fixed assets and CIP records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for these assets. Complete information on all assets provides excellent control for the safeguarding of these assets.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public Housing Capital Fund CFDA No. 14.872 (continued)

#### Finding No.: 2009-13 Equipment and Real Property - Material Weakness (continued)

We also recommend that the status of CIP are monitored monthly to ensure that projects that are completed are properly transferred from CIP to fixed assets and depreciated accordingly.

#### *PHA Reply (Corrective Action Plan):*

The contracted fiscal services team began working on fixed assets in January 2010, and has progressed through Phase I of four phases to complete the work of inputting; duplicates deletion; location confirmation; and reconciliation of the subsidiary registers to the General Ledger, including analysis of detailed depreciation to assure the schedule values tie to the control accounts. The agency will develop a system to monitor construction in progress and to record construction completion and transfer to the Fixed Assets system by June of 2010. The present automated Fixed Asset module does not permit automated updates; therefore the detail is recorded in Excel spreadsheets.

*Contact Person:* Mark Buflo

*Target Completion Date:* June 2010

#### Finding No.: 2009-14 Reporting – Material Weakness

*Criteria:* Financial reporting requirements in 24 CFR section 902.33(a)(2) require the PHA to provide annual reports on a PHA-wide basis and electronically submit such annual reports in the format prescribed by HUD using the Financial Data Schedule (FDS). Also, 24 CFR sections 135.3(a) and 135.90, require that for each public and Indian housing grant that involves development, operating, or modernization assistance, the prime recipient must submit Form HUD 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons, (OMB No. 2529-0043).

*Condition, cause, and context:* HPHA continues to have challenges in identifying an individual who has been properly trained to complete and submit the FDS and other HUD reporting requirements. For example, during the current year the FDS submission included incorrect allocations which required the schedules to be corrected and filing re-submitted. Although HPHA outsourced the completion of the FDS to a third-party, there was no HPHA employee who was able to verify the accuracy and propriety of the

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public Housing Capital Fund CFDA No. 14.872 (continued)

#### Finding No.: 2009-14 Reporting – Material Weakness (continued)

FDS filing. Also, as a result of not properly tracking HUD reporting requirements, HPHA has not submitted Form HUD 60002 for the past three years.

*Effect:* The lack of required knowledge of program requirements, compounded by the lack of clearly documented policies and procedures related to HUD reporting requirements, limits the effectiveness of the HPHA internal control environment over HUD's reporting requirements and may result in noncompliance with program requirements.

*Recommendation:* HPHA should designate certain employees to be responsible for the FDS and ensure that these individuals receive the proper training to understand how to complete and submit the FDS. Also, HPHA should develop a HUD reporting schedule that lists all HUD reporting requirements and designate certain individuals to be responsible to complete the report. Other individuals should also be made responsible for reviewing the HUD reports prior to submission.

#### *PHA Reply (Corrective Action Plan):*

HPHA will contract with the consultant who prepared the prior year submittal to assist with the FDS transmittal in March, 2010; however, this year HPHA will also utilize the consultant to train FMO personnel in order to produce the FDS in-house going forward.

*Contact Person:* Mark Buflo

*Target Completion Date:* March 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### **Public and Indian Housing Program CFDA No. 14.850**

#### **Finding No.: 2009-15 Special Tests and Provisions – Waiting List**

**Criteria:** 24 CFR sections 960.202 through 960.206 require HPHA to establish policies for verification and documentation of information relevant to acceptance or rejection of an applicant. Due to the excess of applicants on the waiting list for low-income housing in comparison to the number of units available, the HPHA's policy for placing applicants into the program is based upon preference criteria. Applicants on the waiting list who met these preference criteria with proper documentation and verification were admitted to the program.

**Condition, cause, and context:** In our discussions with management and in the performance of our audit, HPHA continues to have a "back log" of applications that were not entered into the system on a timely basis. As such, several applicants were not included in quarterly re-sequencing. Presently, the "back log" of applications noted during the fiscal year has yet to be resolved. Management also stated that applicants pulled from the waiting list are not monitored. There is no quality review to reassure that applicants are properly being pulled from the waiting list.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA complies with the reporting requirements of the program.

#### ***PHA Reply (Corrective Action Plan):***

This backlog has been caused in part by a shortage of clerical staff at HPHA combined with reduction in working hours due to furlough days; however, the HPHA has instituted a quality review program in which the departmental supervisor periodically checks applicant entries following clerical input in the Emphasys software system. In addition there are waitlist spreadsheets which are checked on a quarterly basis to ensure applicants are properly pulled from the waitlist.

**Contact Person:** Stephanie Fo

**Target Completion Date:** June 2010

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

##### **Finding No.: 2009-16 Special Tests and Provisions – Tenant Participation Fund**

**Criteria:** OMB A-133 Compliance Supplement requires PHA to provide those funds to duly elected resident councils. Funding provided by a PHA to a duly elected resident council may be made only under a written agreement between the PHA and the resident council that includes a resident council budget. PHAs are permitted to fund \$25 per unit per year for units represented by duly elected resident councils for resident services. Of this \$25, \$15 per unit per year is provided to fund tenant participation activities. The agreement must require the local resident council to account to the PHA for the use of the funds and permit the PHA to inspect and audit the resident council's financial records related to the agreement (24 CFR section 964.150).

**Condition, cause and context:** HPHA does not account for these funds separately from its other operating funds. Consequently, HPHA is not able to determine the amount of funds available for tenant participation activities. Additionally, in accordance with the Memorandum on Tenant Participation Fund Policies and Procedures, tenant associations must provide detailed budgets and other supporting documents for review and approval of disbursement of these funds. However, during our audit, management was not able to provide adequate support for such disbursements. Without adequate accounting, HPHA is not able to properly allocate the tenant participation funds to resident councils.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA complies with the reporting requirements of the program.

**PHA Reply (Corrective Action Plan):**

The HPHA has clarified with all affected parties the account codes for the resident participation funds so that the funds can be accounted for properly. Internal audits began in 2009, and will continue to check resident council disbursements. HPHA will provide resident training, and copies of the files will be retained in the property Management and Maintenance Services branch.

**Contact Person:** Earl Nakaya

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2009-16 Special Tests and Provisions – Tenant Participation Fund (continued)

*Target Completion Date:* June 2010

#### Finding No.: 2009-17 Allowable Cost and Cost Principles

*Criteria:* In accordance with asset management, fee-for-service costs are classified as either a front-line expense (an expense of the project) or a fee expense (an expense of the management company, i.e., the COCC) (See Table 7.2 in the Supplement to HUD Handbook 7475.1 for classifying costs.) (24 CFR section 990.280(d)).

Fee expenses include asset management fees and management fees charged to the AMPs by the COCC. HUD defines the reasonableness of these fees as follows:

Asset Management Fee: HUD will generally consider an asset management fee charged to each project of \$10 per unit month (PUM) as reasonable. Guidance on reasonableness standards for asset management fees is provided in Sections 7.4 and 7.6 in the Supplement to HUD Handbook 7475.1 (24 CFR section 990.280 (b)(5)(ii)).

Management Fee: Management fees may include property management fees, program management fees, and bookkeeping fees. Fee reasonableness standards for the property management fee and bookkeeping fee are provided in Sections 7.4 and 7.5 in the Supplement to HUD Handbook 7475.1 (24 CFR section 990.280(B)(4)).

*Conditions, cause, and context:* In 2009, HPHA adopted the fee-for-service model in accordance with asset management. As a result of the control weaknesses detailed in Finding No. 2009-09, several of the fee-for-service charges to the AMPs were incorrectly calculated during the year. Fees calculated and charged incorrectly during the year included the following:

1. Asset Management Fee – Occupied units were incorrectly used instead of total ACC units in calculation.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2009-17 Allowable Cost and Cost Principles (continued)

2. Management Fee – Total ACC units were incorrectly used instead of occupied units in the calculation and the incorrect phase in rate was applied in the current year.

The incorrect charges were applied to all AMPs throughout the current year; however the fees charged were subsequently adjusted.

In addition, due to delays in the implementation of project based accounting, all cash disbursements processed in the first 2 months of the fiscal year were recorded to the same General Ledger (GL), the Central Office Cost Center GL (181). For the remaining 10 months of the fiscal year separate GL's were created and utilized by HPHA to track the activity in the individual AMPs. At the end of the fiscal year, a journal entry was recorded by HPHA to move the activity from the first 2 months of the fiscal year to the respective AMPs' GL's at year end. In our testing for compliance, 20 of the 75 GL entries selected could not be verified as having been recorded in the proper AMP.

*Effect:* Non compliance.

*Questioned costs:* None

*Recommendation:* We recommend that management review and familiarize themselves and their staff with HUD's project based accounting and asset management requirements, and comply with the respective requirements.

*PHA Reply (Corrective Action Plan):*

The HPHA participated in a two day training by Nan McKay & Associates on the requirements of asset management, including project based budgeting and project based accounting. The HPHA also intends to contract with a consultant for additional technical assistance in HUD's asset management requirements during the budget preparation process in April 2010.

*Contact Person:* Mark Buflo

*Target Completion Date:* April 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2009-18 Special Tests and Provisions – Beginning Balance Sheet Allocation

**Criteria:** In accordance with HUD's asset management, PHA's must apportion their assets, liabilities, and equities to their Asset Management Projects (AMPs) and Central Office Cost Center (COCC) at the time of conversion to project-based accounting. Assets, liabilities, and associated net assets should be assigned to the applicable AMP or COCC if a direct relationship exists. HUD has provided guidance on this subject in Section 4.3 of the Supplement to HUD Handbook 7475.1 and PIH Notice 2008-17. Guidance on Disposition of Excess Equipment and Non-Dwelling Real Property under Asset Management (24 CFR section 990.280(b)(1)).

**Condition, cause and context:** As part of the implementation of project based accounting, HPHA allocated the 2009 beginning balances to the respective AMPs and COCC. In our testing for compliance, we noted that the Other Post Retirement Employee Benefit's (OPEB) liability was incorrectly allocated to the AMPs, the COCC and other funds. HUD's guidelines require management to record the entire OPEB liability under the COCC. An adjustment was subsequently posted to record the entire liability under the COCC.

**Effect:** Non compliance.

**Questioned costs:** None

**Recommendation:** We recommend that management review and familiarize themselves and their staff with HUD's project based accounting and asset management requirements, and comply with the respective requirements.

**PHA Reply (Corrective Action Plan):**

HPHA has familiarized itself with HUD's project based accounting and asset management requirements, and is now complying with those requirements.

**Contact Person:** Mark Buflo

**Target Completion Date:** Completed.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2009-19 Special Tests and Provisions – Waiting List –Material Weakness

**Criteria:** 24 CFR sections 960.202 through 960.206 require HPHA to establish policies for verification and documentation of information relevant to acceptance or rejection of an applicant. Due to the excess of applicants on the waiting list for low-income housing in comparison to the number of units available, HPHA's policy for placing applicants into the program is based upon preference criteria. Applicants on the waiting list who met these preference criteria with proper documentation and verification were admitted to the program.

**Condition, cause, and context:** During our review of HPHA's controls over the waiting list policy, we were informed by management that there is no quality review performed over the input of initial application information into the waiting list system. The lack of such a review led to findings such as applicants' applications mistakenly not being inputted or improperly being placed on the waiting list. During our review of the waiting list, we noted that applicants were manually written into the waiting list because their applications were mistakenly overlooked or inputted incorrectly. These mistakes were not corrected until the applicant followed up on the application. We were informed by management that changes to the waiting list are also not being reviewed or monitored.

**Effect:** Failure to adequately review and monitor the waiting list may result in non-compliance with program requirements.

**Questioned costs:** None

**Recommendation:** We recommend that HPHA implement a quality control review over input into the waiting list system

#### **PHA Reply (Corrective Action Plan):**

This situation arose in part by a shortage of clerical staff at HPHA combined with reduction in working hours due to furlough days; however, the HPHA has instituted a quality review program in which the departmental supervisor periodically checks applicant entries following clerical input in the Emphasys software system. In addition there are waitlist spreadsheets which are checked on a quarterly basis to confirm changes.

**Contact Person:** Stephanie Fo

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2009-19 Special Tests and Provisions – Waiting List –Material Weakness (continued)**

*Target Completion Date:* June 2010

#### **Finding No.: 2009-20 Equipment and Real Property - Material Weakness**

*Criteria:* The requirements for maintaining equipment inventory and capital asset accounting are contained in the Federal Common Rule OMB A-102 and the Code of Federal Regulations. Also, the maintenance of appropriate accounting records and the conducting of physical inventory were annual requirements contained in the 7510, Low-Rent Housing Accounting Guidebook.

*Condition, cause and context:* HPHA continues to have challenges in maintaining appropriate accounting records of its equipment and CIP balances. Amounts were not properly monitored and tracked during the fiscal year. A reconciliation of the detailed fixed assets and CIP to the general ledger was not performed during the year and the detailed listings of additions and deletions were not available until requested by the auditors. We also noted that the CIP schedule did not detail when projects were completed. Consequently, projects listed within the CIP schedule were completed and not transferred to the Capital Assets account. This resulted in a reclassification of CIP assets to Property and Equipment and an adjustment to record the corresponding depreciation expense.

Additionally, HPHA does not maintain an automated detail capital asset register, instead manual excel worksheets and previous detail general ledger printouts are used.

*Effect:* The lack of appropriate monitoring and reporting may lead to misstatement of the CIP and equipment and real property balances and non-compliance with program requirements.

*Questioned costs:* None

*Recommendation:* We recommend that HPHA maintain monthly detailed fixed assets and CIP records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for these assets. Complete information on all assets provides excellent control for the safeguarding of these assets.

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2009-20 Equipment and Real Property - Material Weakness (continued)**

We also recommend that the status of CIP are monitored monthly to ensure that projects that are completed are properly transferred from CIP to fixed assets and depreciated accordingly.

#### ***PHA Reply (Corrective Action Plan):***

The contracted fiscal services team began working on fixed assets in January 2009, and has progressed through Phase I of four phases to complete the work of inputting; duplicate deletion; location confirmation; and reconciliation of the subsidiary registers to the General Ledger, including analysis of detailed depreciation to assure the schedule values are tied to the control accounts. The fiscal services team will develop a system to monitor construction in progress and to record construction completion and transfer to the Fixed Assets system by June of 2010.

**Contact Person:** Mark Buflo

**Target Completion Date:** June 2010

#### **Finding No.: 2009-21 Reporting – Material Weakness**

**Criteria:** OMB A-133 Compliance Supplement requires HPHA to complete and file form HUD-52723, Operating Fund Calculation of Operating Subsidy (OMB No. 2577-0029). This form is prepared and submitted before the end of the PHA's fiscal year and is used by HUD to calculate funding for the next year.

**Condition, cause, and context:** Although HUD form 52723 was prepared and submitted by the Low Income Public Housing (LIPH) Manager in accordance with the program requirements, we noted that there was no independent review or approval of the information being provided. Control activities such as review and approval allow management to prevent and detect deficiencies that may impact its reporting and operational objectives. We also ascertained that no other personnel have the required knowledge of the program requirements to effectively perform such a review and approval.

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2009-21 Reporting – Material Weakness (continued)**

*Effect:* The lack of appropriate review and approvals increases the risk of non compliance with program requirements.

*Recommendation:* HPHA should train an individual in the preparation of HUD form 52723. This will allow for the LIPH Manager to perform the independent review and approval function. We would also recommend that such processes are documented in a policy and procedures manual to ensure appropriate knowledge transfer should the LIPH Manager not be available.

#### ***PHA Reply (Corrective Action Plan):***

HPHA will train 3 staff members in form 52723 preparation with one designated as the monthly keeper of the data which is used in the formulas for the calculation; and two cross trained to review for data correctness and then calculate the subsidy based on the confirmed criteria.

FMO will then independently review the calculations, and if there are variances or corrections required, FMO will discuss the issues collaboratively to assure maximum subsidy.

**Contact Person:** Stephanie Fo

**Target Completion Date:** June 2010

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2009-22 Activities Allowable Costs & Special Tests and Provisions– Material Weakness

**Criteria:** Before assigning key financial and operational positions, management needs to establish and agree on the knowledge, skills, and abilities needed to effectively carryout the associated responsibilities. Additionally, a written policies and procedures manual will help to ensure that financial and operational knowledge is transferred should an employee retires or leaves the agency.

**Condition, cause and context:** PHAs are allowed to recover their indirect costs related to the projects under the Federal Low Rent Program through the use of a fee-for-service model in lieu of a cost allocation plan. During the current year, HPHA adopted a fee-for-service model to charge the projects under the Federal Low Rent Program. However, we noted that the incorrect fees were being charged. Upon further review, it became evident that management was not fully knowledgeable with HUD's requirements for using a fee-for-service model. The fees charged were subsequently adjusted.

In addition, we noted that HPHA hired an outside expert to train staff on project based accounting and asset management requirements and assist in HPHA implementing the new requirements. However, it was evident with the lack of support for HPHA's implementation of its fee-for-service model and the lack of respective policies and procedures that there was not an effective transfer of knowledge of project based accounting and asset management requirements to the appropriate recipients. Consequently, HPHA was unsure of how to appropriately implement project based accounting and asset management. Sufficient training provides staff with the required knowledge to properly implement new compliance requirements. A written accounting policies and procedures manual that complies with project based accounting and asset management will help in documenting data and information in a format that allows for compliance.

**Effect:** Without adequate knowledge and skills needed to accomplish tasks that define the individual's job, the risks of misstatements are greatly magnified.

**Questioned costs:** None

**Recommendation:** We recommend that management review and familiarize themselves with the requirements of the Code of Federal Regulations, including HUD's project based accounting and asset

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2009-22 Activities Allowable Costs & Special Tests and Provisions – Material Weakness (continued)**

management requirements. We would encourage management to continue with its completion of the policies and procedures manual.

#### ***PHA Reply (Corrective Action Plan):***

HPHA has received on-site training in Asset Management and Project Based Accounting in January, 2010 from well-qualified instructors who have been associated with HUD in developing the methods for accomplishing appropriate accounting and reporting. One of the trainers authored Chapter 7 of HUD's "Financial Management Handbook" of 2007, which explicitly details methods to follow to assure compliance in Asset Management and Project Based Accounting. This training was attended by staff members from the Fiscal Office, Property Management and Maintenance Services, Procurement, Construction Management, Personnel, and Compliance. The HPHA also intends to secure additional technical assistance from those same trainers during the budgeting process for the coming fiscal year.

**Contact Person:** Mark Buflo

**Target Completion Date:** June 2010

#### **Finding No.: 2009-23 Eligibility – Tenant File Testing**

**Criteria:** 24 CFR section 5.601 and 24 CFR sections 960.253, 960.255 and 960.259 require HPHA to gather information on income, family size and housing conditions for both new and continuing participants on an annual basis. Based on the information gathered, HPHA housing specialist assess whether or not applicants are eligible to participate in the program based on Federal eligibility guidelines.

To ensure such guidelines are complied with, HPHA initially performs a 10% review of all annual re-exams and new placements. The monthly reviews are performed by the project managers and are submitted to the Property Management and Maintenance Service Branch (PMMSB). PMMSB conducts

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2009-23 Eligibility – Tenant File Testing (continued)**

an error analysis, tracking the number and type of errors for each review. From the result of the analysis, program management performs a second follow up quality review.

*Condition, cause, and context:* During our review of HPHA's controls over eligibility, we were informed by program management that they did not perform the follow up quality reviews for approximately half the projects due to the lack of available personnel resource at the program management level.

During our testing of participant files, we noted the following:

- 1) For 3 out of 60 tenant files tested, we noted that certain forms to facilitate the internal control process over tenant files were not signed by housing specialists.
- 2) For 2 out of 60 tenant files tested, we noted that required forms were missing or were not properly executed.
- 3) For 4 out of 60 tenant files tested, we noted that third party verification of income was missing.

*Effect:* Failure to properly monitor eligibility determination and failure to adequately determine eligibility can lead to non-compliance with program requirements and potential disallowed costs.

*Questioned costs:* None

*Recommendation:* We recommend that HPHA enforce proper implementation of its eligibility policy and procedures and establish a regular quality control review of tenant files by program management. This review and its results should be documented for monitoring at the HPHA management level. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

#### ***PHA Reply (Corrective Action Plan):***

PMMSB is responsible for conducting quality control monitoring. The Branch Chief will implement quarterly meetings to discuss the findings, and schedule additional staff training. Additionally, the PMMSB staff will continue to have the monitors review 3 files per AMP each month. The reorganization

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2009-23 Eligibility – Tenant File Testing (continued)**

plan for PMMSB includes 1.0 FTE to conduct file reviews, including an audit of 10% of every AMPs tenant files on a monthly basis.

**Contact Person:** Stephanie Fo

**Target Completion Date:** March 2010

Draft

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Shelter Plus Care CFDA No. 14.238

#### Finding No.: 2009-24 Reporting

**Criteria:** HUD-40118, Annual Progress Report (OMB No. 2506-0145) is due from each grantee within 90 days after the end of its operating year (24 CFR section 582.300 (d)).

**Condition, cause and context:** Although the Annual Progress Report (Report) was filed timely with HUD, the financial data reported did not agree with the supporting documents provided by the sub-recipient agency.

The Report is required to be reviewed and approved by the Homeless Branch Supervisor prior to submission. However, the error was not detected until the performance of the audit. The Report was subsequently corrected and resubmitted. While the control activity of review and approval exists, the control was not operating effectively.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA complies with the reporting requirements of the program. In addition, management needs to be diligent in its performance of its responsibilities.

#### **PHA Reply (Corrective Action Plan):**

The annual Progress Report will be scrutinized by both the staff that prepares the report and the Branch Administrator prior to submittal to HUD.

**Contact Person:** Sandra J. Miyoshi

**Target Completion Date:** Immediately

## Hawaii Public Housing Authority

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### Section III – Federal Award Findings and Questioned Costs (continued)

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#### Shelter Plus Care CFDA No. 14.238 (continued)

#### Finding No.: 2009-25 Subrecipient Monitoring

**Criteria:** OMB A-133, Part 3 of the Compliance Supplement, requires HPHA to monitor the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and those performance goals are achieved.

**Condition, cause and context:** Although invoices and request of payments are reviewed for compliance, since the inception of these awards, management has not performed any subrecipient site visits for any of the six projects. Consequently, the ability to monitor eligibility of participants, determine compliance with matching requirements and housing quality standards is severely limited.

Management indicated that due to the numerous changes to personnel, such visits were neglected.

**Effect:** Non compliance

**Questioned costs:** None

**Recommendation:** We recommend that HPHA complies with the monitoring requirements of the program.

#### **PHA Reply (Corrective Action Plan):**

Site monitoring visits for Shelter Plus Care were conducted in 2007 and 2008, after which several changes in staffing meant that the new staff had to learn the program sufficiently to conduct the monitoring. Site monitoring for S+C will be a high priority for the assigned program specialist in 2010.

**Contact Person:** Sandra J. Miyoshi

**Target Completion Date:** Site monitoring visits for all S+C sub-recipients will be completed in April 2010.

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Shelter Plus Care CFDA No. 14.238 (continued)**

#### **Finding No.: 2009-26 Subrecipient Monitoring -Material Weakness**

**Criteria:** OMB A-133 Compliance Supplement requires the grantee to provide or ensure the provision of supportive housing services that are at least equal in value to the aggregate amount of rental assistance funded by HUD. The manner in which the value of supportive services is calculated is contained in 24 CFR section 582.110(c).

**Condition, cause and context:** To ensure subrecipient's compliance with the matching requirements of the program, financial data that is summarized on the Report is used by HPHA to monitor matching compliance. However, during the current year, we noted that the information reported on the Report did not agree with supporting documents. Although the Report is required to be reviewed and approved by the Homeless Branch Supervisor, the error was not detected until the performance of the audit. Incorrect information may lead management to inappropriately conclude program's compliance. While the control activity of review and approval exists, the control was not operating effectively.

**Effect:** The lack of appropriate review and approval may lead to non compliance with program requirements.

**Questioned costs:** None

**Recommendation:** We recommend that management needs to be diligent in its performance of its responsibilities.

#### ***PHA Reply (Corrective Action Plan):***

The match requirement from HUD is cumulative over the course of the initial five years of the grant. Hence, any discrepancies between the supporting documentation and the APR can be corrected when the supporting documentation is reviewed, a tedious process that may not be accomplished by the APR due date. Of far greater priority for early review of the documentation to support the match requirement are the annual renewal grants, which are screened for accuracy. The Homeless Programs Branch must continue to give priority to screening the documentation provided for annual grants to meet the APR deadline and maintain compliance of the match, but will make every effort to also review the documentation provided for the five year grants prior to submittal of the APRs. With the transfer of the

## **Hawaii Public Housing Authority**

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2009

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### **Section III – Federal Award Findings and Questioned Costs (continued)**

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#### **Shelter Plus Care CFDA No. 14.238 (continued)**

#### **Finding No.: 2009-26 Subrecipient Monitoring -Material Weakness (continued)**

programs to the Department of Human Services, the Homeless Programs Branch will receive additional staff support to ensure compliance with requirements to monitor the contracts.

*Contact Person:* Sandra J. Miyoshi

*Target Completion Date:* Immediately.

Draft

**PART V**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Draft

# Hawaii Public Housing Authority

Summary Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

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## Section I – Financial Statement Findings

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### **Finding No.: 2008-01 Financial Management Deficiencies - Material Weakness**

The lack of appropriate management leadership and shortage of adequate staffing in the Fiscal Management Office have continued to significantly impact HPHA's ability to perform its core accounting functions. Many of the issues and conditions noted in the current year originated from prior year.

*Condition & cause:* Although HPHA subsequently hired a Chief Accountant in July 2007 and external financial consultants to assist with the Fiscal Management Office functions, accounting personnel did not have proper oversight and supervision during most of the fiscal year, including appropriate reviews and approval of transactions. Consequently, numerous routine accounting functions were not being performed. This lack of dedicated leadership and overall management of its accounting and financial reporting function during the 2008 fiscal year have limited the effectiveness of HPHA's ability to record and report accurate and timely financial information. Some of these conditions noted include the following.

- Monthly general ledgers not prepared
- Monthly reconciliations of all account balances not performed
- Accruals incorrectly recorded or not recorded at all
- Certain revenue and expense items recorded on a cash basis
- Journal entries recorded incorrectly
- Expenses not allocated on a timely basis
- Obligations, including various payables and litigation settlements, not recorded
- Depreciation expense not recorded
- Transfer of assets not properly accounted for between funds

*Context:* The lack of proper training continues to be a significant shortcoming of the HPHA. This is evident in the lack of understanding and use of the "emPHAsys" computer system, the application of generally accepted governmental accounting standards, various State of Hawaii generated reports from the Department of Accounting and General Services and HUD's reporting requirements. The shortage of training, in combination with the lack of clearly documented policies and procedures and the presence of shortage of staffing, has limited the effectiveness of the HPHA's internal control environment and procedures. Additionally, HUD's reporting requirements, including but not limited to "project-based" accounting, the Real Estate Assessment Center electronic submission filing requirements and asset-management accounting further accentuates the need for proper training and supervision.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section I – Financial Statement Findings (continued)

#### **Finding No.: 2008-01 Financial Management Deficiencies - Material Weakness (continued)**

*Questioned costs:* None

*Effect:* Failure to provide adequate oversight and supervision and the ineffectiveness or absence of key accounting and internal control functions can lead to misstatement of financial results and non-compliance.

*Recommendation:* HPHA needs to assess its current policies and procedures to ensure that internal controls over key accounting, financial reporting and budgeting processes are established and adhered to. Specifically:

1. We recommend that the Chief Financial Officer and Chief Accountant:
  - Gain an understanding of each program's objectives and type of major transaction. They should also perform interviews with the various branch chiefs, program managers, and the compliance officer.
  - Interview each accountant to determine their functions and what financial information is currently prepared and maintained.
  - Perform a gap analysis between the current conditions and desired conditions.
  - Prepare and implement recommendations.
  - Identify any missing key internal controls, including but not limited to the following:
    - Reviewing and approving of monthly bank reconciliations.
    - Performing month end reconciliations to detail supporting documents.
    - Reviewing and approving of month-end accruals.
    - Recording of routine transaction: expense allocation, monthly review of CIP transfers, month end accruals.
  - Consider developing a month end closing checklist to ensure that accurate financial information is prepared timely. The month end checklist should be tailored to the specific requirements of each fund. For example: Federal low rent- checklist would include procedures specific to capital improvements.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section I – Financial Statement Findings (continued)

#### **Finding No.: 2008-01 Financial Management Deficiencies - Material Weakness (continued)**

- Monitor control systems to ensure effectiveness, including the timely review and approvals by appropriate personnel.
  - As a majority of the agency's funding are HUD subsidies, consider establishing and maintaining controls over operating and capital improvement budgets.
2. The HPHA should continue its efforts in seeking to hire a Chief Financial Officer. In addition, the agencies should evaluate the need to hire on a temporary basis an experienced personnel to provide the appropriate oversight and supervision over the accounting and reporting functions.

#### ***PHA Reply (Corrective Action Plan):***

1. Program Assessment:
  - a. Fiscal Management Office (FMO) has interviewed Section 8 branch chief and Homeless branch chief. FMO plans to interview the Property Branch, AMP managers, Contracts and procurement, Construction Management Services, and other branches.
  - b. MD Strum performed an assessment of the Fiscal Management Office staff and job functions. Process maps were developed for most of the positions and a draft Policy and Procedure Manual was created. Upon joining HPHA, the CFMA conducted interviews with all accountants to review their functions and assess their skill levels. The Fiscal Officer has been evaluating the weaknesses of the present financial procedures during the course of completing the FY2008 Audit.
  - c. FMO is working on the gap analysis for internal controls, timely reconciliation, single/central recording of journal vouchers, timeliness of payments, and other functions of the FMO. FMO has performed the gap analyses for staff and identified areas in need of improvement. HPHA will be formally documenting these weak areas and will develop a timetable to work with the appropriate staff members to improve the job processes and internal financial control weaknesses. MD Strum will assist in this effort with the extension of their contract until June 30, 2009.
  - d. FMO will prepare and implement recommendations for improvement.
  - e. FMO will identify missing internal controls (see c, above).
  - f. FMO will develop month end closing checklists tailored for each fund.
  - g. FMO will monitor control systems by timely review and approvals by staff.
  - h. FMO is developing controls over operating and capital improvement budgets.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section I – Financial Statement Findings (continued)

#### **Finding No.: 2008-01 Financial Management Deficiencies - Material Weakness (continued)**

HPHA has had special meetings with the Honolulu HUD office to discuss HPHA needs and requests. The local office has generously offered assistance regarding increasing HPHA's understanding of Federal programs and requirements. HPHA has also met with the Department of Human Services (DHS) Fiscal Office management team to discuss possible ways they could assist HPHA in further training regarding State of Hawaii financial procedures.

2. **Leadership.** The Hawaii Public Housing Authority (HPHA) unsuccessfully sought to hire a Chief Financial Officer (CFO) level manager for over a year. Through the efforts of the Department of Housing and Urban Development (HUD), the firm of MD Strum was engaged to work with the HPHA staff to manage the Fiscal Management Office from July 2008 to December 2008. The Chief Financial Management Advisor (CFMA, functions as CFO) was hired effective October 1, 2008. The Fiscal Officer was hired effective October 10, 2008. HPHA hired a Budget Analyst in November 2008. He will be permanently assigned to the Fiscal Management Office effective March 2009. This position will be responsible for monitoring the HPHA operating budget and CIP budgets. All these key hires occurred after the 2008 fiscal year ended on June 30, 2008.

**Contact Person:** Gary Marushige, Chief Financial Management Adviser

**Target Completion Date:** June 30, 2009

**Status:** Comment still applicable. See finding 2009-01.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section I – Financial Statement Findings (continued)

#### **Finding No.: 2008-02 No General Ledger and Non-reconciliations of General Ledger Accounts- Material Weakness**

**Criteria:** Sound internal control procedures and Federal regulations require that the books and records of account should be maintained on a regular monthly basis for all programs.

**Condition, cause & context:** During the prior year, HPHA installed the “emPHAsys” general ledger system software to provide HPHA with a general ledger system that would be able to address HUD’s new reporting requirements. However, the general ledger system continues to have very limited use. The lack of understanding of the “emPHAsys” computer system and appropriate accounting oversight and supervision have resulted in monthly general ledgers not being prepared during the fiscal year. Consequently, the key internal control activity of performing routine monthly reconciliations of the general ledger accounts balances to the corresponding transaction or activity details was not performed during the year. Without “reliable” and “timely” financial information, management decisions related to operations may be compromised. The following is a list of issues noted during the audit as a result of the lack of the general ledger and respective account reconciliations:

- Lack of financial statements
- Lack of information to perform budget to actual comparisons to determine if the HPHA has sufficient funds to adequately cover operations. Additionally, the lack of budgetary control could result in the HPHA operating with deficits
- Lack of information to perform monthly cost analysis by Management Unit (MU) level to identify the causes of any overruns

The lack of a functioning general ledger system and related account reconciliations is a fundamental deficiency in the organization’s internal control environment.

**Questioned costs:** None

**Effect:** Failure to adequately record all related financial activities on a timely basis can lead to misstatement of financial results and non-compliance.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

<b>Section I – Financial Statement Findings (continued)</b>
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**Finding No.: 2008-02 No General Ledger and Non-reconciliations of General Ledger Accounts-  
Material Weakness (continued)**

***Recommendation:*** HPHA's policy is to post approved journal vouchers to the general ledger and to perform monthly reconciliations of respective accounts. To ensure the accuracy and completeness of the HPHA's financial information, we recommend that management provide training in the full use of its general ledger system and comply with its policy to post journal vouchers to the general ledger and perform account reconciliations in a timely manner.

***PHA Reply (Corrective Action Plan):*** At present the general ledger is in full use and financial transactions (checks, deposits, journal vouchers) are being recorded in the Emphasys system. With the addition of the Chief Financial Management Advisor and Fiscal Officer, financial statements were first produced for the November 2008 Board meeting and budget to actual reports have been produced on a monthly basis thereafter. Financial reports by Asset Management Project (AMP) are now being generated monthly and distributed to the AMPs through folders in the Agency's shared intranet drive.

A two week retraining on the Emphasys system for the FMO staff was conducted in November 2008 with the trainer brought on site to provide personal one-on-one training. FMO staff are also presently being trained weekly on web-based training to review specific training issues on a regular schedule for a total of 100 hours over the next several months.

Remote Emphasys accounting training was provided to FMO staff during the month of February, as indicated below. Training is scheduled to resume again in April (April 7 and 14). The Fiscal Officer will choose the topic and determine which staff should attend training as applicable. Emphasys will train HPHA on any topic that we need help with. The hours are coming out of our current contract's bank of 100 training hours, but may not all be used for FMO. After the April sessions, we will reassess how much more training the FMO staff is going to need.

**Emphasys Remote Training Sessions for FMO Staff:**

2/3/09 – Rent Runs  
2/10/09 – Bank Reconciliation  
2/17/09 – Section 8  
2/24/09 – GL Budget

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section I – Financial Statement Findings (continued)

#### **Finding No.: 2008-02 No General Ledger and Non-reconciliations of General Ledger Accounts- Material Weakness (continued)**

With the recent completion of the FY2008 Audit, HPHA will begin to reconcile the key balance sheet accounts and analyze the monthly fund activities. Checklists and monitoring procedures to insure compliance with policies and procedures will be developed.

**Contact Person:** Gary Marushige, Chief Financial Management Advisor

**Target Completion Date:** June 30, 2009

**Status:** Comment still applicable. See finding 2009-03.

#### **Finding No.: 2008-03 Lack of Clear Policies and Procedures - Material Weakness**

**Criteria:** Sound internal control procedures require that policies and procedures should be in place and operating effectively.

**Condition, cause, and context:** Our review of internal controls revealed that the accounting and budgeting departments do not maintain updated formal policies and procedures manuals or documents related to key internal control functions or activities. For example, HPHA does not maintain documented policies and procedures related to cash reconciliations, tenant accounts receivable reconciliations, general accounts payable processing, HPHA'S reporting, Capital Fund monitoring, or financial reporting procedures, including REAC's electronic submission filing.

**Effect:** The lack of clearly documented updated policies and procedures limits the effectiveness of the HPHA internal control environment and procedures and may result in additional costs expended by HPHA. This is especially true in situations where personnel is new to a position and performing certain functions for the first time. An example of such a situation was the hiring of an outside consultant to complete HPHA's REAC electronic submission filing.

**Recommendation:** HPHA should assess its current internal control polices and procedures related to key accounting and budgeting processes. Upon the completion of such assessment, a formal policies and procedures manual for all key accounting and budgeting functions. Any material changes to existing policies should be approved via resolution by the Board of Commissioners.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

<b>Section I – Financial Statement Findings (continued)</b>
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**Finding No.: 2008-03 Lack of Clear Policies and Procedures - Material Weakness (continued)**

***PHA Reply (Corrective Action Plan):*** During the finalizing of the FY2008 Audit, several internal control weaknesses surfaced. It was also evident that due to the lack of written polices and procedures, the staff were inconsistent in their accounting processes. As mentioned previously, HUD retained MD Strum to review the present finance operations and to revise the procedures to correct control deficiencies. A draft Policy and Procedures Manual was written and distributed to the staff. MD Strum is presently finalizing the draft version. In addition, HPHA received an abbreviated set of policies and procedures from the Emphasys trainer during the training in November 2008.

In conjunction with the finalization of the policies and procedures manual, the FMO management team will begin individual training of the Accounting staff in the areas noted above. Staff will be tested on their understanding and adherence to the policy and procedure manual and make modifications if needed. The training of each staff member will be documented and recorded in the files. Any material changes to existing policies will be presented for approval via resolution by the Board of Directors.

***Contact Person:*** Gary Marushige, Chief Financial Management Advisor

***Target Completion Date:*** June 30, 2009

***Status:*** Comment still applicable. See finding 2009-04.

# Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

## Section II – Federal Award Findings and Questioned Costs

### Section 8 Housing Choice Vouchers Program CFDA No. 14.871

#### Finding No.: 2008-04 Special Tests and Provisions - Waiting List – Material Weakness

**Criteria:** 24 CFR sections 5.410, 982.54(d) and 982.201 through 982.207 require the HPHA to establish policies for verification and documentation of information relevant to acceptance or rejection of an applicant.

**Condition, cause, and context:** Due to the limited number of housing vouchers, the HPHA's policy for placing applicants into the program is based upon preference criteria. Applicants on the waiting list who met these preference criteria, with the proper documentation and verification, were admitted to the program.

During our inquiry of HPHA's controls over the waiting list policy, we were informed by management that there is no quality review performed over the input of initial application information into the waiting list system. The lack of such a review led to findings such as applicants' applications mistakenly not being inputted or improperly being placed on the waiting list. During our review of the waiting list, it was noted that applicants were manually written into the waiting list because their applications were mistakenly overlooked or inputted incorrectly. These mistakes were not corrected until the applicant followed up on the application. Also, we were informed by management that changes to the waiting list are not monitored.

In addition, we noted that one applicant was not properly listed on the master waiting list based on his initial application. Management noted that the applicant was improperly placed on the waiting list due to an input error, which was subsequently corrected when the applicant contacted HPHA to follow up on his application.

**Effect:** Failure to adequately monitor the waiting list may result in non-compliance with program requirements.

**Questioned costs:** None

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Section 8 Housing Choice Vouchers Program CFDA No. 14.871 (continued)

#### Finding No.: 2008-04 Special Tests and Provisions - Waiting List – Material Weakness (continued)

**Recommendation:** We recommend that the HPHA implement a quality review over input into the waiting list system.

**PHA Reply (Corrective Action Plan):** The Section 8 Housing Choice Voucher (HCV) program application taking process and waiting list has been closed since July 2006. Should the wait list be reopened for application taking and processing, the applicant's household information must be inputted into HPHA's software database to ensure that the applicant's household information and application date and time appears on the master wait list. The Branch will test the data input once all application data are entered into the database. To ensure that the applicant's data resides on the master wait list, the Branch will audit fifty (50) files to determine the accuracy of the inputted data. The single audit of 40 files produced one (1) data input error in which a preference was not entered as declared by the applicant. Deficiencies will be addressed and the Branch will audit additional files in increments of ten (10) until the Branch is assured that the input data is correct. The wait list will be re-sequenced after the Manager is assured that the input data is correct. The wait list will be audited through its normal quality review of new participants to the program. The Branch's quality review procedure is to review 10% of all new participants to the HCV to ensure that the HUD regulations and the Section 8 Administrative Plan is followed.

**Contact Person:** Dexter Ching, Section 8 Subsidy Program Branch Chief

**Target Completion Date:** June 30, 2009

**Status:** Comment still applicable. See finding 2009-06.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Public Housing Capital Fund CFDA No. 14.872

#### Finding No.: 2008-05 Equipment and Real Property Deficiencies - Material Weakness

**Criteria:** The requirements for maintaining equipment inventory and capital asset accounting are contained in the Federal Common Rule OMB A-102 and the Code of Federal Regulations. Also, the maintenance of appropriate accounting records and the conducting of physical inventory counts were annual requirements contained in the 7510, Low-Rent Housing Accounting Guidebook.

**Condition, cause and context:** During the audit, we noted that equipment and construction-in-progress (CIP) were not properly monitored and tracked during the fiscal year. A reconciliation of the detailed fixed

assets and CIP to the general ledger was not performed during the year and the detailed listings of additions and deletions were not available until requested by the auditors.

Within the Federal Low Rent Program Fund, the HPHA maintains a Construction in Progress (CIP) schedule which details the projects and related costs. However, during our audit, it was noted that the CIP schedule as of June 30, 2008 was not updated for 2008 transactions on a timely basis. Additionally, the HPHA does not maintain an automated detail capital asset register, instead manual excel worksheets and previous detail general ledger printouts are used.

We also noted that the CIP schedule did not detail when projects were completed. Consequently, projects listed within the CIP schedule were completed and not transferred to the Capital Assets account. This resulted in a reclassification of CIP assets to Property and Equipment and an adjustment to record the corresponding depreciation expense.

**Effect:** The lack of appropriate monitoring and reporting may lead to misstatement of the CIP and equipment and real property balances and non-compliance with program requirements.

**Questioned costs:** None

**Recommendation:** We recommend that the HPHA maintain detailed CIP records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for assets. Complete information such as the above, on all assets, would provide excellent control for the safeguarding of these assets, which are significant in cost.

## **Hawaii Public Housing Authority**

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### **Section II – Federal Award Findings and Questioned Costs (continued)**

#### **Public Housing Capital Fund CFDA No. 14.872 (continued)**

#### **Finding No.: 2008-05 Equipment and Real Property Deficiencies - Material Weakness (continued)**

We also recommend that better monitoring, assessment and evaluation of the CIP be made regarding the status, completion and transfer of assets from construction in progress to active fixed assets which are being depreciated.

***PHA Reply (Corrective Action Plan):*** The Capital Fund expenditures within the Federal Low Rent Program are presently tracked by the Capital Fund Coordinator using excel worksheets. However, these worksheets were never reconciled to the general ledger. FMO will implement a procedure to reconcile worksheets to General Ledger on a monthly basis. Presently, there is no written procedure for closing projects and re-classing amounts from CIP to fixed assets. FMO will implement a procedure detailing the required close out documents and the process of notification from Construction Management to FMO of the status of completed projects so CIP amounts can be cleared out to fixed assets on a quarterly basis. FMO will also research the availability of packaged software that could accommodate its needs in automating this detailed process.

***Contact Person:*** Gary Marushige, Chief Financial Management Advisor

***Target Completion Date:*** June 30, 2009

***Status:*** Comment still applicable. See finding 2009-13.

#### **Finding No.: 2008-06 Reporting – Material Weakness**

***Criteria:*** Financial reporting requirements in 24 CFR section 902.33(a)(2) require the PHA to provide annual reports on a PHA-wide basis and electronically submit such annual reports in the format prescribed by HUD using the Financial Data Schedule (FDS). Also, 24 CFR sections 135.3(a) and 135.90, require that for each public and Indian housing grant that involves development, operating, or modernization assistance, the prime recipient must submit Form HUD 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons, (OMB No. 2529-0043).

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Public Housing Capital Fund CFDA No. 14.872 (continued)

#### Finding No.: 2008-06 Reporting – Material Weakness (continued)

**Condition, cause, and context:** Our review of internal controls over reporting requirements described above revealed that there are no PHA employees who have been properly trained to complete and submit the FDS. There is also no tracking of required HUD reporting requirements. For example, during the current year HPHA outsourced the completion of the FDS to a third-party, however, there was no HPHA employee who was able to verify the accuracy and propriety of the FDS filing. Also, as a result of not properly tracking HUD reporting requirements, HPHA has not submitted Form HUD 60002 for the past 2 years.

**Effect:** The lack of clearly documented updated policies and procedures related to HUD reporting requirements limits the effectiveness of the HPHA internal control environment over HUD's reporting requirements and may result in noncompliance with program requirements.

**Recommendation:** HPHA should designate certain employees to be responsible for the FDS and ensure that these individuals receive the proper training to understand how to complete and submit the FDS. Also, HPHA should develop a HUD reporting schedule that lists all HUD reporting requirements and designate certain individuals to be responsible to complete the report. Other individuals should also be made responsible for reviewing the HUD reports prior to submission.

**PHA Reply (Corrective Action Plan):** The Chief Accountant had been responsible for assisting in preparing the FDS schedule in the past and will continue to be the person in charge. However, FMO will be training additional management personnel (Chief Financial Management Advisor, Fiscal Officer and Budget Analyst) in the preparation. HPHA, through MD Strum, has retained the services of Rector, Lindsay & Reeder to again assist in preparing the FDS submission. The consultant will train the FMO management staff on the procedures for preparing the reports and the consultant will also prepare a policy and procedure manual so written documentation will exist. The HPHA staff will be able to prepare the FDS with their own resources for the next submission.

The HUD reporting requirements will be part of the process review procedure being conducted by MD Strum on the second phase of their assignment. These requirements, including checklists and forms, will be incorporated into the final policy and procedure manual.

**Contact Person:** Gary Marushige, Chief Financial Management Adviso

## **Hawaii Public Housing Authority**

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

<b>Section II – Federal Award Findings and Questioned Costs (continued)</b>
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**Public Housing Capital Fund CFDA No. 14.872 (continued)**

**Finding No.: 2008-06 Reporting – Material Weakness (continued)**

*Target Completion Date:* April 15, 2009

*Status:* Comment still applicable. See finding 2009-11.

**Public and Indian Housing Program CFDA No. 14.850**

**Finding No.: 2008-07 Special Tests and Provisions – Waiting List – Material Weakness**

*Criteria:* 200824 CFR sections 960.204 through 960.207 require the HPHA to establish policies for verification and documentation of information relevant to acceptance or rejection of an applicant. Due to the excess of applicants on the waiting list for low-income housing in comparison to the number of units available, the HPHA's policy for placing applicants into the program is based upon preference criteria. Applicants on the waiting list who met these preference criteria with proper documentation and verification were admitted to the program.

*Condition, cause, and context:* During our review of HPHA's controls over the waiting list policy, we were informed by management that there is no quality review performed over the input of initial application information into the waiting list system. The lack of such a review led to findings such as applicants' applications mistakenly not being inputted or improperly being placed on the waiting list. During our review of the waiting list, we noted that applicants were manually written into the waiting list because their applications were mistakenly overlooked or inputted incorrectly. These mistakes were not corrected until the applicant followed up on the application. We were informed by management that changes to the waiting list are also not being reviewed or monitored.

In our discussions with management and in the performance of our audit, we noted several instances during the fiscal year where a "back log" of applications was not entered into the system on a timely basis. As such several applicants were not included in quarterly re-sequencing. Presently, the "back log" of applications noted during the fiscal year has yet to be resolved. Management also stated that applicants pulled from the waiting list are not monitored. There is no quality review to reassure that applicants are properly being pulled from the waiting list.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2008-07 Special Tests and Provisions – Waiting List – Material Weakness (continued)

Our testing of the waiting list resulted in the following exceptions:

- 1) For 5 out of 40 new participants tested, we noted that documentation on how the tenant was pulled from the waiting list was missing, as such, we could not ascertain whether or not the applicants were properly pulled from the waiting list.
- 2) For 1 out of 40 participants tested, we noted that the initial application submitted by the participant was missing, as such, we could not determine whether or not the participant was initially properly placed on the waiting list.

**Effect:** Failure to adequately maintain and monitor the waiting list in accordance with the administrative policies has resulted in non-compliance with program requirements.

**Questioned costs:** None

**Recommendation:** We recommend that the HPHA follow its Administration Plan guidelines for the waiting list that were submitted to HUD. We also noted that the Administration Plan allows for HPHA to close the waiting list, which we recommend HPHA implement in order to catch up with its “back log” as described above. We also recommend that HPHA evaluate the various functions in the Application Department and determine whether the department has sufficient capacity to manage the volume of applications and/or if there are any inefficient processes that should be revised or eliminated.

**PHA Reply (Corrective Action Plan):** HPHA does not concur with the recommendation of closing the waitlist for public housing. This would require that we advertise in publications which then cause an influx of applications prior to the closing and at the time of reopening. It would take months to bring the resulting backlog to current.

In order to effectively manage the wait list, overtime was allowed for a two month period, where the backlog of applications was processed and brought up to date during the period ending June 30, 2008. The backlog was created because of an administrative rule change notice mailed out to all applicants on the waitlist in September 2007. Over 8,000+ applicants responded and had to be inputted into Emphasys system.

## **Hawaii Public Housing Authority**

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### **Section II – Federal Award Findings and Questioned Costs (continued)**

#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

##### **Finding No.: 2008-07 Special Tests and Provisions – Waiting List – Material Weakness (continued)**

Since mid-July 2008, this section has retained two temporary clerical personnel who are part of the “special team” assignment. This assignment is for a one year period. This section has been able to fill a permanent PHS position as of February 6, 2009.

Application Services Unit (ASU) – Oahu office, has revised and is continuously reviewing its operational procedures. This section is now having the Administrative Assistant process acceptance letters to applicants who have applied. Previously the Public Housing Specialist II did the processing.

The Oahu housing waitlist is currently being purged of nonresponsive addresses by using monthly mass mail outs. This started in staggered stages from January 2009 with the deadline for last mail out being in mid- March.

**Contact Person:** Michi Kanoura-Hatae, Applications Services Supervisor

**Target Completion Date:** June 30, 2009

**Status:** Comment still applicable. See finding 2009-15.

##### **Finding No.: 2008-08 Equipment and Real Property Deficiencies - Material Weakness**

**Criteria:** The requirements for maintaining equipment inventory and capital asset accounting are contained in the Federal Common Rule OMB A-102 and the Code of Federal Regulations. Also, the maintenance of appropriate accounting records and the conducting of physical inventory were annual requirements contained in the 7510, Low-Rent Housing Accounting Guidebook.

**Condition, cause and context:** During the audit, we noted that equipment and construction-in-progress (CIP) were not properly monitored and tracked during the fiscal year. A reconciliation of the detailed fixed assets and CIP to the general ledger was not performed during the year and the detailed listings of additions and deletions were not available until requested by the auditors.

## **Hawaii Public Housing Authority**

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### **Section II – Federal Award Findings and Questioned Costs (continued)**

#### **Public and Indian Housing Program CFDA No. 14.850 (continued)**

#### **Finding No.: 2008-08 Equipment and Real Property Deficiencies - Material Weakness**

Within the Federal Low Rent Program Fund, the HPHA maintains a Construction in Progress (CIP) schedule which details the projects and related costs. However, during our audit, it was noted that the CIP schedule as of June 30, 2008 was not updated for 2008 transactions on a timely basis. Additionally, the HPHA does not maintain an automated detail capital asset register, instead manual excel worksheets and previous detail general ledger printouts are used.

We also noted that the CIP schedule did not detail when projects were completed. Consequently, projects listed within CIP schedule were completed and not transferred to the Capital Assets account. This resulted in a reclassification of CIP assets to Property and Equipment and an adjustment to record the corresponding depreciation expense.

*Effect:* The lack of appropriate monitoring and reporting may lead to misstatement of the equipment and real property balances and non-compliance with program requirements.

*Questioned costs:* None

*Recommendation:* We recommend that the HPHA maintain detailed CIP records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for assets. Complete information such as the above, on all assets, would provide excellent control for the safeguarding of these assets which are significant in costs.

We also recommend that better monitoring, assessment and evaluation of the (CIP) be made regarding the status, completion and transfer of assets from construction in progress to active fixed assets which are being depreciated.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Public and Indian Housing Program CFDA No. 14.850 (continued)

##### Finding No.: 2008-08 Equipment and Real Property Deficiencies - Material Weakness

*PHA Reply (Corrective Action Plan):* The Capital Fund expenditures within the Federal Low Rent Program are presently tracked by the Capital Fund Coordinator using excel worksheets. However, these worksheets were never reconciled to the general ledger. FMO will implement a procedure to reconcile worksheet to General Ledger on a monthly basis. Presently, there is no written procedure for closing projects and re-classing amounts from CIP to fixed assets. FMO will implement a procedure detailing the required close out documents and the process of notification from Construction Management to FMO of the status of completed projects so CIP amounts can be cleared out to fixed assets on a quarterly basis. FMO will also research the availability of packaged software that could accommodate its needs in automating this detailed process.

*Contact Person:* Gary Marushige

*Target Completion Date:* June 30, 2009

*Status:* Comment still applicable. See finding 2009-20.

##### Finding No.: 2008-09 Eligibility – Tenant File Testing

*Criteria:* 24 CFR section 5.601 and 24 CFR sections 960.253, 960.255 and 960.259 require the HPHA to gather information on income, family size and housing conditions for both new and continuing participants on an annual basis. Based on the information gathered, HPHA housing specialist assess whether or not applicants are eligible to participate in the program based on Federal eligibility guidelines.

*Condition, cause, and context:* During our testing of participant files, we noted the following:

- 1) For 2 out of 40 tenant files tested, we noted that an annual re-examination was not performed
- 2) For 1 out of 40 tenant files tested, we noted that the re-examination was not performed on a timely basis
- 3) For 1 out of 40 tenant files tested, we noted that the tenant file was missing certain eligibility documents.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Public and Indian Housing Program CFDA No. 14.850 (continued)

##### Finding No.: 2008-09 Eligibility – Tenant File Testing

*Effect:* Failure to adequately determine eligibility can lead to non-compliance with program requirements and potential disallowed costs.

**Questioned costs:** None

*Recommendation:* We recommend that the HPHA enforce proper implementation of its eligibility policy and procedures and establish a regular quality control review of tenant files by program management. This review and its results should be documented for monitoring at the HPHA management level. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

*PHA Reply (Corrective Action Plan):* HPHA's Property Management Branch has implemented a quality control review of the tenant files on a monthly basis since October 2008. The Monthly Supervisor Review Procedures requires a 10% review of all annual re-exams and new placements. The monthly reviews are submitted to PMMSB and an error analysis is conducted, tracking the number and type of errors for each review. The review logs and error analysis are then submitted to HUD for their review.

*Contact Person:* Stephanie Fo, PMMSB Chief

*Target Completion Date:* June 30, 2009

*Status:* Comment still applicable. See finding 2009-23.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

### Section II – Federal Award Findings and Questioned Costs (continued)

#### Public and Indian Housing Program CFDA No. 14.850 (continued)

#### Finding No.: 2008-10 Special Tests and Provisions – Project Based Budgeting and Accounting, Classification of Costs and Balance Sheet Allocation – Material Weakness

**Criteria:** The follow requirements relate to asset management accounting that HPHA was required to implement during fiscal year 2008:

- 1) **Project Based Accounting:** Per 24 CFR section 990.280(a), PHAs implementing asset management shall develop and maintain a system of budgeting and accounting for each project in a manner that allows for analysis of actual revenues and expenses associated with each property. Financial information to be budgeted and accounted for at a project level shall include all data needed to complete a project-based FDS in accordance with generally accepted accounting principles, including revenues, expenses, assets, liabilities, and equity data.
- 2) **Classification of Costs:** Per 24 CFR section 990.280(d), for PHAs implementing asset management, if a PHA chooses to centralize functions that directly support a project (e.g., central maintenance), it must charge each project using a fee-for-service approach.
- 3) **Balance Sheet Allocation:** Per 24 CFR section 990.280(b)(1), PHAs implementing asset management must apportion their assets, liabilities, and equities to their projects and COCC at the time of conversion to project-based accounting.

**Condition, cause, and context:** Through our discussions with HPHA management and performance of our audit, we noted that due to the lack of training and adequate staffing, asset management accounting as described above was not implemented during the fiscal year.

**Effect:** Failure to adequately monitor and implement project based accounting can lead to non-compliance with program requirements.

**Questioned costs:** None

**Recommendation:** We recommend that the HPHA provide adequate training to its accounting staff to properly implement asset management accounting, including the respective functions of the "emPHAsys" System.

## Hawaii Public Housing Authority

Summary of Schedule of Prior-Year Audit Findings  
Year Ended June 30, 2009

<b>Section II – Federal Award Findings and Questioned Costs (continued)</b>
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**Public and Indian Housing Program CFDA No. 14.850 (continued)**

**Finding No.: 2008-10 Special Tests and Provisions – Project Based Budgeting and Accounting, Classification of Costs and Balance Sheet Allocation – Material Weakness (continued)**

*PHA Reply (Corrective Action Plan):* MD Strum has provided training to the applicable HPHA employees on the principles of asset management and project based accounting. They have also provided specialized training to the FMO staff. HPHA has also provided accounting employees special Emphasys retraining sessions by bringing back the trainer to conduct retraining since February 2009. MD Strum will continue to provide training on the details of asset management to improve the staff's knowledge of the system.

The principles of asset management were implemented through the AMPs but project based accounting was only partially implemented due to a lack of a general ledger. Project based budgeting was implemented with the 2009 fiscal year. HPHA will continue the education of the Fiscal Management Office through MD Strum and monitor the application of project based accounting by holding periodic reviews with the AMPs and Central Office Cost Center (COCC) staff.

*Contact Person:* Gary Marushige, Chief Financial Management Advisor

*Target Completion Date:* June 30, 2009

*Status:* Comment still applicable. See findings 2009-17 and 2009-18.

March 18, 2010

**FOR ACTION**

**SUBJECT:** To Authorize the Executive Director to Adopt Utility Allowance Rates Provided by National Facilities Consultants for the Fiscal Year July 1, 2010 to June 30, 2011 for the Federal Low Income Public Housing Program

**I. FACTS**

- A. Under the provisions of the U.S. Housing Act of 1937, to keep assisted housing affordable for lower-income households, federal housing law directs that the resident's share of rent in federally assisted public housing should equal 30 percent of the household's adjusted monthly income. In interpreting the federal housing law, U.S. Department of Housing and Urban Development (HUD) has defined the total resident payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a PHA determines is necessary to cover the resident's reasonable utility costs is the utility allowance.
- B. Such allowances are estimates of the expenses associated with different types of utilities and their uses. The utilities for which allowances may be provided include electricity, natural gas, propane, fuel oil, wood or coal, and water and sewage service, as well as garbage collection. The functions, or end-uses, covered by an allowance may include space heating, water heating, cooling, refrigeration, lighting, or appliances. Allowances are not provided for telephone service.

**II. DISCUSSION**

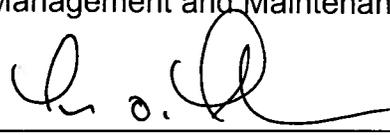
- A. Whether a household receives an allowance for a given utility service generally depends on the way the utilities are metered. Utilities can be metered in one of three ways: master-metered, check metered, and individually metered. Allowances are provided for check metered or individually metered utilities, but not for master-metered utilities.
- B. The HPHA contracts with National Facility Consultants (NFC) to determine the utility allowance rate adjustments for each island. All of the allowances are updated using current rates obtained from utility providers. NFC obtains utility usage information from the utility company for the prior year.
- C. The allowance amounts must be published. A public comment period is required. All residents who receive the utility allowance must be notified 30 days prior to implementation. Last year's effective date was July 1, 2009. For your reference, a sample notice is attached.

**III. RECOMMENDATION**

Allow the Executive Director to take all necessary actions to implement updated utility allowance rates for fiscal year 2010-2011.

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

Approved by the Board of Directors

  
Travis, O. Thompson, Chairperson

**NOTICE OF UTILITY RATE AND ALLOWANCE ADJUSTMENT  
EFFECTIVE JULY 1, 2009**

Pursuant to Hawaii Administrative Rule §17-2028-7, Tenants in federal public housing projects who purchase their own utilities will receive the following adjustments to their utility allowance:

Note: The dollar change amounts in parentheses denote a reduction in the utility allowance. The new utility allowances have been rounded to the next highest dollar.

<b>Project</b>	<b>Current Allowance</b>	<b>Dollar Change</b>	<b>New Allowance</b>
<b>Hale Laulima</b>			
2 bedroom	\$124	\$57	\$181
3 bedroom	\$162	\$75	\$237
<b>Salt Lake</b>			
1 bedroom	\$105	\$47	\$152

<b>Description</b>	<b>Quantity</b>	<b>Oahu</b>
Air conditioner, window type, 10,000 BTU	229 kwh	\$70
Oxygen concentrator, 400W	219 kwh	\$67
Nebulizer, 75W	5 kwh	\$2
Electric hospital bed, 200W	1 kwh	\$1
Alternating pressure pad, 70W	51 kwh	\$16
Low air-pressure mattress, 120W	88 kwh	\$27
Power wheelchair/ scooter, 360W <sup>1</sup>	67 kwh	\$21
Feeding tube, 120w <sup>1</sup>	44 kwh	\$14
CPAP machine, 30W <sup>1</sup>	9 kwh	\$3
Leg Pump <sup>1</sup>	3 kwh	\$1

<sup>1</sup> Additional equipment types requested by tenants.

HPHA does not discriminate against any person because of race, sex, including gender identity or expression, sexual orientation, color, religion, marital status, familial status, ancestry, disability, age, or human immunodeficiency virus infection.

Chad K. Taniguchi  
Executive Director  
Hawaii Public Housing Authority  
Department of Human Services  
State of Hawaii



April 24, 2009

**Approved by the Board of Directors at its meeting on  
MAR 18 2010**

**PROPERTY MANAGEMENT & MAINTENANCE BRANCH**

**Please take necessary action**

**EXECUTIVE DIRECTOR**

March 18, 2010

## FOR ACTION

**SUBJECT:** To Approve the Hawaii Public Housing Authority's Annual Public Housing Agency Plan for the Fiscal Year Beginning July 1, 2010 to June 30, 2011 and to Authorize the Executive Director to Take Required Actions to Submit the Approved Plan to the U.S. Department Of Housing and Urban Development

### I. FACTS

- A. The FY 2010-2011 Annual Public Housing Agency (PHA) Plan modifies and updates the status of the goals and objectives set out in the HPHA 2009 – 2014 Five Year and Annual Plan as approved by the Board on April 16, 2009.
- B. Public notice of hearings on the draft PHA Plan, required by 24 Code of Federal Regulations, Part 903.17, was approved by the Board of Directors on January 21, 2010 and published in the Honolulu Star Bulletin, The Garden Island (Kauai), The Maui News, West Hawaii Today (Kailua-Kona), and the Hawaii Tribune Herald (Hilo) the week of January 25, 2010.
- C. On February 18, 2010, the HPHA Board of Directors voted to accept the HPHA draft annual PHA plan for FY 2010 – 2011 as published, subject to comments at the public hearing. Public hearings were held in each county on March 15, 2010. A summary of the testimony received prior to and at the hearings was completed. (Attachment A)
- D. Meetings with the Resident Advisory Board (RAB) on the draft PHA Plan started in September 2009 and concluded on March 8, 2010. A summary of the RAB's final recommendations and HPHA's response was prepared. (Attachment B)
- E. HPHA must electronically submit the final proposed PHA Plan and required attachments to the local Honolulu HUD Office no later than April 16, 2010 for its review and subsequent approval.

### II. DISCUSSION

- A. HPHA staff reviewed and considered all testimony received prior to and at the public hearings, along with recommendations of the RAB. Appropriate changes were made to the draft PHA Plan. The changes made to the draft plan are non-substantial and therefore do not require additional public hearings. They are summarized in Attachment C.
- B. Discussion will continue with the RAB on the details and implementation of changes included in the PHA Plan, once it is approved by the Board and HUD.
- C. Attachment D is the proposed final FY 2010-2011 PHA Plan, subject to changes approved by the Board, and will be submitted to HUD upon approval.

**III. RECOMMENDATION**

That the HPHA Board of Directors approves HPHA's final Public Housing Agency (PHA) 5-Year and Annual Plans for 2009 and authorizes the Executive Director to submit it along with required documents to the Department of Housing and Urban Development on April 17, 2009.

- Attachment A: Summary of Public Testimony
- Attachment B: RAB Recommendations and HPHA Response
- Attachment C: Summary of Changes to the Draft PHA Plan
- Attachment D: Final Proposed FY 2010-2011 PHA Plan

Prepared by: Alan Sarhan, Planner



Approved by the Board of Directors

Travis O. Thompson, Chairperson

**Approved by the Board of Directors at its meeting on:**

MAR 18 2010

**PLANNING OFFICE**

**Please take necessary action**



**EXECUTIVE DIRECTOR**

March 18, 2010

**FOR ACTION**

**SUBJECT:** To Ratify the Hawaii Public Housing Authority's Amended Five Year and Annual Plan for the Fiscal Year July 1, 2009 to June 30, 2010 and to Authorize the Executive Director to Take Required Actions to Submit the Amended Plan to the U.S. Department Of Housing and Urban Development

**A. FACTS**

1. Under the ARRA formula allocation for capital funds, the Hawaii Public Housing Authority (HPHA) received \$16,245,443.00 for capital improvement activities.
2. On March 19, 2009, the HPHA Board approved the proposed projects to be funded under the federal American Recovery and Reinvestment Act (ARRA) capital fund grant.
3. On February 18, 2010 the HPHA Board authorized HPHA staff to hold hearings on changes to the Fiscal Year 2009-2010 Capital Fund Plan in order to amend the projects to be funded under ARRA. Notice of public hearing was published in newspapers in each county on March 1, 2010 and hearings held on March 10, 2010. No testimony in support or opposition was received. Attachment A is the explanation of the changes posted for public review on the HPHA web site.
4. HPHA staff discussed the proposed amendment with the Resident Advisory Board (RAB) on March 8, 2010. The RAB members present were in support of the amendment.

**B. DISCUSSION**

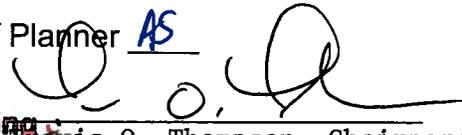
1. Without this amendment to the ARRA portion of the Five Year and Annual Plan for Fiscal Year July 1, 2009 to June 30, 2010, HPHA will not be able to meet ARRA deadlines for obligation of funds, and unobligated funds will have to be returned to HUD.
2. There is no opposition to the proposed changes on the part of the public or the RAB.

**C. RECOMMENDATION**

That the HPHA Board of Directors Ratify the Hawaii Public Housing Authority's Amended Five Year and Annual Plan for the Fiscal Year July 1, 2009 to June 30, 2010 and to Authorize the Executive Director to Take Required Actions to Submit the Amended Plan to the U.S. Department Of Housing and Urban Development

Attachment A: Explanation of Plan Amendment

Prepared by: Alan Sarhan, Chief Planner 



Travis O. Thompson, Chairperson

Approved by the Board of Directors at its meeting

MAR 18 2010

**PLANNING OFFICE**

**Please take necessary action**

For Action – March 18, 2010 

**EXECUTIVE DIRECTOR**

Property Management and Maintenance Services Branch  
Report for the Month Ending February 28, 2010

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

A. Fix Units

At the end of February 2010, the agency had 336 vacant units that needed repair

Month	Move Ins	Move Outs	Rent Ready Pending Placement
February 2010	35	20	28
January 2010	27	48	24
December 2009	59	19	48
November 2009	31	35	41
October 2009	31	47	30
September 2009	57	45	35

B. Fill Units

State Occupancy Report: February 2010

Project	Occupancy				
	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready
2201 Hauiki	45	97.83%	97.83%	1	0
2202 Puahala Homes	107	83.59%	**84.38%	20	4
2204 Kawailehua	23	88.46%	92.31%	2	0
2205 Kahale Mua	28	87.50%	81.25%	6	0
2206 Lokahi	14	46.67%	46.67%	16	0
2207 Ke Kumu Elua	11	42.31%	42.31%	15	2
2401 Hale Po'ai	203	98.54%	99.03%	2	0
2402 La'iola	104	96.30%	98.15%	2	0
2403 Kamalu-Ho'olulu	217	98.19%	99.10%	2	2
2404 Halia Hale	40	97.56%	97.56%	1	1
<b>Total</b>	<b>864</b>	<b>792</b>	<b>91.67%</b>	<b>72</b>	<b>11</b>

- Puahala Homes includes \*14 homeless units in addition to the 6 vacant units, 4 of the 6 units are currently ready for occupancy. \*\*Actual occupancy rate with homeless units as occupied is 95.31%.
- Kawailehua has 2 units waiting for the painting contract to be issued this month.
- Kahale Mua has 4 vacant units, 2 are CMS units and 2 units are scheduled for placement in March 2010.
- Lokahi (30 units) is being modernized. The projected ready dates for each phase (approximately 6 units per phase) is listed below:
  - Phase 1 - April 2010
  - Phase 2 - May 2010
  - Phase 3 - July 2010
  - Phase 4 - September 2010
  - Phase 5 - January 2011

As units become rent ready in each phase they will be used to transfer tenants from the next phase until the Modernization is complete.

- Ke Kumu Elua – currently 14 vacant units, management has completed interior repairs on 10 units, PMMSB procurement of interior painting delayed to March, 2010. Two units have been referred to CMS due to earthquake damage, 3 units are rent ready.

**Human Resources Task Force Report**  
**March 18, 2010**

Sub-Committee Members: Shirley Befitel, Carol Ignacio, Henry Oliva, Mattie Yoshioka

- Your Human Resources Task Force met on March 11, 2010 via teleconference.
- As a result of the Board's February 18, 2010 meeting, the board concurred with the Task Force's recommendations to fill 9 critical positions at HPHA.
- HPHA will be responsible to submit a "Request to Fill" memo for Governor's approval for all of the positions.
- The purpose of the meeting was to get the status on the progress of the letters of requests to the Governor for approval.
- HPHA completed 7 requests to fill and submitted to DHS for further review; DHS will forward to Governor's office. (see attached listing). The Fiscal Officer is pending review at DHS Director's office, and other 6 positions are still in review at DHS Recruitment Office.
- The HPHA Executive Director is requesting an additional three (3) positions for consideration. These are Contract Administrator (Construction Branch), Property Management Coordinator II, and Section 8 Branch Chief.
- As of March 16, 2010 the remaining of the 9 positions that are still awaiting for manager to submit the request are Budget Resource Specialists and Property Management Coordinator/Specialist.

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of March 4, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
<b>FISCAL MANAGEMENT OFFICE</b>						
41041	CS	N	P	Fiscal Officer I	SR26	Sent to DHS on 2/23/10; pending Gov's approval.
100923	EX	N	P	Budget Resources Specialist	SRNA	Awaiting request to fill memo from manager.
<b>CONSTRUCTION MANAGEMENT SECTION</b>						
10887	CS	N	P	Engineer V	SR24	Sent to DHS on 3/12/10; pending Gov's approval.
103024	EX	N	E	Contract Administrator	SRNA	Awaiting request to fill memo from manager.
<b>PLANNING AND EVALUATION OFFICE</b>						
107934	EX	N	T	Housing Planner	SRNA	Sent to DHS on 3/15/10; pending Gov's approval.
<b>ASSET MANAGEMENT PROJECT 38 (MU 8)</b>						
41349	CS	N	P	Public Housing Supervisor IV	SR22	Sent to DHS on 3/15/10; pending Gov's approval
8756	CS	N	P	Bldg Maint Wkr I	BC09	Sent to DHS on 3/15/10; pending Gov's approval
10541	CS	N	P	Bldg Maint Helper	BC05	Sent to DHS on 3/15/10; pending Gov's approval
43948	CS	N	P	General Laborer I	BC02	Sent to DHS on 3/15/10; pending Gov's approval
<b>PRIVATE MANAGEMENT CONTRACTS SECTION (PMCS)</b>						
100986	EX	N	T	Property Management Coordinator II	SRNA	Awaiting request to fill memo from manager.
117841	EX	N	T	Property Management Specialist	SRNA	Awaiting request to fill memo from manager.
<b>RENT SUBSIDY PROGRAMS BRANCH (S8SPB)</b>						
41280	CS	N	P	Public Hsg Supervisor V	SR24	OED completed the request and pending signature.

Federal Occupancy Report: February 2010

Occupancy					
AMP	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready
30 Aiea	362	354	97.79%	8	7
31 KVH	372	323	86.83%	49	1
32 MWH	363	356	98.07%	7	1
33 Kam/Kaahumanu	371	367	98.92%	4	2
34 Kalakaua	581	563	96.90%	18	0
35 Kalanihuia	584	559	95.72%	25	2
37 Hilo	301	273	90.70%	28	1
38 Kauai	319	302	94.67%	17	0
39 Maui	196	133	67.86%	63	2
40 KPT	738	696	94.31%	42	2
43 Kona	199	187	93.97%	12	3
44 Leeward Oahu	258	218	84.50%	40	4
45 Windward Oahu	225	223	99.11%	2	0
46 Kamuela	101	83	82.18%	18	1
49 Central Oahu	150	125	83.33%	25	1
50 Palolo	115	109	94.78%	6	1
Total	5,236	4871	93.05%	364	28

- AMP 31: Kalihi Valley Homes - Phase 4A, 22 units under modernization. Notice to Proceed was issued and construction began October 26, 2009. Construction period is 12 months. 17 units with roof leaks to be repaired by contractor when funds are identified. 2 units being utilized for temporary relocation and 2 units vacant due to health and safety. 6 units to be repaired by AMP.
- AMP 37: 11 vacant units being held for relocation. CMS to repair 10 for future contracts and AMP is repairing the remaining 6 units, 1 unit is ready to rent.
- AMP 38: 8 units waiting for painting contract to be issued this month.
- AMP 39: Maui –Of the 55 CMS units being repaired, 30 units have been completed; 6 units AMP to do janitorial. To date, 14 units became occupied with a projected 10 more families to be placed in March 2010.

The termite tenting of the building will commence after the Kahekili units are renovated and CMS is working on a supplemental extension contract.

Kahekili Terrace and the project continues to have roof leaks, tenants are being transferred to other vacant units until the leaks are addressed.

- AMP 40: Kuhio Park Terrace – 26 units under repair by CMS (13 roof leaks, 11 sewer repairs, 1 burn and 1 spalling). 12 units to be repaired by AMP and 2 are rent ready.
- AMP 43 Kona – 2 units deprogrammed, 2 units assigned to CMS, 4 families evicted during the month of February, units will be repaired by AMP. Doing termite treatment on the 4 units. 3 units are rent ready and 3 will be repaired by AMP.
- AMP 44: Leeward – 41 vacant, 13 are assigned to CMS and 2 are occupied; 4 are available; 1 vacant to be contracted out; 11 units scheduled to become available in March; 2 units scheduled to become available in April; balance to be come available in May.

- AMP 46: Kamuela – 5 units referred to CMS. 7 units are on relocation hold for Hale Hauoli (8 are needed), 3 rent ready, 4 units under repair by AMP staff.
- AMP 49: Central Oahu – Of the 22 vacancies, 17 are assigned to CMS. 2 units became occupied in February; 2 units scheduled to become available in March; and 1 in April. Units assigned to CMS are for roof repair.
- AMP 50: Palolo - 4 units to be repaired:
  - 7B – Scheduled for placement 3/24/10
  - 7D – Scheduled for placement 4/13/10
  - 7E – Pending abatement
  - 11C – Maintenance Hold

**Applications:** 27 qualified applicants were referred to the AMPs for placement. 2 offers of housing were refused in January 2010. These families refused the unit they were offered, after they were screened and all documentation and calculations were completed. Reasons for the refusals were due to lack of funds, rent was too high and not wanting to leave area they currently reside in. Applicants who refused the unit offers were cancelled and removed from all waiting lists.

C. Rent Collection February 2010

Federal Rent Collection

AMP	Count of Families	30-90 Days	Count of Families	Over 90 Days	AMP Collection Ratio
30 Aiea	13	6,126.98	1	248.00	105.10%
31 KVH	10	6,447.45	6	10,225.17	107.44%
32 MWH	9	5,426.37	8	15,439.87	106.72%
33 Kam/Kaahumanu	4	2,153.27	3	23,846.09	102.99%
34 Kalakaua	3	871.64	2	1,590.24	98.99%
35 Kalanihouia	8	2,402.90	6	4,536.29	102.47%
37 Hilo	11	3,760.50	8	5,594.52	107.85%
38 Kauai	23	10,572.92	11	17,385.20	99.37%
39 Maui	8	2,127.57	4	1,326.16	102.39%
40 KPT	42	17,607.47	15	31,656.22	117.23%
43 Kona	6	2,399.00	4	5,114.07	112.93%
44 Leeward Oahu	23	10,106.92	24	33,182.17	163.04%
45 Windward Oahu	14	9,482.96	7	7,773.00	105.72%
46 Kamuela	5	2,383.00	9	7,944.24	101.57%
49 Central Oahu	7	6,777.42	2	3,086.00	97.02%
50 Palolo	11	7,840.00	9	18,202.31	89.93%
<b>Total</b>	<b>197</b>	<b>\$ 96,486.37</b>	<b>119</b>	<b>\$ 187,149.55</b>	<b>107.58%</b>

During the month of February 2010, there were 7 evictions and 18 families were referred for eviction. Of the 18 families referred for eviction, 13 families were referred for rent and 5 for non-rent violations. (9 referred in December, 40 referred in November 2009, 32 referred in October 2009, 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 37 - Two tenants evicted, pending writ (\$4,650), two households being referred for eviction (\$4,000), and nine households are on repayment plans (\$5,566). Two additional households have requested a grievance hearing to dispute billing (\$774).

AMP 43 – 3 households on payment plan. 1 family referred for eviction and the remainder paid.

AMP 46 – 5 accounts pending eviction.

## State Rent Collection

Island	Non Vacated Delinquencies				AMP Collection Ratio
	Count of Families	30-90 Days	Count of Families	Over 90 Days	
2201-Hauiki	6	\$ 4,422.73	14	\$ 135,694.71	117.66%
2202-Puahala Homes	10	\$ 8,393.08	26	\$ 163,445.65	107.89%
2204-Kawailehua	2	\$ 1,692.00	2	\$ 2,415.46	78.61%
2205-Kahale Mua	3	\$ 1,134.00	18	\$ 20,538.37	133.05%
2206-Lokahi	1	\$ 229.00	2	\$ 12,591.50	88.83%
2207-Ke Kumu Elua	5	\$ 1,728.30	6	\$ 3,655.67	79.33%
2401-Hale Po'ai	0	\$ -	5	\$ 2,284.00	100.03%
2402-La'iola	1	\$ 632.00	8	\$ 2,618.52	99.64%
2403-Kamalu-Ho'olulu	3	\$ 632.50	1	\$ 4.40	107.26%
2404-Halia Hale	0	\$ -	0	\$ -	100.85%
<b>Total</b>	<b>31</b>	<b>\$ 18,863.61</b>	<b>82</b>	<b>\$ 343,248.28</b>	<b>104.30%</b>

Kawailehua – Payment plan in progress and interim certification pending.

Kahale Mua – 3 accounts are pending eviction.

Lokahi – 1 account with AG's Office for eviction

Ke Kumu Elua – 4 accounts pending eviction.

### D. Goals

- Implement New Uniform House Rules – Draft complete and submitted to Managers for comment by 2/19/10. Will need Board approval and public comment. Target date is April 2010.
- Implement Tenant Monitor Program – Revision to ACOP required for income exclusion before implementation. Target date is end of fiscal year.
- Update Maintenance Charge List – February 2010 - Draft complete and submitted to Managers for comment. Target date is March 2010.
- Update Property Management Manual – Draft complete. Target date is April 2010.

### E. Updates from previous Board Meetings

Feed back from Asset Management Training. Managers felt training was useful. They appreciated that the trainers were knowledgeable about Public Housing and what their job entails. The Managers would like more training similar to this in the future. PMMSB plans to budget for yearly trainings in the future.

### F. Property Sales

- Sale of Wilikina Apartments – Purchase and sale agreement scheduled to be signed. PMMSB providing documents for due diligence.
- Sale of Banyan Street Manor – Purchase and sale agreement signed 1/22/10. PMMSB providing documents for due diligence.
- Sale of Hana vacant parcel – Pending appraisal.

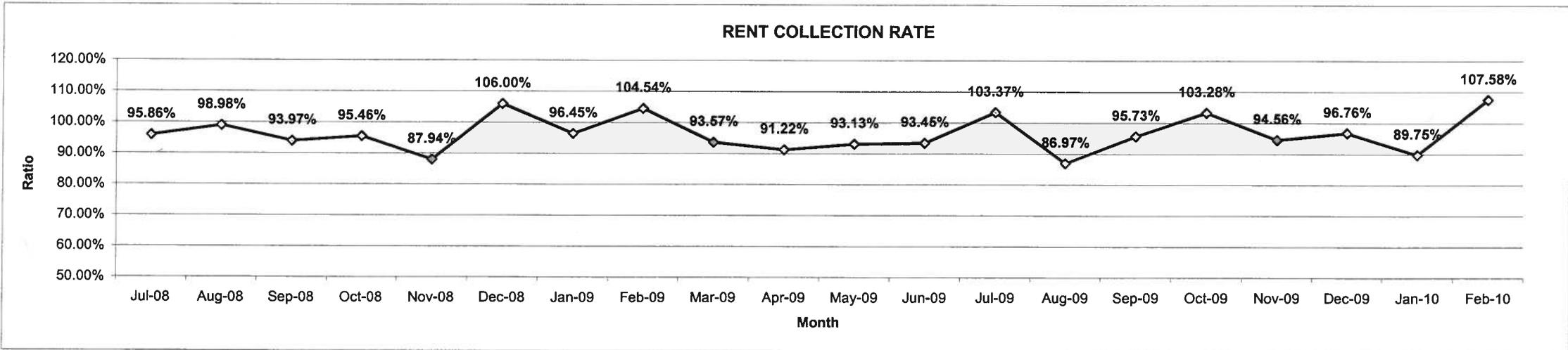
**FEDERAL PUBLIC HOUSING**  
**Rent Collection from July 2008 to February 2010**

	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%
Maui	\$ 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%
<b>Total</b>	<b>\$ 1,444,135.34</b>	<b>\$ 1,384,293.95</b>	<b>95.86%</b>	<b>\$ 1,447,399.53</b>	<b>\$ 1,432,599.05</b>	<b>98.98%</b>	<b>\$ 1,450,305.45</b>	<b>\$ 1,362,797.29</b>	<b>93.97%</b>	<b>\$ 1,454,689.22</b>	<b>\$ 1,388,631.10</b>	<b>95.46%</b>	<b>\$ 1,473,146.36</b>	<b>\$ 1,295,428.06</b>	<b>87.94%</b>	<b>\$ 1,481,792.82</b>	<b>\$ 1,570,639.53</b>	<b>106.00%</b>

	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%
Maui	\$ 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%
<b>Total</b>	<b>\$ 1,489,917.88</b>	<b>\$ 1,437,054.33</b>	<b>96.45%</b>	<b>\$ 1,484,841.70</b>	<b>\$ 1,552,182.58</b>	<b>104.54%</b>	<b>\$ 1,488,425.07</b>	<b>\$ 1,392,787.37</b>	<b>93.57%</b>	<b>\$ 1,485,350.61</b>	<b>\$ 1,354,885.49</b>	<b>91.22%</b>	<b>\$ 1,483,148.00</b>	<b>\$ 1,381,252.22</b>	<b>93.13%</b>	<b>\$ 1,479,130.44</b>	<b>\$ 1,382,286.70</b>	<b>93.45%</b>

	Jul-09			Aug-09			Sep-09			Oct-09			Nov-09			Dec-09		
	Charges	Collected	Ratio	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%	\$ 116,820.00	\$ 112,301.32	96.13%	\$114,069.72	\$119,412.98	104.68%
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%	\$ 75,024.00	\$ 69,266.58	92.33%	\$76,423.00	\$75,161.64	98.35%
Maui	\$ 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%	\$ 41,421.00	\$ 41,035.33	99.07%	\$41,265.00	\$42,481.46	102.95%
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%	\$ 1,118,029.91	\$ 1,055,189.15	94.38%	\$1,120,641.22	\$1,071,584.35	95.62%
<b>Total</b>	<b>\$ 1,391,972.03</b>	<b>\$ 1,438,880.53</b>	<b>103.37%</b>	<b>\$ 1,382,119.02</b>	<b>\$ 1,202,011.86</b>	<b>86.97%</b>	<b>\$ 1,360,798.19</b>	<b>\$ 1,302,675.34</b>	<b>95.73%</b>	<b>\$ 1,355,993.06</b>	<b>\$ 1,400,444.94</b>	<b>103.28%</b>	<b>\$ 1,351,294.91</b>	<b>\$ 1,277,792.38</b>	<b>94.56%</b>	<b>\$ 1,352,398.94</b>	<b>\$ 1,308,640.43</b>	<b>96.78%</b>

	Jan-10			Feb-10		
	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$116,704.72	\$100,450.20	86.07%	\$ 114,112.72	\$ 123,818.28	108.51%
Kauai	\$76,185.00	\$65,796.55	86.36%	\$ 79,317.00	\$ 78,818.84	99.37%
Maui	\$41,683.00	\$37,016.56	88.80%	\$ 39,286.00	\$ 40,224.33	102.39%
Oahu	\$1,121,888.75	\$1,014,179.21	90.40%	\$ 1,123,281.42	\$ 1,215,939.13	108.25%
<b>Total</b>	<b>\$ 1,356,461.47</b>	<b>\$ 1,217,442.52</b>	<b>89.75%</b>	<b>\$ 1,355,997.14</b>	<b>\$ 1,458,800.58</b>	<b>107.58%</b>



**Federal LIPH  
HPHA Island Overview Report  
February 2010**

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	601	543	90.35%	58	5	7	14	6	0	1,312	64	4	3
Kauai	319	302	94.67%	17	0	4	0	0	0	189	72	0	0
Maui	196	133	67.86%	63	2	4	4	2	1	252	44	1	2
Oahu	4,119	3,893	94.51%	226	21	23	35	10	5	6,445	1,455	14	22
<b>Total</b>	<b>5,235</b>	<b>4,871</b>	<b>93.05%</b>	<b>364</b>	<b>28</b>	<b>38</b>	<b>53</b>	<b>18</b>	<b>6</b>	<b>8,885</b>	<b>1,610</b>	<b>19</b>	<b>27</b>

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	22	\$ 8,542.50	21	\$ 18,652.83	\$ 114,112.72	\$ 123,818.28	108.51%
Kauai	23	\$ 10,572.92	11	\$ 17,385.20	\$ 79,317.00	\$ 78,818.84	99.37%
Maui	8	\$ 2,127.57	4	\$ 1,326.16	\$ 39,286.00	\$ 40,224.33	102.39%
Oahu	144	\$ 75,243.38	83	\$ 149,785.36	\$ 1,123,281.42	\$ 1,215,939.13	108.25%
<b>Total</b>	<b>197</b>	<b>\$ 96,486.37</b>	<b>119</b>	<b>\$ 187,149.55</b>	<b>\$ 1,355,997.14</b>	<b>\$ 1,458,800.58</b>	<b>107.58%</b>

\* Occupancy also counts Scheduled for Modernization Units.

\*\* Please notice 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  
February 2010**

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	354	97.79%	8	7	1	2	0	0	4797	0	12	0
31P-KVH	372	323	86.83%	49	1	1	0	0	1	4797	0	12	0
32P-MWH	363	356	98.07%	7	1	2	2	2	0	4797	0	12	0
33P-Kam/Kaamanu	371	367	98.92%	4	2	0	2	0	0	4797	0	12	0
34P-Kalakaua	581	563	96.90%	18	0	3	4	3	0	0	1397	0	22
35P-Kalanihiua	584	559	95.72%	25	2	4	11	1	1	4797	1397	12	22
37P-Hilo	301	273	90.70%	28	1	5	6	3	0	530	57	1	1
38P-Kauai	319	302	94.67%	17	0	4	0	0	0	189	72	0	0
39P-Maui	196	133	67.86%	63	2	4	4	2	1	252	44	1	2
40P-KPT	738	696	94.31%	42	2	5	6	1	1	4797	0	0	0
43P-Kona	199	187	93.97%	12	3	2	4	0	0	860	8	3	2
44P-Leeward Oahu	258	218	84.50%	40	4	3	2	0	2	2282	0	0	0
45P-Windward Oahu	225	223	99.11%	2	0	0	3	1	0	1612	0	2	0
46P-Kamuela	101	83	82.18%	18	1	0	4	3	0	860	8	0	2
49P-Central Oahu	150	125	83.33%	25	1	3	1	1	0	1305	197	0	0
50P-Palolo	115	109	94.78%	6	1	1	2	1	0	4797	0	0	0
<b>Total</b>	<b>5,235</b>	<b>4,871</b>	<b>93.05%</b>	<b>364</b>	<b>28</b>	<b>38</b>	<b>53</b>	<b>18</b>	<b>6</b>	<b>8,885</b>	<b>1,610</b>	<b>19</b>	<b>27</b>

AMP	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	13	6,126.98	1	248.00	\$ 145,462.00	152,877.13	105.10%
31P-KVH	10	6,447.45	6	10,225.17	\$ 84,917.00	91,235.12	107.44%
32P-MWH	9	5,426.37	8	15,439.87	\$ 104,502.99	111,529.93	106.72%
33P-Kam/Kaamanu	4	2,153.27	3	23,846.09	\$ 96,715.13	99,606.56	102.99%
34P-Kalakaua	3	871.64	2	1,590.24	\$ 131,555.30	130,228.46	98.99%
35P-Kalanihiua	8	2,402.90	6	4,536.29	\$ 136,868.00	140,252.34	102.47%
37P-Hilo	11	3,760.50	8	5,594.52	\$ 63,281.72	68,246.59	107.85%
38P-Kauai	23	10,572.92	11	17,385.20	\$ 79,317.00	78,818.84	99.37%
39P-Maui	8	2,127.57	4	1,326.16	\$ 39,286.00	40,224.33	102.39%
40P-KPT	42	17,607.47	15	31,656.22	\$ 256,941.00	301,224.44	117.23%
43P-Kona	6	2,399.00	4	5,114.07	\$ 34,695.00	39,182.75	112.93%
44P-Leeward Oahu	23	10,106.92	24	33,182.17	\$ 35,561.00	57,979.76	163.04%
45P-Windward Oahu	14	9,482.96	7	7,773.00	\$ 66,309.00	70,100.32	105.72%
46P-Kamuela	5	2,383.00	9	7,944.24	\$ 16,136.00	16,388.94	101.57%
49P-Central Oahu	7	6,777.42	2	3,086.00	\$ 41,533.00	40,295.75	97.02%
50P-Palolo	11	7,840.00	9	18,202.31	\$ 22,917.00	20,609.32	89.93%
<b>Total</b>	<b>197</b>	<b>\$ 96,486.37</b>	<b>119</b>	<b>\$ 187,149.55</b>	<b>\$ 1,355,997.14</b>	<b>\$ 1,458,800.58</b>	<b>107.58%</b>

\* Occupancy also counts Scheduled for Modernization Units.

\*\* Please notice 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).

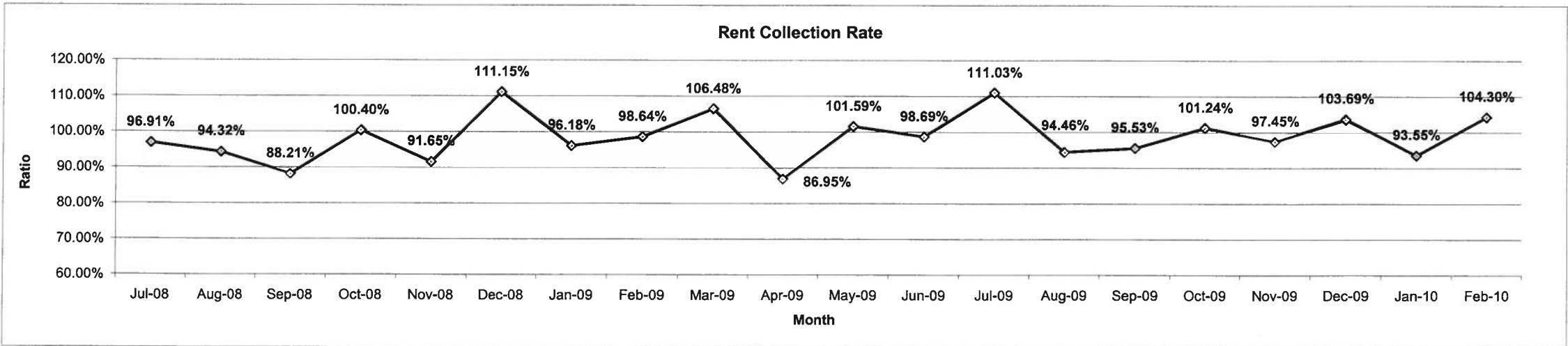
**STATE PUBLIC HOUSING**  
**Rent Collection from July 2008 to February 2010**

	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%
<b>Total</b>	<b>\$ 232,634.00</b>	<b>\$ 225,445.10</b>	<b>96.91%</b>	<b>\$ 232,528.00</b>	<b>\$ 219,331.64</b>	<b>94.32%</b>	<b>\$ 235,436.00</b>	<b>\$ 207,688.21</b>	<b>88.21%</b>	<b>\$ 235,151.00</b>	<b>\$ 236,094.10</b>	<b>100.40%</b>	<b>\$ 236,639.00</b>	<b>\$ 216,877.89</b>	<b>91.65%</b>	<b>\$ 236,857.00</b>	<b>\$ 263,264.29</b>	<b>111.15%</b>

	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%
<b>Total</b>	<b>\$ 241,017.00</b>	<b>\$ 231,810.49</b>	<b>96.18%</b>	<b>\$ 243,561.00</b>	<b>\$ 240,239.52</b>	<b>98.64%</b>	<b>\$ 242,769.00</b>	<b>\$ 258,494.59</b>	<b>106.48%</b>	<b>\$ 245,702.00</b>	<b>\$ 213,648.18</b>	<b>86.95%</b>	<b>\$ 244,045.00</b>	<b>\$ 247,917.62</b>	<b>101.59%</b>	<b>\$ 244,305.00</b>	<b>\$ 241,105.96</b>	<b>98.69%</b>

	Jul-09			Aug-09			Sep-09			Oct-09			Nov-09			Dec-09		
	Charges	Collected	Ratio	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%	\$ 8,421.00	\$ 8,585.00	101.95%	\$ 8,209.00	\$ 8,815.49	107.39%
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%	\$ 5,269.00	\$ 7,091.00	134.58%	\$ 5,380.00	\$ 4,518.00	83.98%
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%	\$ 5,352.00	\$ 5,320.00	99.40%	\$ 5,235.00	\$ 5,065.00	96.75%
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%	\$ 227,911.00	\$ 219,664.64	96.38%	\$ 228,223.00	\$ 237,762.94	104.18%
<b>Total</b>	<b>\$ 246,760.00</b>	<b>\$ 273,973.74</b>	<b>111.03%</b>	<b>\$ 247,747.00</b>	<b>\$ 234,010.10</b>	<b>94.46%</b>	<b>\$ 246,356.00</b>	<b>\$ 235,349.72</b>	<b>95.53%</b>	<b>\$ 247,411.00</b>	<b>\$ 250,481.79</b>	<b>101.24%</b>	<b>\$ 246,953.00</b>	<b>\$ 240,660.64</b>	<b>97.45%</b>	<b>\$ 247,047.00</b>	<b>\$ 256,161.43</b>	<b>103.69%</b>

	Jan-10			Feb-10		
	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 8,716.00	\$ 8,408.62	96.47%	\$ 8,882.00	\$ 7,628.00	85.88%
Kauai	\$ 5,639.00	\$ 4,493.00	79.68%	\$ 5,297.00	\$ 4,164.11	78.61%
Maui	\$ 5,195.00	\$ 4,667.00	89.84%	\$ 5,379.00	\$ 7,157.00	133.05%
Oahu	\$ 229,851.00	\$ 215,748.79	93.86%	\$ 227,881.00	\$ 239,141.25	104.94%
<b>Total</b>	<b>\$ 249,401.00</b>	<b>\$ 233,317.41</b>	<b>93.55%</b>	<b>\$ 247,439.00</b>	<b>\$ 258,090.36</b>	<b>104.30%</b>



**State LIPH  
HPHA Island Overview Report  
February 2010**

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	0	0	0	1,279	0	0	0
Kauai	26	23	88.46%	3	0	0	0	0	0	91	0	0	0
Maui	32	28	87.50%	4	0	0	2	0	0	38	0	0	0
Oahu	750	716	95.47%	34	9	7	8	2	0	5,495	495	0	5
<b>Total</b>	<b>864</b>	<b>792</b>	<b>91.67%</b>	<b>72</b>	<b>11</b>	<b>7</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>6,821</b>	<b>495</b>	<b>0</b>	<b>5</b>

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	6	\$ 1,957.30	8	\$ 16,247.17	\$ 8,882.00	\$ 7,628.00	85.88%
Kauai	2	\$ 1,692.00	2	\$ 2,415.46	\$ 5,297.00	\$ 4,164.11	78.61%
Maui	3	\$ 1,134.00	18	\$ 20,538.37	\$ 5,379.00	\$ 7,157.00	133.05%
Oahu	20	\$ 14,080.31	54	\$ 304,047.28	\$ 227,881.00	\$ 239,141.25	104.94%
<b>Total</b>	<b>31</b>	<b>\$ 18,863.61</b>	<b>82</b>	<b>\$ 343,248.28</b>	<b>\$ 247,439.00</b>	<b>\$ 258,090.36</b>	<b>104.30%</b>

\* Occupancy also counts Scheduled for Modernization Units.

\*\* Please notice 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 LIPH  
HPHA Project Overview Report  
February 2010**

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	0	0	0	5420	0	0	0
2202-Puahala Homes	128	107	83.59%	21	4	0	0	0	0	223	0	0	0
2204-Kawailehua	26	23	88.46%	3	0	0	0	0	0	91	0	0	0
2205-Kahale Mua	32	28	87.50%	4	0	0	2	0	0	38	0	0	0
2206-Lokahi	30	14	46.67%	16	0	0	0	0	0	687	0	0	0
2207-Ke Kumu Elua	26	11	42.31%	15	2	0	0	0	0	650	0	0	0
2401-Hale Po'ai	206	203	98.54%	3	0	2	2	1	0	0	304	0	3
2402-La'iola	108	104	96.30%	4	0	3	1	0	0	0	92	0	1
2403-Kamalu-Ho'olulu	221	217	98.19%	4	4	2	3	1	0	0	140	0	1
2404-Halia Hale	41	40	97.56%	1	1	0	2	0	0	0	140	0	0
<b>Total</b>	<b>864</b>	<b>792</b>	<b>91.67%</b>	<b>72</b>	<b>11</b>	<b>7</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>6,821</b>	<b>495</b>	<b>0</b>	<b>5</b>

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	6	\$ 4,422.73	14	\$ 135,694.71	\$ 19,188.00	22,577.11	117.66%
2202-Puahala Homes	10	\$ 8,393.08	26	\$ 163,445.65	\$ 41,717.00	45,007.14	107.89%
2204-Kawailehua	2	\$ 1,692.00	2	\$ 2,415.46	\$ 5,297.00	4,164.11	78.61%
2205-Kahale Mua	3	\$ 1,134.00	18	\$ 20,538.37	\$ 5,379.00	7,157.00	133.05%
2206-Lokahi	1	\$ 229.00	2	\$ 12,591.50	\$ 6,124.00	5,440.00	88.83%
2207-Ke Kumu Elua	5	\$ 1,728.30	6	\$ 3,655.67	\$ 2,758.00	2,188.00	79.33%
2401-Hale Po'ai	0	\$ -	5	\$ 2,284.00	\$ 58,221.00	58,237.00	100.03%
2402-La'iola	1	\$ 632.00	8	\$ 2,618.52	\$ 33,998.00	33,877.00	99.64%
2403-Kamalu-Ho'olulu	3	\$ 632.50	1	\$ 4.40	\$ 63,199.00	67,787.00	107.26%
2404-Halia Hale	0	\$ -	0	\$ -	\$ 11,558.00	11,656.00	100.85%
<b>Total</b>	<b>31</b>	<b>\$ 18,863.61</b>	<b>82</b>	<b>\$ 343,248.28</b>	<b>\$ 247,439.00</b>	<b>\$ 258,090.36</b>	<b>104.30%</b>

\* Occupancy also counts Scheduled for Modernization Units.

\*\* Please notice 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).

**Elevator Repair Report: Hawaii Public Housing Authority Elevators reported as of 3/1/10**

Name	Type	Elevator No.	Repair	No. and duration of Repairs to Elevator for month of Feb			No. and duration of Repairs to Elevator between 7/1/07 to 2/28/10			Start Date	Date or Estimated Completion of Major Repair	Total Repair Cost as of Report Date
				Less than one day	2 to 7 days	More than 7 days	Less than one day	2 to 7 days	More than 7 days			
Kuhio Park Terrace A	Family	1		2			52	4	2			\$ 118,858.33
		2		2			63	7	2			\$ 73,463.98
		3					3					\$ 2,936.71
Kuhio Park Terrace B	Family	4	Parts used to	Cannot be repaired.					1	06/29/07	Modernization completion	
		5		2			44	1	2			\$ 142,156.78
		6		1			47					\$ 9,928.59
Paoakalani	Elderly	1					16					\$ 1,100.00
		2					3		1			\$ 17,038.90
Kalakaua Home	Elderly	1					19	1	1			\$ 137.50
		2					13	1				\$ 14,538.60
Ho'olulu Elderly	Elderly	1					1		1			\$ 12,140.20
		2					7					\$ 137.50
Kalanihuia	Elderly	1					40	1	1			\$ 27,763.75
		2					23					\$ 275.00
Kamalu Elderly	Elderly	1					6	2	1			\$ 9,467.50
		2					4					\$ 137.50
Makamae	Elderly	1					6		1			\$ 2,722.51
		2					2					\$ 893.74
Makua Alii	Elderly	1					25	2	1			\$ 355.15
		2					14					
Punchbowl Homes	Elderly	1					17	2				\$ 23,763.28
		2					8	1	1			\$ 481.25
Banyan St Manor	Family	1		1			6					\$ 20,692.75
Hale Poi	Elderly	1					16	2				\$ 675.84
		2					17					\$ 432.79
Halia Hale	Elderly	1					6					\$ 3,460.52
Kulaokahua	Homeless	1					11					\$ 378.75
Laiola	Elderly	1					2					\$ 412.00
		2					4					
Pumehana	Elderly	1		1			16	2				\$ 17,726.24
		2					10					\$ 240.63
Salt Lake Apts	Family	1					7					\$ 23,350.78
Wiliikina Apts	Family	1					10	1				\$ 3,323.02
		2					10					\$ 17,038.90
<b>Total</b>		<b>34</b>		<b>9</b>	<b>0</b>	<b>0</b>	<b>528</b>	<b>27</b>	<b>15</b>			
											<b>Total Cost for Repairs to date</b>	<b>\$ 546,028.99</b>

**Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 3/1/10**

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				Barriers constructed at elevator doors on each floor. KONE has started work on elevators 3 and 4.	Sep-07	Apr-09	May-10
		5	1964	44								Sep-07	Nov-09	Nov-10
		6	1981	27								Sep-07	May-10	Jun-11
Kalanihuia	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 3/1/10**

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							
	<b>TOTAL</b>	<b>34</b>			<b>2,518</b>	<b>181</b>	<b>23</b>	<b>10</b>	<b>\$11,932,919</b>				

Average age of elevators

31

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## HEARINGS OFFICE- EVICTION REFERRALS

	REFERRALS			RESULT OF EVICTION REFERRAL					
	TOTAL	REASON FOR REFERRAL							
		Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
FY 2008	145	108	37	56	39	18	5	37	108
FY 2009	232	194	38	94	63	5	11	59	173

### Fiscal Year 2010

MONTH	REFERRALS			RESULT OF EVICTION REFERRAL					
	TOTAL	REASON FOR REFERRAL							
		Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
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
Nov 09	40	29	11	23	6	1	1	9	31
Dec09	9	8	1	4	3	0	0	2	7
Jan10	8	5	3	3	4	1	0	0	8
Feb10	20	20	0	7	8	0	0	5	15
<b>TOTALS</b>	<b>195</b>	<b>165</b>	<b>30</b>	<b>87</b>	<b>58</b>	<b>4</b>	<b>4</b>	<b>42</b>	<b>153</b>

**Total # of Cases Heard for the Month of February 2010: 20  
(Oahu & Neighbor Island)**

Decisions Rendered:	Rent Violations	Other Violations
Eviction	7	0
Evict w/cond	8	0
10-day cure	0	0
Dismissal	0	0
Continued	5	0
<b>TOTAL</b>	<b>20</b>	<b>0</b>

Delinquent balances for rent cases ordered evicted for month of February 2010:

AMP 33 Kaahumanu Homes	\$ 174.00
AMP 40 Kuhio Park Terrace	\$8,780.00
AMP 49 Kauhale Nani	\$6,555.58
AMP 38 Hale Hoonanea	\$2,326.00
<b>Total:</b>	<b>\$17,835.58</b>

**Contract & Procurement Office  
Monthly Status Report for February 2010**

Solicitations Issued in February 2010:

Solicitation No.	Title	Due Date
IFB-CMS-2009-29	Site Improvements to Puahala Homes (MU 42) on the Island of Oahu Job No. 07-026-202-S	March 24, 2010
IFB-CMS-2010-02	Repairs to Sewer System at Kuhio Park Terrace (AMP 40) on the Island of Oahu Job No. 07-012-110-S	March 9, 2010
RFI-HPB-2010-03	Provide Emergency Shelter under the HUD Emergency Grant Program for this Islands of Hawaii, Kauai, and Maui	March 15, 2010
RFI-HPB-2010-04	Provide Rental Assistance and Supportive Services for Persons Living with AIDS under the Housing Opportunities for Persons With AIDS for the Islands of Hawaii, Kauai, and Maui	March 15, 2010
RFP-CO-2009-29	Prepare the Fair Housing Analysis of Impediments for the State of Hawaii	March 11, 2010
RFP-PMB-2010-28	Furnish Integrated Pest Management Services for Kuhio Park Terrace and Kuhio Homes (AMP 40) on the Island of Oahu	March 29, 2010

Contracts Executed in February 2010:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CMS 10-06	Richard Matsunaga & Associates Architects, Inc. Design Services for Site and Building Improvements Roof for Kawailehua – State (AMP 38) and Kawailehua – Federal (AMP 38) on the Island of Kauai 1125 days from Notice to Proceed		\$412,917.00
CMS 10-07	Isemoto Contracting Company, Ltd. Re-Roof and Renovations to Hale Hauoli (AMP 43) on the Island of Hawaii 200 day from Notice to Proceed		\$1,798,597.00
CMS 08-11-SA01	Kim & Shiroma Engineers, Inc. Design Services for Site Improvements to Puahala Homes (MU 42) – Increase Scope of Work April 10, 2008 to November 3, 2011	\$13,456.00	\$168,876.00
CMS 08-27-SA01	GYA Architects, Inc. Continue to Provide Design Services for Physical Improvement at Makani Kai Hale (AMP 39) on the Island of Maui for an additional 11-months June 17, 2008 to December 31, 2010	n/a (no-cost extension)	\$159,037.42
CMS 09-08-SA01	Doonwood Engineering, Inc. Replace 2 existing Heat Pumps and 2 existing Gas Water Heaters and provide 3 years preventative maintenance services for 8 Heat Pumps and 8 Gas Water Heaters at Wahiawa Terrace (AMP 49) – Increase Scope of Work 719 days from Notice to Proceed	\$6,702.00	\$76,105.00
HPB 10-01	Helping Hands Hawaii Provide Financial Assistance for Homeless Persons and At-Risk Families for Homelessness January 15, 2010 to June 30, 2010		\$2,130,000.00

<b>Contract No.</b>	<b>Contractor &amp; Project</b>	<b>Supp. Amount</b>	<b>Total Amount</b>
HPB 10-02	Alu Like Provide Financial Assistance for Homeless Persons and At-Risk Families for Homelessness January 15, 2010 to June 30, 2010		\$420,000
HPB 10-03	H-5 Hawaii Helping the Hungry Have Hope Provide Outreach Services for Homeless Persons on the Island of Oahu December 15, 2009 to June 30, 2010		\$55,000.00
HPB 10-04	Maui Family Support Services Provide Financial Assistance for Homeless Persons and At-Risk Families on the Island of Maui January 15, 2010 to June 30, 2010		\$840,000.00
HPB 10-05	Office for Social Ministry Provide Financial Assistance for Homeless Persons and At-Risk Families on the Island of Hawaii January 15, 2010 to June 30, 2010		\$1,610,000.00
HPB 10-06	Salvation Army Provide Financial Assistance for Homeless Persons and At-Risk Families on the Island of Oahu January 20, 2010 to June 30, 2010		\$2,000,000.00
HPB 10-07	Office for Social Ministry Provide Rental Assistance for Homeless Persons on the Island of Hawaii January 1, 2010 to September 30, 2014		\$184,800.00
PMB 10-01	National Center for Housing Management Site Investigation Services (ADA) for Kuhio Park Terrace and Kuhio Homes (AMP 40)		\$42,000.00

## **Personnel Summary for the Month of February**

### **Recruitment:**

- DHS Recruitment informed HPHA on 3/8/10, all 100% federally funded positions will not require Governor's approval.
- HPHA Personnel will continue to recruit those 9 priority positions endorsed by the board, and OED and PERS will review and identify additional positions to recruit.
- Personnel will advertise the following exempt positions: Housing Planner, Property Management Coordinator II and Contract Administrator on 3/14, 2010.

### **Training:**

- Pers is currently negotiating training cost and training on EPA's Lead Safe and Renovation and Recycling/Abatement . This training will be targeted to Construction Branch staff and Property Management Staff.

### **Safety:**

- Pers is conducting on-site safety inspection at the AMPs in March, and will continue School Street Offices.

**DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
As of March 4, 2010**

Branch	Section	Total Full Time Positions			% Vacant			Active Recruitment	
		Civil Svc	Exempt	Total	Occupied	Vacant	Vacant	Yes	No
Office of the Executive Director		5	3	8	7	1	12.50%	0	1
		5	3	8	7	1	12.50%	0	1
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	2	2	50.00%	0	2
	Acctg Sec	8	0	8	8	0	0.00%	0	0
	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	15	4	21.05%	0	4
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	4	0	0.00%	0	0
		3	1	4	4	0	0.00%	0	0
Procurement Office		4	3	7	6	1	14.29%	0	1
		4	3	7	6	1	14.29%	0	1
Construction Mgt. Branch		2	0	2	2	0	0.00%	0	0
	CMS	3	0	3	2	1	33.33%	0	1
	CMS 1	2	7	9	6	3	33.33%	0	3
	CMS 2	5	2	7	5	2	28.57%	0	2
	DSS	1	2	3	2	1	33.33%	0	1
		13	11	24	17	7	29.17%	0	7
Homeless Branch	Homeless	1	2	3	3	0	0.00%	0	0
		1	2	3	3	0	0.00%	0	0
Section 8 Branch	Sec 8 Office	2	0	2	1	1	50.00%	0	1
	Insp Unit	5	2	7	5	2	28.57%	0	2
	Rent Sub Sec 1	10	0	10	8	2	20.00%	0	2
	Rent Sub Sec 2	8	0	8	6	2	25.00%	0	2
		25	2	27	20	7	25.93%	0	7
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	5	2	28.57%	0	2
	RSS	2	8	10	5	5	50.00%	0	5
	PMCS	0	5	5	1	4	80.00%	0	4
	CMSS	19	0	19	19	0	0.00%	0	0
	Puuwai Momi - AMP 30	23	0	23	22	1	4.35%	0	1
	Kalihi Valley - AMP 31	25	0	25	23	2	8.00%	0	2
	Mayor Wright - AMP 32/33	32	0	32	29	3	9.38%	0	3
	Kalakaua - AMP 34	27	0	27	24	3	11.11%	0	3
	Kalanihuaia - AMP 35	26	0	26	24	2	7.69%	0	2
	Hilo - AMP 37	14	0	14	13	1	7.14%	0	1
	Kauai - AMP 38	16	0	16	8	8	50.00%	0	8
	Maui - AMP 39	12	0	12	11	1	8.33%	0	1
		206	15	221	186	35	15.84%	0	35
<b>TOTAL</b>		<b>278</b>	<b>50</b>	<b>328</b>	<b>269</b>	<b>59</b>	<b>17.99%</b>	<b>0</b>	<b>59</b>

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of March 4, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
<b>OFFICE OF THE EXECUTIVE DIRECTOR</b>						
118550	EX	N	T	Chief Financial Management Advisor	SRNA	No action, cost savings.
<b>FISCAL MANAGEMENT OFFICE</b>						
41041	CS	N	P	Fiscal Officer I	SR26	Request to fill sent to DHS on 2/23/10.
98903K	CS	N	P	Office Assistant III	SR08	No action, cost savings.
100923	EX	N	P	Budget Resources Specialist	SRNA	Pending request to fill.
96908K	T	N	P	Office Assistant III	SR10	No action; cost savings.
<b>HOUSING INFORMATION OFFICE</b>						
102041	EX	W	T	Housing Information Officer	SRNA	No action; cost savings.
<b>PROCUREMENT OFFICE</b>						
100882	EX	N	T	Contracts & Procurement Officer	SRNA	No action; cost savings.
<b>CONSTRUCTION MANAGEMENT SECTION</b>						
8774	CS	N	P	Engineer VI	SR28	No action; cost savings.
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	No action; cost savings.
102676	CS	W	T	Engineer (Building) IV	SRNA	No action; cost savings.
100886	EX	W	T	Housing Development Specialist I	SRNA	State funded unable to fill.
10887	CS	N	P	Engineer V	SR24	Completed request to fill; pending approval by OED.
<b>INFORMATION TECHNOLOGY OFFICE</b>						
106429	CS	N	T	Information Technology Specialist IV	SRNA	No action; cost savings.
<b>PLANNING AND EVALUATION OFFICE</b>						
107934	EX	N	T	Housing Planner	SRNA	Request to fill in review by manager.
98902K	EX	N	P	Office Assistant III	SR08	No action; cost savings.
<b>PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH</b>						
8751	CS	N	P	Public Hsg Mgr VI	SR26	No action; cost savings.
96904K	EX	N	T	Hsg Maintenance Manager	SR26	No action; cost savings.
6182	CS	N	P	Secretary III	SR16	No action; cost savings.
<b>PMMSB-APPLICATION SERVICES UNIT</b>						
117850	CS	N	T	Public Hsg Spclt II	SR18	No action; cost savings.
41255	CS	N	P	Public Hsg Spclt II	SR18	No action; cost savings.
<b>ASSET MANAGEMENT PROJECT 30 (MU 1)</b>						
6307	CS	N	P	Public Housing Supervisor IV	SR22	No action; cost savings.
43507	CS	N	P	Office Assistant III	SR08	No action; cost savings.
105749	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
105756	TA	N	T	General Laborer I	SRNA	No action; cost savings.
105746	TA	N	T	General Laborer I	SRNA	Employee retired 2/18/10.
<b>ASSET MANAGEMENT PROJECT 31 (MU 2)</b>						
4939	CS	N	P	General Laborer II	BC03	No action; cost savings.
111470	CS	N	T	Public Hsg Spclt I	SR18	Employee retired 2/19/10.

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of March 4, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
101137	TA	N	T	Janitor II	BC02	No action cost savings
<b>ASSET MANAGEMENT PROJECT 32/33 (MU 3)</b>						
5035	CS	N	P	Public Housing Supvr IV	SR22	No action; cost savings.
6788	CS	N	P	Truck Driver	BC06	No action; cost savings.
6681	CS	N	P	General Laborer II	BC03	No action; cost savings.
101126	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
<b>ASSET MANAGEMENT PROJECT 34 (MU 4)</b>						
6693	CS	N	P	Public Hsg Spvr IV	SR22	No action; cost savings.
8832	CS	N	P	Gen Constr & Maint Supvr I	F110	Employee retired 2/1/10.
8842	CS	N	P	Painter I	BC09	No action; cost savings.
101127	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
6565	CS	N	P	General Laborer I	BC02	No action; cost savings.
<b>ASSET MANAGEMENT PROJECT 35 (MU 5)</b>						
41258	CS	N	P	Bldg. Maint. Wkr II	WS09	No action; cost savings.
23698	CS	W	P	Public Hsg Spclt I	SR16	No action; cost savings.
41073	CS	N	P	Social Services Assistant IV	SR11	No action; cost savings.
101115	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101114	TA	N	T	General Laborer I	SRNA	No action; cost savings.
<b>ASSET MANAGEMENT PROJECT 37 (MU 7)</b>						
15721	CS	N	P	Building Maint Worker I	BC09	No action; cost savings.
<b>ASSET MANAGEMENT PROJECT 38 (MU 8)</b>						
41349	CS	N	P	Public Housing Supervisor IV	SR22	Request to fill in review by manager.
119285	CS	N	T	Public Housing Supervisor III	SR20	No action; cost savings.
119260	CS	N	P	Public Housing Specialist II	SR18	No action; cost savings.
8756	CS	N	P	Bldg Maint Wkr I	BC09	Request to fill in review by manager.
17576	CS	N	P	Bldg Maint Wkr I	BC09	No action; cost savings.
10541	CS	N	P	Bldg Maint Helper	BC05	Request to fill in review by manager.
43948	CS	N	P	General Laborer I	BC02	Request to fill in review by manager.
102242	TA	N	T	General Laborer I	SRNA	No action; cost savings.
<b>ASSET MANAGEMENT PROJECT 39 (MU 9)</b>						
4938	CS	N	P	Bldg. Maint. Wkr I	BC09	No action; cost savings.
101121	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101122	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101134	TA	N	T	Office Assistant I	SR04	No action; cost savings.
105750	TA	N	T	General Laborer I	SRNA	No action; cost savings.
<b>PRIVATE MANAGEMENT CONTRACTS SECTION (PMCS)</b>						
100986	EX	N	T	Property Management Coordinator II	SRNA	Employee retired COB 2/26/10.
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	Pending request to fill.
<b>RESIDENT SERVICES SECTION</b>						
100892	EX	N	T	Tenant Services Manager	SRNA	No action; cost savings.
103036	EX	N	T	Resident Services Pgm Specialist	SRNA	No action; cost savings.

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of March 4, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
105632	EX	N	T	Resident Services Pgm Specialist	SRNA	No action; cost savings.
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.
<b>SECTION 8 - INSPECTION UNIT</b>						
101214	EX	N	T	Lead Housing Inspector	SRNA	No action; cost savings.
119190	CS	N	T	Housing Quality Standards Inspector II	SR15	No action; cost savings.
<b>RENT SUBSIDY PROGRAMS BRANCH (S8SPB)</b>						
41280	CS	N	P	Public Hsg Supervisor V	SR24	No action; cost savings.
<b>RENT SUBSIDY SECTION 1</b>						
9647	CS	N	P	Public Hsg Spclt II	SR18	No action; cost savings.
<b>RENT SUBSIDY SECTION 2</b>						
111419	CS	N	P	Office Assistant IV	SR10	No action; cost savings.
35416	CS	N	T	Public Hsg Spclt II	SR18	No action; cost savings.
101132	TA	N	T	Office Assistant I	SRNA	No action; cost savings.

## FOR INFORMATION/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)

**Update will be provided by the Attorney General's office**

- B. For Information: Update on the Audit of the Hawaii Public Housing Authority by the Office of the Legislative Auditor

**At the time the Board packet was prepared no draft audit was received**

- C. For Information: Update on the Rock Fall and Mitigation Measures at the Kalihi Valley Homes

**Update will be provided by the Attorney General's office**

**FOR INFORMATION**

**SUBJECT:** Update on the American Recovery and Reinvestment Act (ARRA) Capital Fund Grant Program

**A. FACTS**

1. Under the ARRA formula allocation for capital funds, the Hawaii Public Housing Authority (HPHA) received \$16,245,443.00 for capital improvement activities.
2. On March 19, 2009, the HPHA Board approved the proposed projects to be funded under the federal American Recovery and Reinvestment Act (ARRA) capital fund grant.
3. On February 18, 2010, the HPHA Board approved the final list of projects that would be funded under the ARRA grant.

**B. DISCUSSION**

1. On March 11, 2010, the HPHA successfully obligated 100% of the ARRA funds as follows:

Project Title	Project Description	Amount
Kalanihulia Reroofing and Elevator Lobby Improvements	Reroof & install aluminum storefront buffer walls and windows	\$196,865.00
Kalakaua Homes Reroofing	Reroofing	\$780,553.00
Kahekili Terrace Improvements	Sewer and Drainage Improvements and Security Lighting Improvements	\$5,079,289.00
Kaimalino and Kealakehe Reroofing and Site repair	Repair roofing, exterior repairs and painting. Site repairs to sidewalks, handrails, lighting, parking area, etc.	\$1,831,483.00
Makani Kai Hale Physical Improvements	Reroof, install rain gutters, siding replacement, electrical upgrade	\$1,412,267.00
Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation	Interior renovation, painting, re-roofing, ADA unit conversion, etc.	\$1,798,597.00
Kalihi Valley Homes, Phase IVA Modernization	Total building and unit renovations	\$1,549,966.00
Makua Alii Structural and Spall Repairs (Construction Management)	Supplemental agreement to the basic A/E contract	\$409,171.00
Makua Alii Structural and Spall Repairs (Construction)	Correct concrete spalling on exterior of Makua Alii, including elastomeric exterior waterproofing, correct exterior structure and trim	\$1,940,130.00
BLI 1410, Administrative Costs	Administration Cost	\$1,247,122.00
<b>TOTAL</b>		<b>\$16,245,443.00</b>

2. HPHA must expend at least 60% of all ARRA funds no later than March 17, 2011, and expend 100% no later than March 17, 2012.

Prepared by: Lydia J. Camacho, State Housing Development Administrator 

## FOR INFORMATION

**SUBJECT:** Update on Legislative Bills Affecting the Hawaii Public Housing Authority

### I. FACTS

- A. The Hawaii State Legislature opened on January 20, 2010. There are numerous bills that could potentially affect the Hawaii Public Housing Authority (HPHA).
- B. The HPHA works with DHS, the Office of the Attorney General and the Governor's Policy Office to coordinate HPHA's testimony at the legislature.

### II. DISCUSSION

Below is a status update on the most significant bills being tracked. A full listing is attached; updates will be provided at the March 18 meeting. (Attachment A)

- A. SB 910, transfer of Homeless Services to DHS/BESSD: the bill was passed by House Judiciary with only minor technical amendments and has been referred to House Finance. House Finance staff indicate they will encourage the Chair to put it on for hearing. HPHA will work with DHS to draft needed amendments prior to the Finance hearing, including the number of staff positions to be transferred, because the bill was introduced prior to Reductions in Force.
- B. The bill to reduce the HPHA Board quorum requirement, HB 2569, passed in the House and crossed to the Senate. The Senate Housing and Human Services committees will hear it on March 15. HPHA has submitted testimony in support. Senate Judiciary and Governmental Operations must also pass the bill.
- C. A bill to require that 2 members of the HPHA Board be current or former residents, SB 2108, was passed by Senate Education and Housing Committee and the Senate as a whole, and sent to the House. (It was a single referral bill; no other committees were required to hear it.) The House Committee on Housing has not yet scheduled it for hearing.
- D. HB 2561 would amend Act 176 (land sales require 2/3 vote of each chamber) to apply only to ceded and crown lands. It was passed by the House and crossed over to the Senate; hearings are not yet scheduled.
- E. SB 2473 would require HPHA to permit grandparents residing in state elderly housing projects to temporarily raise their minor grandchildren in their housing project units in certain family crisis situations. The Senate passed the bill and sent it to the House.

Attachment A: RS 2010 Legislation

Prepared by: Alan Sarhan, Planner AS

2010 Legislature

Bill Number	Title	Description (Shaded = significant)	Companion	Chamber 1 Ref 1	Chamber 1 Ref 2	CROSS	Chamber 2 Ref 1	Chamber 2 Ref 2	Chamber 2 Ref 3	PA=Pass w/ Amend
HB 1877 HD1	RELATING TO PUBLIC EMPLOYEES.	Exempts public employee positions that are funded by non-general funds from elimination.		LAB	FIN					LAB: PA FIN: no hearing
HB 2280 HD1	RELATING TO THE HOMELESS.	Assists the homeless in reuniting with their families. Creates the parks for homeless special fund. (\$)		HSG	FIN					HSG: PA FIN: DEFER
HB 2281	RELATING TO ELDERLY HOUSING.	Increases the minimum age requirement for all persons residing in elderly housing from 55 to 62 years except for spouses and domestic partners.		HSG	FIN					HSG deferred
HB 2318 HD1	RELATING TO THE HOMELESS.	Establishes a 5-year housing first pilot program to be developed by the Hawaii public housing authority and the department of human services for homeless individuals who are chronically addicted or mentally ill. (\$)	SB2439 is sim	HSG	FIN		EDH/HMS /WTL	WAM		EDH/HMS/WTL : DEFER
HB 2319	RELATING TO HOUSING.	Restricts state low-income housing leases to no more than 5 years, unless otherwise excepted. Requires the Hawaii Public Housing Authority to develop a transition plan, including benchmarks, to assist tenants to transition out of public housing. (HB2319 HD1)		HSG	FIN					HSG : PA FIN: No Hearing
HB 2357	RELATING TO GOVERNMENT SERVICES.	Allows the Hawaii public housing authority to bill the home nations of individuals covered under the Compact of Free Association for homeless services and assistance.		HSG	FIN					HSG: DEFER
HB 2358	RELATING TO PUBLIC HOUSING.	Requires the Hawaii public housing authority to establish minimum rent for state public housing units and annual consumer price index adjustments of minimum rent. Requires authority to seek the full cost to repair damage to a unit.		HSG	FIN					HSG: DEFER

2010 Legislature

HB 2488 HD1	RELATING TO THE HOMELESS.	Increases by 10% the conveyance tax on the sale of luxury homes over \$700,000 to finance the purchase and maintenance of state parks to serve the homeless.		HSG/WLO	FIN				HSG/WLO: PA FIN: DEFER
HB 2491 HD1	RELATING TO PUBLIC HOUSING.	Requires the Hawaii Public Housing Authority to assess a public housing project common area assessment against all units in the project that is not less than one per cent of the expenses incurred for the common area. Allows the Authority to charge a tenant for a common area expense caused by the tenant and requires the Authority to seek reimbursement for any damage to a public housing unit caused by a tenant. Also deletes references to a prospective tenant's need with respect to tenant selection procedures.		HSG	JUD and FIN				HSG: PA JUD: NO HEARING
HB 2561	RELATING TO LANDS CONTROLLED BY THE STATE.	Restores the law with regard to non-ceded lands controlled by the State, to what it was prior to the passage of Act 176, Session Laws of Hawaii 2009.	SB2714	WLO	FIN 2/23	WTL/JGO	WAM		WLO: Pass FIN pass
HB 2568	RELATING TO THE BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY.	Reduces the quorum requirement for the board of directors of the Hawaii Public Housing Authority.	SB2721	HSG	HSG	EDH/HMS 3/15/10	JGO		Passed House
HB 2690	RELATING TO GOVERNMENT	Requires that the Senate President and Speaker of the House of Representatives be notified in writing upon the receipt of any federal-aid money accepted for expenditure in the state		FIN		WAM			FIN passed

2010 Legislature

HB 2879	RELATING TO STATE FUNDS.	Imposes a general excise tax surcharge upon gross income or gross proceeds comprised of state non-general funds. Imposes a public service company tax surcharge upon gross income comprised of state non-general funds. Imposes an insurance premium tax surcharge upon gross premiums, gross underwriting profits, and risk premiums comprised of state non-general funds. Takes effect on 7/1/2010 and sunsets on 6/30/2015.		FIN					FIN: deferred Would tax the proceeds of contracts with federal funds
HCR 041	APPROVING THE FEE SIMPLE SALE OF 2890 HANA HIGHWAY, HANA, HAWAII.	Concurrent Resolution to approve sale of Hana parcel		WLO/HSG	FIN				WLO/HSG: DEFERRED at request of Rep Carroll
SB 2108	RELATING TO HOUSING.	Increases the minimum number of members on the board of directors of the Hawaii public housing authority who are directly assisted by the authority under the federal low-rent public housing or federal section 8 tenant-based housing assistance payments program from one to two.		EDH		HSG	HSG		Passed Senate
SB 2276 SD1	RELATING TO INTOXICATING LIQUOR.	Prohibits possession of open liquor containers in public housing common areas and on public streets and sidewalks.		EDH/TIA	JGO	HSG	JUD		EDH/TIA: PA JGO: pass HSG: PA

SB 2277 SD1	RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.	Authorizes the Hawaii public housing authority to assess all the units in a state public housing project for common area expenses. Eliminates most procedural requirements to hearings for eviction of tenants from public housing but requires written notice per federal law. Requires evictions from state low-income housing to be conducted by hearings officers appointed by the authority. Clarifies that for federal low-income housing, hearings shall be conducted by eviction board. Authorizes an eviction board or hearings officer to consider a tenant's involvement in the tenant's child's school in making a determination. Prohibits the authority from selling any land developed for any public housing project.		EDH	WAM		HSG	JUD		EDH: Pass. Accepted HPHA's amendments; everything except eviction streamlining was removed in SD1 WAM: PA HSG: PA
SB 2278 SD1	RELATING TO PUBLIC HOUSING.	Amends criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after reasonable request or warning to leave by housing authorities; excludes an invited guest.		EDH	JGO		HSG	JUD		EDH: Pass with HPHA's amendments. JGO pass with amend to remove "others designated by housing authority" HSG: PA
SB 2438	RELATING TO PUBLIC HOUSING.	Requires the Hawaii public housing authority to establish minimum rent for state public housing units and annual consumer price index adjustments of minimum rent. Requires authority to seek the full cost to repair damage to a unit.		EDH	WAM					No Hearing

2010 Legislature

SB 2439	RELATING TO THE HOMELESS.	Establishes a 5-year housing first pilot program to be developed by the Hawaii public housing authority and the department of human services for homeless individuals who are chronically addicted or mentally ill. (\$)		EDH/HMS, WAM	WAM				No Hearing
SB 2473	RELATING TO HOUSING.	Allows grandchildren of elderly housing project residents to temporarily reside with the residents in certain family crisis situations. Affords residents evicted for raising grandchildren-in-crisis in their housing project units, priority status to return to project housing.		HMS/EDH		HSG	FIN		HMS/EDH: PA. Accepted HPHA amend to provide for transfer to family housing.
SB 2575 SD1	RELATING TO HOUSING.	Creates an anti-speculation capital gains tax on profits from the sale of real property held for less than twenty-four months, with exceptions. Directs revenues to be deposited equally in general fund and rental housing trust fund		EDH/TIA	WAM	HSG	FIN		SD1: Public Housing portions deleted in EDH/TIA per HPHA request. WAM: PA HSG: PA
SB 2626	RELATING TO PUBLIC SERVICE.	Requires every state agency to report to the legislature all non-civil service, temporary employees employed by the agency for each quarterly period of the fiscal year.		LBR	WAM	LAB 3/12/10	FIN		Passed Senate
SB 2710 SD1	RELATING TO BOARD MEETINGS.	Expands the ability of a board or commission to facilitate public meetings through available interactive conferencing technology.	HB2557	EDT	JGO	JUD	FIN		EDT: PA JGO: PA
SB 2714	RELATING TO LANDS CONTROLLED BY THE STATE.	Restores the law with regard to non-ceded lands controlled by the State, to what it was prior to the passage of Act 176, Session Laws of Hawaii 2009.	HB2561	WTL	JGO				HOUSE BILL MOVING

2010 Legislature

SB 2721 SD1	RELATING TO THE BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY.	Reduces the quorum requirement for the board of directors of the Hawaii Public Housing Authority.	HB2568	EDH/HMS	JGO				EDH/HMS: PA Needs JGO hearing. Per Terrence, they will use House bill after crossover.
SB 2840	RELATING TO PUBLIC PROCUREMENT.	Requires at least eighty per cent of workers on certain public works contracts and construction procurements to be Hawaii residents. (SD1)		LBR/JGO	WAM	EBM/LAB	FIN		Senate PA EBM/LAB: PA
SB 910	RELATING TO THE TRANSFER OF HOMELESS PROGRAMS WITHIN THE DEPARTMENT OF HUMAN SERVICES.	Transfers homeless programs and services within the Department of Human Services by relocating the state homeless programs from the Hawaii Public Housing Authority to the Benefit, Employment, and Support Services Division. (SB910 HD1)	HB1092	HMS/EDH	WAM	HSG OK	JUD OK	FIN	Passed Senate 2009 HSG: Pass JUD: Pass FIN: needs hearing by March 31.
SR 38		URGING THE HAWAII PUBLIC HOUSING AUTHORITY TO ESTABLISH HOMELESS SAFE ZONES.		EDH/HMS 3/15/10					
SCR 66		APPROVING THE FEE SIMPLE SALE OF 2890 HANA HIGHWAY, HANA, HAWAII.	HCR 41	WTL	WAM				WTL Defer
SCR 87		URGING THE HAWAII PUBLIC HOUSING AUTHORITY TO ESTABLISH HOMELESS SAFE ZONES.		EDH/HMS 3/15/10					
SCR 120		REQUESTING THAT FUNDS BE MADE AVAILABLE AND RELEASED TO ENABLE THE HAWAII PUBLIC HOUSING AUTHORITY TO IMPLEMENT A TENANT MONITOR PROGRAM		EDH	WAM				EDH: PA

## Migration of Homeless Programs to BESSD

Function	Disposition	Responsible Party
Office Furnishings	Stay – Homeless will be taking filing cabinets, chairs and computers	Homeless will move
HMIS Server	Server will move once DHS has assigned new IP address. Date certain has not been set.	The server physically resides at HPHA, however this is little to no support required on the part of HPHA staff
Contracts	All contracts issued henceforth will go to DHS for signature	Homeless will coordinate that process
Solicitations	There are 2 solicitations, ESG and HOPWA that went out under HPHA.	<p>To avoid a delay in the required posting times HPHA will issue an amendment to the solicitations so that perspective respondents know that HPHA is no longer the contracting entity.</p> <p>HPHA procurement department will provide technical assistance to the Program Administrator by providing oversight in the RFP process.</p>
Properties	There are 3 properties that HPHA holds title to and they are restricted for use serving the homeless	HPHA will transfer title to DAGS
Current Contracts	There are several contracts open for preceding years.	These contracts need to be closed as they are under HPHA. Homeless will need to collect data from providers and close quickly. If needed HPHA may not draw down future requests until contracts are closed.
Personnel	Personnel will be transferred	Program Administrator should inquire if there will be a break in service for employees during this transition, so should there be employees will not be surprised.
File Storage	Homeless Programs currently has files archived with HPHA. The boxes may number 20 or more.	It was agreed to move the archived files to the state central storage. The Program Administrator will make the files ready for shipping.

## Activities Conducted To Date

Section	Activity
<b>Property Management</b>	Toured the following AMPs: 31-32-34-40 and 50. Walked the properties; toured vacant units, spoke with tenants and in some instances was introduced to the tenant association president and spoke with management personnel of the properties.
<b>Administration</b>	Met with following legislators: Sakamoto, Chun-Oakland, Kim, Cabanilla, Carroll and Manahan.  Met with Mike Flores, HUD Met with contracted property management firms @ PM meeting
<b>Operations</b>	IT: working G. Nakatsu to streamline website
	Personnel: working with S. Befitel and bureau chiefs on open positions
	Working with B. Arashiro on better defining agency reporting relationships
	Presided over March 10 <sup>th</sup> Public Hearing for ARRA
	Fully obligated ARRA funds - \$16mm!
	Instituted weekly staff meetings & meeting with individual Chiefs
	Attended Oahu Board Eviction Hearings
	Regular meetings with Section 8 managers
	Mapping out process for Homeless Programs Migration to BESSD
<b>Residents</b>	Attended March 9 <sup>th</sup> RAB meeting and met key members
<b>Accounting</b>	Reviewed Audit and Corrective Action Order Audit requires strategic plan to cure deficiencies Corrective Action Order to implement plan drafted last year
<b>Reviews</b>	Meeting with J. Wong to discuss open issues

**FOR INFORMATION**

**SUBJECT:** Update on the Status of the Transition Plan for the Homeless Families at Puahala Homes

**I. FACTS**

- A. In June 2008, the Hawaii Public Housing Authority (HPHA) identified fourteen (14) vacant units at Puahala Homes which were to be used as transitional housing for the homeless for two years.
- B. HPHA contracted with Hawaii Helping the Hungry Have Hope (H5) to manage the fourteen transitional units and provide the programs to help the families attain permanent housing.
- C. The two year tenure of the fourteen (14) units use as transitional homeless housing ends on July 30, 2010, after which the units will all be returned to the inventory of State public housing.
- D. The HPHA stipend contract with H5, which includes the fourteen (14) units of transitional housing, will end on July 30, 2010.
- E. In January, the HPHA Board of Directors requested staff to explore the option of having the transitional housing residents at Puahala transition in place, thereby avoiding disrupting families in moving from one public housing unit to another, and saving the cost in time and effort of preparing the units for other tenants.

**II. DISCUSSION**

- A. Two units in the transitional housing component of Puahala have already been vacated and are in the process of being cleaned for turnover to HPHA.
- B. The challenge in having the Puahala transitional residents transition in place is varied: Size of unit for which the family is wait listed; whether the family is wait-listed for federal public housing, or state, or both; where the family indicated that they wish to live; and what is the family's current place on the wait list for the unit type on the federal/state list.
- C. The Homeless Programs Branch and the Property Management and Maintenance Branch investigated the option of having the remaining residents at Puahala transitional housing transition in-place by assessing where the subject residents were on the wait list for State Public Housing.

Family	Wait List	Bedrooms
1	Applied on 2/20/09 for federal and state public housing	2
2	Applied in early 2009 for federal and state public housing	n/a
3	Applied on 6/18/09 for Leeward and Windward federal and state	4
4	Applied on 8/1/07 for federal and state. They are soon to be contacted for interview	3
5	Applied on 6/16/09 for federal	2
6	On the state section-8 wait list and applied on 5/1/09 for federal and state	2

7	Applied for Leeward and Windward federal and state	3
8	Moved to the mainland in January, however, an emergency situation involving a family in danger resulted in the unit being used for temporary housing until a transition to the mainland can occur in April/May.	n/a
9	On waitlist pool	3
10	Applied on 5/29/09 for federal and state	2
11	Applied in 02/09 for state and federal public housing	n/a
12	On the Section-8 and federal and state public housing waitlist.	n/a

- D. The families that applied in 2009 will be waiting anywhere from 2-7 years for placement.

Placement for family bedroom sizes 2 through 4 bedrooms the applications department are currently contacting applicants with a preference who applied in 2006-2007.

If an applicant applied in prior years and inform us that they now have a preference, they are contacted at the next re-sequencing.

- E. All families are actively engaged in seeking permanent housing. Two of the families may qualify for Shelter Plus Care due to severe disability, so that avenue is being pursued.

Four families are actively seeking increased employment either from part time status or where one of two is employed and the spouse is seeking employment, as well.

Prepared by: Sandra Miyoshi, Homeless Program Administrator SM

Stephanie Fo, Property management and Maintenance Services Branch  
Chief XF

PROJECT TITLE	Contractor	Engineer	Start	End	Status	FEDERAL CFP FUNDS FULLY OBLIGATED	FEDERAL CFP FUNDS Obligation Deadline 6-12-2010	 ARR A	FEDERAL CFP FUNDS Obligation Deadline 9-15-2011	Economic Development Initiative	Economic Development Initiative	FEDERAL CFP FUNDS Available 10/1/10	Elevator Improvements, S/W-Des	Elevator Improvements, S/W-Con	L/S CIP-Non-Routine, R&M/Renov, S/W-Des	L/S CIP-Non-Routine, R&M/Renov, S/W-Con	Elevator Improvements, S/W-Des	Elevator Improvements, S/W-Con	L/S CIP-Non-Routine, R&M/Renov, S/W-Des	L/S CIP-Non-Routine, R&M/Renov, S/W-Con
						717	718		719	09-SP-HI-0209-SP-HI-02	720	3-07-413-K	B-07-414-K	B-07-415-K	B-07-416-K	B-08-400-K	B-08-401-K	B-08-402-K	B-08-403-K	
2008 Physical Needs Assessment (PNA) Federal Projects (Design)	Architects Hawaii, Ltd.	Marcel Audant	10/29/2008	12/31/2008	Open															
ADA Compliance for Various Federal Projects (Const)	For Planning Purposes Only				Open							1,018,324								
ADA Compliance for Various Federal Projects (Design)	For Planning Purposes Only				Open															395,000
ADA Compliance to Various Projects in Maui County and West Hawaii (1) (Design)	Pacific Architects Inc.	Richard Speer	7/1/2002	7/11/2003	Open															
ADA/UFAS Compliance (5 projects) Puuwai Momi, Waimaha, Kauioakalani, Ka	For Planning Purposes Only	Richard Speer			Open															
ADA/UFAS Compliance (5 projects) Puuwai Momi, Waimaha, Kauioakalani, Ka	Architects Hawaii, Ltd.	Richard Speer			Open															
ADA/UFAS Compliance (9 projects) (Const)	For Planning Purposes Only	Lisa Izumi			Open															
ADA/UFAS Compliance (9 projects) (Design)	Richard Matsunaga & Assoc	Lisa Izumi			Open															795,565
Barbers Point Transitional Shelter (Const)	Metcalf Construction Comp	Richard Speer	4/25/2007	7/31/2009	Open															
David Malo Circle Exterior Improvements Paint, Roofing, Site Work (Const)	For Planning Purposes Only	Richard Speer	12/1/2009	3/31/2010	Open				800,000											
David Malo Circle Exterior Improvements Paint, Roofing, Site Work (Design)	For Planning Purposes Only	Richard Speer	7/13/2009	3/31/2010	Open				200,000											
Elevator Maintenance Service for Various Federal-Funded Projects (Const)	Kone, Inc.	Miles Okimura	7/1/2007	6/30/2008	Open															
Elevator Maintenance Service for Various Federal-Funded Projects (Const)	Kone, Inc.	Miles Okimura	7/1/2008	6/30/2009	Open															
Elevator Maintenance Service for Various Federal-Funded Projects (Const)	Kone, Inc.	Miles Okimura	7/1/2008	6/30/2009	Open															
Elevator Maintenance Service for Various State-Funded Projects (Const)	Kone, Inc.	Miles Okimura	7/1/2007	6/30/2008	Open															
Elevator Maintenance Service for Various State-Funded Projects (Const)	Kone, Inc.	Miles Okimura	7/1/2008	6/30/2009	Open															
Elevator Maintenance Service for Various State-Funded Projects (Const)	Kone, Inc.	Miles Okimura	7/1/2008	6/30/2009	Open															
Elevator Modernization of 16 at Various Oahu Locations (Const)	For Planning Purposes Only	Miles Okimura			Open															3,475,203
Elevator Modernization of 16 at Various Oahu Locations (Design)	Elevator Consulting Service	Miles Okimura	6/2/2008	1/3/2015	Open								352,383							
Elevator Modernization Phase II: 10 at Various Sites (Design)	For Planning Purposes Only				Open								200,000							
Elevator Modernization Phase III: 10 at Various Sites (Const)	For Planning Purposes Only				Open															1,500,000
Elevator Repair and Maintenance at Various Sites Phase III (Design)	For Planning Purposes Only				Open															
Environmental, Historical, Flood Plain, Archeological, Cultural Review (All Fed	Helber Hastert & Fee Plann	M. Kawamura			Open				159,131											
Generator Maintenance Services at Various Oahu Projects (Const)	Pacific Power Products	Sahar Ibrahim	8/3/2009	8/2/2012	Open															
Halaula & Ka'u Teacher's Cottages and Lokahi LCCC (Const)	Willocks Construction Corp.	M. Kawamura	1/7/2008	12/31/2008	Open															
Hale Aloha O'Puna ADA Units & Roof (Const)	For Planning Purposes Only	M. Kawamura			Open							1,000,000								
Hale Aloha O'Puna ADA Units & Roof (Design)	M5 Architecture (Requires e	M. Kawamura			Open															140,000
Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation (Const)	Isemoto Contracting	Sahar Ibrahim	2/23/2010		Open								1,798,597							
Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation (Design)	Koa Architects, LLC (KNG A	Sahar Ibrahim	5/26/2008	5/11/2010	Open															
Hale Hookipa Physical Improvements to Exterior Repairs and Interior Moderni	For Planning Purposes Only				Open															
Hale Hookipa Physical Improvements to Exterior Repairs and Interior Moderni	For Planning Purposes Only				Open															
Hale Hookipa, Kaimalino, Nani Olu, Noelani, and Paoakalani Reroofing (Design)	Ushijima Architects, Inc.	Miles Okimura	6/29/2006	3/11/2010	Open	4,762														
Hale Hookipa, Nani Olu, Reroofing (Const)	Stan's Contracting Inc.		7/27/2009		Open	2,211,300														
Hale Hoolulu Repaint, ReRoof, Emergency Call System Prepare Tank Enclos	For Planning Purposes Only				Open															647,000
Hale Hoolulu Repaint, ReRoof, Emergency Call System Prepare Tank Enclos	Group 70				Open															
Hale Laulima Major Mod (Const)	For Planning Purposes Only				Open															65,000
Hale Laulima Major Mod (Design)	For Planning Purposes Only				Open															
Hale Nana Kai O'Kea Physical Improvement (Const)	For Planning Purposes Only				Open															
Hale Nana Kai O'Kea Physical Improvement (Design)	Group 70				Open															200,000
Hale Po'ai Building Improvements (Const)	For Planning Purposes Only	Lisa Izumi			Open															
Hale Po'ai Building Improvements (Design)	Architects Pacific, Inc.	Lisa Izumi	5/26/2008	6/8/2011	Open										3,000,000					
Halia Hale Reroof, Lights, Mechanical Repairs (R&M-elevator shaft, water fou	AMP Staff				Open										43,908					
Hoolulu and Kamalu Emergency Call System Repair (Const)	Teds Wiring	Miles Okimura	9/14/2009		Open															
Hoolulu and Kamalu Emergency Call System Repair (Design)	Nakamura, Oyama and Ass	Miles Okimura	5/6/2008	3/2/2011	Open															565,313
Hui O Hanamaulu Physical Improvements (Const)	For Planning Purposes Only	Richard Speer	12/1/2009	5/1/2010	Open															700,000
Hui O Hanamaulu Physical Improvements (Design)	Marc Ventura AIA LLC	Richard Speer	7/15/2009	5/1/2010	Open															
Kaahumanu Homes, Reroofing (Const)	For Planning Purposes Only	Kyle Lung			Open															80,000
Kaahumanu Homes, Spall Repair and Painting for 19 Buildings (Const)	For Planning Purposes Only	Kelbert Yoshida			Open															
Kahale Mua Federal Site & Reroof (Const)	For Planning Purposes Only	Richard Speer	12/1/2009	5/31/2010	Open															300,000
Kahale Mua Federal Site & Reroof (Design)	Riecke Sunnland Kona Arch	Richard Speer	7/15/2009	5/31/2010	Open															
Kahale Mua Federal Site Renovation of Existing Units (Const)					Open															
Kahale Mua State Site & Bldg Mod (Const)	For Planning Purposes Only	Richard Speer	12/1/2009	5/31/2010	Open															2,000,000
Kahale Mua State Site & Bldg Mod (Design)	Riecke Sunnland Kona Arch	Richard Speer	7/15/2009	5/31/2010	Open															1,200,000
Kahekili Terrace Improvements (Const)	For Planning Purposes Only	Lisa Izumi	11/1/2009	12/1/2010	Open															
Kahekili Terrace Physical Improvements (Design)	Allana, Buick and Bers Inc.	Lisa Izumi	6/25/2008	12/1/2010	Open															5,079,289
Kahekili Terrace Tent Fumigation and Soil Treatment (Const)	Sandwich Isle Pest Solution	Richard Speer	7/30/2009		Open															
Kahekili Terrace, David Malo Circle, Makaniki Hale and Piilani Homes vacant	Artistic Builders Corporation	Richard Speer	6/29/2009		Open															
Kaimalino and Kealakehe Reroofing (Const)	Coastal Construction Inc.	Miles Okimura	2/1/2010	2/29/2010	Open															1,831,483
Kalaheo Homes Physical Improvements (Const)	For Planning Purposes Only	Richard Speer	12/1/2009	12/1/2010	Open															
Kalaheo Homes Physical Improvements (Design)	Group 70	Richard Speer	7/15/2009	12/1/2010	Open															720,000
Kalakaua Homes ADA & 504 Interior & Exterior, Exterior Paint & Miscellaneous	Repairs (Const)	Sahar Ibrahim			Open															95,000
Kalakaua Homes Roof Improvements (Const)	Tony's Roofing	Sahar Ibrahim	4/20/2010	8/20/2010	Open															
Kalakaua Homes Roof Improvements (Design)	Architects Hawaii, Ltd.	Sahar Ibrahim	8/1/2009	8/1/2011	Open															780,553
Kalanihiua Reroofing and Elevator Lobby Improvements (Const)	For Planning Purposes Only				Open															301,836
Kalanihiua Reroofing and Elevator Lobby Improvements (Design)	WTN Architecture				Open															
Kalihi Valley Homes Office Roof, Office Asbestos Abatement (Const)	For Planning Purposes Only				Open															
Kalihi Valley Homes Office Roof, Office Asbestos Abatement (Design)	For Planning Purposes Only				Open															
Kalihi Valley Homes Phase IIIb Site and Dwelling Improvements (Const)	Index Builders Inc.	Lisa Izumi	6/18/2008	2/25/2009	Open	405,627														

PROJECT TITLE	Contractor	Engineer	Start	End	Status	FEDERAL CFP FUNDS FULLY OBLIGATED	FEDERAL CFP FUNDS Obligation Deadline 6-12-2010	 ARR A	FEDERAL CFP FUNDS Obligation Deadline 9-15-2011	Economic Development Initiative	Economic Development Initiative	FEDERAL CFP FUNDS Available 10/1/10	Elevator Improvements, S/W-Des	Elevator Improvements, S/W-Con	L/S CIP-Non-Routine R&M/Renov, S/W-Des	L/S CIP-Non-Routine R&M/Renov, S/W-Con	Elevator Improvements, S/W-Des	Elevator Improvements, S/W-Con	L/S CIP-Non-Routine R&M/Renov, S/W-Des	L/S CIP-Non-Routine R&M/Renov, S/W-Con
						717	718		719	09-SP-HI-0209-SP-HI-02	720	B-07-413-K	B-07-414-K	B-07-415-K	B-07-416-K	B-08-400-K	B-08-401-K	B-08-402-K	B-08-403-K	
Kalihi Valley Homes Reconstruct Kalena Drive (Const)	For Planning Purposes Only				Open															
Kalihi Valley Homes Reroof (11) Residential Buildings and Administration Buildings (Const)	For Planning Purposes Only Glenn Sunakoda				Open															200,000
Kalihi Valley Homes Reroof (11) Residential Buildings and Administration Buildings (Design)	For Planning Purposes Only Glenn Sunakoda				Open															35,000
Kalihi Valley Homes Site and Dwelling Improvement Phase IVA (Const)	Rainforest G. Construction	Lisa Izumi	8/1/2009	8/1/2010	Open	3,084,084		1,549,966			380,000									
Kalihi Valley Homes Site and Dwelling Improvement Phase IVA (Design)	GYA Architects, Inc.	Lisa Izumi	9/26/2008	1/3/2011	Open										651,971					
Kalihi Valley Homes Site and Dwelling Improvement Phase IVA (Design)	GYA Architects, Inc.	Lisa Izumi	9/26/2008	1/3/2011	Open										13,848					
Kalihi Valley Homes Site and Dwelling Improvement Phase IX (Const)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase IX (Design)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase IVB (Const)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase IVB (Design)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase V (Const)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase V (Design)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase VI (Const)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase VI (Design)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase VII (Const)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase VII (Design)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase VIII (Const)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvement Phase VIII (Design)	For Planning Purposes Only Lisa Izumi				Open															
Kalihi Valley Homes Site and Dwelling Improvements Phase III (Design)	GYA Architects, Inc.	Glenn Sunakoda	11/5/2003	8/31/2009	Open	13,848														
Kamehameha Homes, Replace Railings and Ext. Closet Doors, Termite and Fungus Treatment (Const)	For Planning Purposes Only				Open															
Kauaiokalani Reroof (Const)	For Planning Purposes Only				Open															378,000
Kauaiokalani Reroof, Paint, Interior Repairs Including Termites (Const)	For Planning Purposes Only				Open															
Kawaiahua (Federal) Exterior Improvements (Const)	For Planning Purposes Only Richard Speer		12/1/2009	5/1/2010	Open															
Kawaiahua (Federal) Exterior Improvements (Design)	Richard Matsunaga & Associates	Richard Speer	7/15/2009	5/1/2010	Open															
Kawaiahua (State) Improvements (Const)	For Planning Purposes Only Richard Speer		12/1/2009	5/1/2010	Open															
Kawaiahua (State) Improvements (Design)	Richard Matsunaga & Associates	Richard Speer	7/15/2009	5/1/2010	Open															1,200,000
Ke Kumu Ekolu and Noelani Repair of Vacant Units (Const)	For Planning Purposes Only Sahar Ibrahim				Open															206,459
Ke Kumu Ekolu Painting of Vacant Units (Const)	For Planning Purposes Only Sahar Ibrahim				Open															
Ke Kumu Ekolu Roofing & Interior Repairs (Const)	For Planning Purposes Only Sahar Ibrahim				Open															
Ke Kumu Ekolu Roofing & Interior Repairs (Design)	For Planning Purposes Only Sahar Ibrahim				Open															
KPT, Bathrooms ADA Compliant (Const)	For Planning Purposes Only Miles Okimura				Open															
KPT, Bathrooms ADA Compliant (Design)	For Planning Purposes Only Miles Okimura				Open															
KPT, Dry Standpipe Improvements (Const)	For Planning Purposes Only Miles Okimura				Open															
KPT, Elevator, Phase I: Modernization of 6 elevators & Assessment at Various Locations (Const)	Elevator Consulting Service	Glenn Sunakoda	9/3/2008	4/10/2017	Open								247,979							
KPT, Elevator, Phase I: Modernization of Six Elevators (Const)	Kone, Inc.	Glenn Sunakoda	3/19/2009	3/18/2011	Open									3,864,920						
KPT, Fire Alarm System (Both)	American Electric Co.	Miles Okimura	7/9/2008	11/30/2009	Open	283,949														
KPT, Fire Alarm System Design (Both)	American Electric Co.	Miles Okimura	5/8/2007	4/15/2010	Open															
KPT, Install New Telephone Cabinets and Conduits in Building "B" (Const)	Bivens's Electric dba West Coast Electric	Marcel Audant	2/9/2007		Open															
KPT, Installation of New Security Camera System for Elevators (Const)	Security System Hawaii, Inc	Glenn Sunakoda			Open															24,217
KPT, Redevelopment of KPT and Kuhio Homes	Micheals Development Co.				Open															
KPT, Remove and Replace Lobby Roof Towers A & B, Selective patching of Tower A (Design)	For Planning Purposes Only Kyle Lung				Open															
KPT, Remove and Replace Lobby Roof Towers A & B, Selective patching of Tower B (Design)	For Planning Purposes Only Kyle Lung				Open															
KPT, Renovation to Air Conditioning System at Elevator Machine Rooms (Const)	HBM Acquisitions, LLC dba Sahar Ibrahim		4/23/2009	6/17/2009	Open									52,396						
KPT, Reroofing Tower A (Const)	For Planning Purposes Only Kyle Lung				Open															1,100,000
KPT, Reroofing Tower B (Const)	For Planning Purposes Only Kyle Lung				Open															
KPT, Rezoning and Subdivision (Design)	For Planning Purposes Only				Open															
KPT, Security Cameras (Not Elevator Cams) (Const)	Diebold	Miles Okimura	6/30/2009		Open															
KPT, Sewer Repair Phase I (Const)	For Planning Purposes Only Kyle Lung				Open															1,000,000
KPT, Sewer Repair Phase II (Const)	For Planning Purposes Only Kyle Lung				Open															
KPT, Sewer Repairs (Design)	Okahara & Associates	Marcel Audant	6/6/2008	12/20/2010	Open															45,287
KPT, UFAS/ADAAG Renovations to Parking Lot (Design)	For Planning Purposes Only				Open															
KPT, Upgrade Trash Chutes (Const)	Ikaika Builders, Inc.	Marcel Audant	4/30/2009	5/15/2010	Open															
Kupuna Home O'Waiialua, Sewage Operational and Preventive Maintenance (Const)	O&M Enterprises	M. Kawamura	6/8/2007	6/14/2010	Open															
Kupuna Home O'Waiialua, Sewage Treatment Plant Improvements (Const)	For Planning Purposes Only M. Kawamura		10/1/2009	4/1/2010	Open															900,000
Kupuna Home O'Waiialua, Sewage Treatment Plant Improvements (Design)	The Limtiaco Consulting Group	M. Kawamura	6/3/2008	4/1/2011	Open										15,000					
Kupuna Home O'Waiialua, Sewage Treatment Plant Improvements (Design)	The Limtiaco Consulting Group	M. Kawamura	6/3/2008	4/1/2011	Open										66,521					
Kupuna Home O'Waiialua, Transformer Replacement and Maintenance (Const)	HECO	M. Kawamura			Open															
La`iolo Upgrade Fire Alarm System (Const)	Electech Hawaii, Inc.	M. Kawamura	7/1/2009	10/1/2009	Open															185,723
La`iolo Upgrade Fire Alarm System (Design)	Electech Hawaii, Inc.	M. Kawamura	1/28/2008	5/23/2010	Open															
La`iolo Upgrade Fire Alarm System (Design)	Electech Hawaii, Inc.	M. Kawamura	1/28/2008	5/23/2010	Open															
Lailani and Kealakehe LCCC (Const)	Willocks Construction Corp.	HHFDC	6/28/2006	4/30/2008	Open															
Lanakila Homes - Phase II, III & IV (Design)	INK ARCH, LLC	M. Kawamura	10/15/2001	12/31/2012	Open	50,000		376,688												
Lanakila Homes - Renovation of Existing Buildings (Const)	For Planning Purposes Only				Open															
Lanakila Homes - Renovation of Existing Buildings (Design)	For Planning Purposes Only				Open															
Lanakila Homes Demo Phase III & IV (Const)	Constructors Hawaii, Inc.	M. Kawamura	11/11/2008	3/10/2009	Open															
Lanakila Homes Fair Housing Renovations (Const)	Alan Shintani, Inc.	M. Kawamura			Open															
Lanakila Homes Fair Housing Renovations (Design)	INK ARCH, LLC	M. Kawamura	6/6/2008	1/26/2011	Open															1,745,349
Lanakila Homes Physical Improvements Phase IIIA (Const)	Stan's Contracting Inc.	M. Kawamura	6/16/2008	9/30/2008	Open															
Lanakila Homes Physical Improvements Phase IIIA (Energize Project) (Const)	HECO	M. Kawamura			Open															

PROJECT TITLE	Contractor	Engineer	Start	End	Status	FEDERAL CFP FUNDS FULLY OBLIGATED	FEDERAL CFP FUNDS Obligation Deadline 6-12-2010	 Deadline 3/1/10	FEDERAL CFP FUNDS Obligation Deadline 9-15-2011	Economic Development Initiative	Economic Development Initiative	FEDERAL CFP FUNDS Available 10/1/10	Elevator Improvements, S/W-Des	Elevator Improvements, S/W-Con	L/S CIP-Non-Routine, R&M/Renov, S/W-Des	L/S CIP-Non-Routine, R&M/Renov, S/W-Con	Elevator Improvements, S/W-Des	Elevator Improvements, S/W-Con	L/S CIP-Non-Routine, R&M/Renov, S/W-Des	L/S CIP-Non-Routine, R&M/Renov, S/W-Con
						717	718		719	09-SP-HI-0209-SP-HI-02	720	3-07-413-K	B-07-414-K	B-07-415-K	B-07-416-K	B-08-400-K	B-08-401-K	B-08-402-K	B-08-403-K	
LCCC for Federal and State Projects on the Islands of Kauai (Const)	For Planning Purposes Only	Richard Speer			Open															1,513,000
LCCC for Federal and State Projects on the Islands of Maui (Const)	First Quality Building & Design	Richard Speer	6/18/2009	9/15/2009	Open															219,383
LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)	M&E Pacific Inc.	Richard Speer	6/2/2008	12/21/2009	Open															
LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)	M&E Pacific Inc.	Richard Speer	6/2/2008	12/21/2009	Open															
LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)	M&E Pacific Inc.	Richard Speer	6/2/2008	12/21/2009	Open															
LCCC, Pahala Elderly, Nani O Puna, Kaimalino, Kealakehe, Lailani, Noelani I	Okahara & Associates	M. Kawamura		7/31/2009	Open								46,487							
LCCC, Pahala Elderly, Nani O Puna, Kaimalino, Kealakehe, Lailani, Noelani I	Okahara & Associates	M. Kawamura			Open								92,144							
Lokahi Electrical Work, Poles, Transformers - HELCO/PO (Design)	HELCO	M. Kawamura			Open								37,100							
Lokahi HazMat Abatement and Interior Renovation (Const)	Heartwood Pacific, LLC	M. Kawamura	8/1/2009	7/31/2010	Open								57,918							
Lokahi HazMat Abatement and Interior Renovation (Const)	Heartwood Pacific, LLC	M. Kawamura	8/1/2009	7/31/2010	Open															2,783,408
Lokahi HazMat Abatement and Interior Renovation (Const)	Heartwood Pacific, LLC	M. Kawamura	8/1/2009	7/31/2010	Open															7,564
Lokahi HazMat Abatement and Interior Renovation (Design)	CDS International	M. Kawamura	6/2/2008	2/26/2011	Open															214,558
Lokahi HazMat Abatement and Interior Renovation, Electrical Work, Poles, Tr	CDS International	M. Kawamura	6/2/2008	2/26/2011	Open															25,511
Lokahi HazMat Abatement and Interior Renovation, Electrical Work, Poles, Tr	CDS International	M. Kawamura	6/2/2008	2/26/2011	Open															17,329
Lokahi LCCC Evaluation of Existing Tanks (Design)	For Planning Purposes Only	M. Kawamura			Open															50,000
Lokahi Replace Electric Poles and Transformers HELCO Will Assume Owner	For Planning Purposes Only	M. Kawamura			Open															300,000
Maiili II Type "C" Unit Repairs (Const)	For Planning Purposes Only				Open															
Makamae Investigation and Repairs (Design)	Wilson Okamoto Corp	Ed Morimoto	12/29/2003	3/13/2009	Open	30,388														
Makani Kai Hale Physical Improvements (Const)	Artistic Builders Corporation	Lisa Izumi			Open			1,412,267												
Makani Kai Hale Physical Improvements (Design)	GYA Architects, Inc.	Lisa Izumi	6/17/2008	1/31/2010	Open										4,000					
Makani Kai Hale Physical Improvements (Design)	GYA Architects, Inc.	Lisa Izumi	6/17/2008	1/31/2010	Open															
Makua Aalii Structural and Spall Repairs (Const)	Hi-Tec Roofing	Sahar Ibrahim	10/1/2009	4/1/2011	Open			1,940,130												
Makua Aalii Structural Investigation and Repairs (Design)	SSFM International, Inc.	Sahar Ibrahim	12/18/2008	11/22/2011	Open	423,335		409,171												
Makua Aalii Upgrade and Replace Existing Booster Pump System (Const)	Doonwood Engineering, Inc.	Sahar Ibrahim			Open															
Mayor Wright Building 11, 20, 22, 23, 24 Structural Repairs (Const)	For Planning Purposes Only				Open															
Mayor Wright Homes Building 11, 20, 22, 23, 24 Structural Repairs (Design)	For Planning Purposes Only	Kyle Lung			Open															
Mayor Wright Homes Reroofing (Const)	For Planning Purposes Only	Kyle Lung			Open			287,340												
Mayor Wright Homes, Wahiawa Terrace, Kuhio Park Terrace Towers A & B,	Mitsunaga & Associates, Inc	Kyle Lung	2/9/2009	2/8/2010	Open			22,500							294,781					
Mayor Wright Modernization - Ph 1 & 2 (Design)	For Planning Purposes Only				Open															
Mayor Wright Modernization - Ph 1 (Const)	For Planning Purposes Only				Open															
Mayor Wright Modernization - Ph 2 (Const)	For Planning Purposes Only				Open															
Mayor Wright Replacement of Solar Hot Water System (Const)	For Planning Purposes Only	Richard Speer			Open															
Mayor Wright Replacement of Solar Hot Water System (Design)	Paul Louie & Associates, Inc	Richard Speer	6/2/2008	11/28/2009	Open										380,758					
Nakolea (Homeless Shelter) CMU Wall & Stair Repairs (Const)	For Planning Purposes Only	Kyle Lung	2/8/2010	5/1/2010	Open															
Nakolea (Homeless Shelter) Design-Build Renovation (Both)	CC Engineering and Constr	Kyle Lung	6/21/2007	12/30/2007	Open															
Nakolea and Weinberg Village Various Physical Improvements For Homeless	For Planning Purposes Only				Open															
Nani O' Puna & Hale O' Puna LCCC (Const)	Site Engineering, Inc.	M. Kawamura	6/9/2008	3/5/2009	Open															
Nani O' Puna & Hale O' Puna LCCC (Const)	Site Engineering, Inc.	M. Kawamura	5/20/2008	3/5/2009	Open															
Nani O' Puna & Hale O' Puna LCCC (Const)	Site Engineering, Inc.	M. Kawamura		6/3/2009	Open															
Nani O' Puna & Hale O' Puna LCCC (Const)	Site Engineering, Inc.	M. Kawamura		6/3/2009	Open															7,696
Nani Olu Additional Parking (Const)	For Planning Purposes Only				Open															
Nani Olu Additional Parking (Design)	For Planning Purposes Only				Open															
Noelani I & Noelani II Make 9 Vacant Units Ready For Tenants Relocating Fr	Society Contracting, LLC	Ed Morimoto	5/17/2006	11/28/2006	Open															70,323
Pahala ADA Units and Modernization (Const)	For Planning Purposes Only	M. Kawamura			Open							1,000,000								
Salt Lake Apartments Bldg Improvements (Design)	For Planning Purposes Only	Miles Okimura			Open															
Pahala Elderly Housing LCCC (Const)	Site Engineering, Inc.	M. Kawamura	9/11/2006	6/12/2007	Open															
Pahala Rehabilitate 24 Units of Elderly Housing					Open															
Palolo Valley Homes Physical Improvements (Design)	Clifford Projects Inc.	Lisa Izumi			Open		600,000		950,000			1,250,000								
Palolo Valley Homes Physical Improvements Ph1 (Const)	For Planning Purposes Only	Lisa Izumi			Open							2,000,000								
Palolo Valley Homes Physical Improvements Ph2 (Const)	For Planning Purposes Only				Open															
Palolo Valley Homes Physical Improvements Ph3 (Const)	For Planning Purposes Only				Open															
Palolo Valley Homes Physical Improvements Ph4 (Const)	For Planning Purposes Only				Open															
Palolo Valley Homes Security Screen Door Replacement (Const)	For Planning Purposes Only				Open															200,000
Paoakalani	For Planning Purposes Only	Sahar Ibrahim			Open															
Paoakalani	For Planning Purposes Only	Sahar Ibrahim			Open															
Paoakalani Interior Repairs 17th Floor Units (Const)	DCN Contracting Inc.	Sahar Ibrahim	6/15/2009	7/20/2009	Open															
Paoakalani Re-roof and Mis Repairs (Const)	Allied Pacific Builders, Inc.	Sahar Ibrahim	12/17/2008	1/30/2009	Open	51,341														
PHA Wide Type C Units (Const)	For Planning Purposes Only				Open				3,600,000											
PHA Wide Type C Units Group A (Design)	Mitsunaga & Associates, Inc.				Open															251,541
PHA Wide Type C Units Group B (Design)	GYA Architects, Inc.				Open															443,708
Physical Needs Assessment (PNA) of State-Owned Projects (25 total) (Design)	Architects Hawaii, Ltd.	Marcel Audant	6/28/2006		Open															
Piilani Homes Physical Improvements (Const)	For Planning Purposes Only	Richard Speer			Open															
Piilani Homes Physical Improvements (Design)	For Planning Purposes Only	Richard Speer			Open															
Pomaikai ADA Units and Modernization (Const)	For Planning Purposes Only	M. Kawamura			Open				2,000,000											
Pomaikai ADA Units and Modernization (Design)	Durrant Media Five	M. Kawamura			Open				400,000											
Puahala Homes IB Abatement and Modernization (Const) Buildings 4,5,6	For Planning Purposes Only	Miles Okimura			Open															1,900,000
Puahala Homes IB Abatement and Modernization (Design) Buildings 4,5,6	Paul Louie & Associates, Inc	Miles Okimura			Open															103,721
Puahala Homes II, III & IV Abatement and Modernization (Construction)	For Planning Purposes Only				Open															

PROJECT TITLE	Contractor	Engineer	Start	End	Status	FEDERAL CFP FUNDS FULLY OBLIGATED	FEDERAL CFP FUNDS Obligation Deadline 6-12-2010	 ARR A	FEDERAL CFP FUNDS Obligation Deadline 9-15-2011	Economic Development Initiative	Economic Development Initiative	FEDERAL CFP FUNDS Available 10/1/10	Elevator Improvements, S/W-Des	Elevator Improvement, S/W-Con	L/S CIP-Non-Routine, R&M/Renov, S/W-Des	L/S CIP-Non-Routine, R&M/Renov, S/W-Con	Elevator Improvement, S/W-Des	Elevator Improvement, S/W-Con	L/S CIP-Non-Routine, R&M/Renov, S/W-Des	L/S CIP-Non-Routine, R&M/Renov, S/W-Con	
						717	718		719	09-SP-HI-0209-SP-HI-02	720	B-07-413-K	B-07-414-K	B-07-415-K	B-07-416-K	B-08-400-K	B-08-401-K	B-08-402-K	B-08-403-K		
Puahala Homes II, III & IV Abatement and Modernization (Design)	For Planning Purposes Only				Open																
Puahala Homes Site Improvements (Const)	For Planning Purposes Only	Lisa Izumi			Open																
Puahala Homes Site Improvements (Design)	Kim & Shiroma Engineers	Lisa Izumi	4/10/2008	4/5/2010	Open																
Pumehana, Replace Existing Booster Pump System and Provide Three Years	Doonwood Engineering, Inc	Sahar Ibrahim	9/20/2006	1/17/2010	Open										50,000						
Punchbowl Homes (CFP LIST) (Const)	For Planning Purposes Only				Open																
Punchbowl Homes (CFP LIST) (Design)	For Planning Purposes Only				Open																
Puuwai Momi W. Heater & Roof Impr. (Const)	For Planning Purposes Only				Open																
Puuwai Momi W. Heater & Roof Impr. (Design)	For Planning Purposes Only				Open																
Puuwai Momi, Electrical System Repairs (Const) I & II	Integrated Construction	Miles Okimura	12/21/2009	10/18/2010	Open	2,179,508															
Puuwai Momi, Electrical System Repairs (Design)	Ronald N. S. Ho & Associat	Miles Okimura	5/26/2008	10/5/2010	Open										148,774						
Salt Lake Apartment Elevator Renovation (1) Plus Install (1) New Elevator (Const)		Miles Okimura			Open																
Salt Lake Apartment Elevator Renovation (1) Plus Install (1) New Elevator (Design)	D. Awa & Associates	Miles Okimura			Open																1,000,000
Salt Lake Apartments Bldg Improvements (Const)	For Planning Purposes Only	Miles Okimura			Open																150,000
Pahala ADA Units and Modernization (Design)	For Planning Purposes Only	M. Kawamura			Open																
School St Bldg A Hazmat Abatement (Const)	For Planning Purposes Only	Glenn Sunakoda			Open																
School St Bldg A Hazmat Abatement (Design)	Lou Chan & Associates	Glenn Sunakoda			Open																192,000
School Street Building G Reroof (Const)	For Planning Purposes Only	Richard Speer			Open																
School Street Renovations, Building M (Both)	William Scotsman, Inc.	Miles Okimura	10/14/2008	4/13/2009	Open																
Tree Trimming at Various Sites Statewide (Const)	For Planning Purposes Only	Kelbert Yoshida			Open																
Wahiawa Terrace, Electrical (Const)	For Planning Purposes Only	Kyle Lung			Open																
Wahiawa Terrace, Re-roof (Const)	For Planning Purposes Only	Kyle Lung			Open				589,277												
Wahiawa Terrace, Sewage Lift Station (Const)	O&M Enterprises	M. Kawamura	6/8/2007	6/14/2010	Open																
Wahiawa Terrace, Upgrade and Replace Heat Pumps and Gas Water Heater	Doonwood Engineering, Inc	M. Kawamura	5/22/2009		Open																
Wahiawa Terrace, Weatherproofing, Painting (Const)	For Planning Purposes Only	Kelbert Yoshida			Open																
Wahiawa Terrace, Weatherproofing, Painting (Design)	For Planning Purposes Only	Kelbert Yoshida			Open																
CFP 1460/1430 Expenses Related to CMS	For Planning Purposes Only				Open																
Transfer Funds from B-07-416-K to B-07-415-K Con to Des	For Planning Purposes Only														656,275	(656,275)					
Transfer Funds from B-07-414-K to B-07-413-K Con to Des	For Planning Purposes Only												50,361	(50,361)							
Transfer Funds from B-08-400-K to B-08-401-K Des to Con	For Planning Purposes Only																				
Transfer Funds from B-08-403-K to B-08-402-K Con to Des	For Planning Purposes Only																				
Transfer Funds from B-09-409-K to B-09-410-K Con to Des	For Planning Purposes Only																				1,967,993 (1,967,993)
APPROPRIATION						12,892,393	12,613,733	16,245,443	12,526,177	380,000	475,000	12,526,177	800,361	4,250,000	2,656,275	17,253,725	410,000	6,000,000	2,967,993	7,032,007	
ALLOTMENT														4,139,142							
EXPENDED/BUDGET						12,892,393	12,613,733	16,245,443	12,526,177	380,000	475,000	12,526,177	800,361	3,917,316	2,656,275	16,488,795	150,000	5,999,420	2,967,993	6,815,323	
BALANCES						0	0	0	0	0	0	0	0	221,826	0	764,930	260,000	580	0	216,684	

LS CIP Non-Routine R&M/Reno, S/W Des	LS CIP Non-Routine R&M/Reno, S/W Con	LS CIP Non-Routine R&M/Reno, S/W Des	LS CIP Non-Routine R&M/Reno, S/W Con	General Fund Operating HMS-220		PROJECT TITLE
B-09-409-K	B-09-410-K	1-10-xxx-K	de3-10-xxx-K	co G-10-020-K	Totals	Project Title
					391,031	2008 Physical Needs Assessment (PNA) Federal Projects (Design)
					5,518,324	ADA Compliance for Various Federal Projects (Const)
			2,000,000		2,395,000	ADA Compliance for Various Federal Projects (Design)
					258,758	ADA Compliance to Various Projects in Maui County and West Hawaii (1) (Design)
					0	ADA/UFAS Compliance (5 projects) Puuwai Momi, Waimaha, Kauaiokalani, KauH
					0	ADA/UFAS Compliance (5 projects) Puuwai Momi, Waimaha, Kauaiokalani, KauH
					0	ADA/UFAS Compliance (9 projects) (Const)
					795,565	ADA/UFAS Compliance (9 projects) (Design)
					2,968,493	Barbers Point Transitional Shelter (Const)
					800,000	David Malo Circle Exterior Improvements Paint, Roofing, Site Work (Const)
					200,000	David Malo Circle Exterior Improvements Paint, Roofing, Site Work (Design)
					166,218	Elevator Maintenance Service for Various Federal-Funded Projects (Const)
					173,217	Elevator Maintenance Service for Various Federal-Funded Projects (Const)
				135,191	135,191	Elevator Maintenance Service for Various Federal-Funded Projects (Const)
					109,600	Elevator Maintenance Service for Various State-Funded Projects (Const)
					107,681	Elevator Maintenance Service for Various State-Funded Projects (Const)
				78,895	111,988	Elevator Maintenance Service for Various State-Funded Projects (Const)
					3,475,203	Elevator Modernization of 16 at Various Oahu Locations (Const)
					365,968	Elevator Modernization of 16 at Various Oahu Locations (Design)
					200,000	Elevator Modernization Phase II: 10 at Various Sites (Design)
					1,500,000	Elevator Modernization Phase III: 10 at Various Sites (Const)
					0	Elevator Repair and Maintenance at Various Sites Phase III (Design)
					159,131	Environmental, Historical, Flood Plain, Archeological, Cultural Review (All Facilit
				42,948	118,108	Generator Maintenance Services at Various Oahu Projects (Const)
					752,949	Halaula & Ka'u Teacher's Cottages and Lokahi LCCC (Const)
1,400,000					2,400,000	Hale Aloha O' Puna ADA Units & Roof (Const)
					140,000	Hale Aloha O' Puna ADA Units & Roof (Design)
					1,798,597	Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation (Const)
					255,932	Hale Hauoli at Honokaa, Hawaii Painting, Re Roofing and Renovation (Design)
					3,000,000	Hale Hookipa Physical Improvements to Exterior Repairs and Interior Moderniza
					300,000	Hale Hookipa Physical Improvements to Exterior Repairs and Interior Moderniza
					666,185	Hale Hookipa, Kaimalino, Nani Olu, Noelani, and Paoakalani Reroofing (Design)
					2,211,300	Hale Hookipa, Nani Olu, Reroofing (Const)
					647,000	Hale Hoolulu Repaint, ReRoof, Emergency Call System Prepare Tank Enclosure
					65,000	Hale Hoolulu Repaint, ReRoof, Emergency Call System Prepare Tank Enclosure
					4,500,000	Hale Laulima Major Mod (Const)
					900,000	Hale Laulima Major Mod (Design)
2,000,000					2,000,000	Hale Nana Kai O'Kea Physical Improvement (Const)
					200,000	Hale Nana Kai O'Kea Physical Improvement (Design)
					3,000,000	Hale Po'ai Building Improvements (Const)
					362,322	Hale Po'ai Building Improvements (Design)
				65,000	65,000	Halia Hale Reroof, Lights, Mechanical Repairs (R&M-elevator shaft, water founta
					565,313	Hoolulu and Kamalu Emergency Call System Repair (Const)
					72,040	Hoolulu and Kamalu Emergency Call System Repair (Design)
					700,000	Hui O Hanamaulu Physical Improvements (Const)
					80,000	Hui O Hanamaulu Physical Improvements (Design)
					1,150,000	Kaahumanu Homes, Reroofing (Const)
					0	Kaahumanu Homes, Spall Repair and Painting for 19 Buildings (Const)
					300,000	Kahale Mua Federal Site & Reroof (Const)
					50,000	Kahale Mua Federal Site & Reroof (Design)
					0	Kahale Mua Federal Site Renovation of Existing Units (Const)
					3,200,000	Kahale Mua State Site & Bldg Mod (Const)
					250,000	Kahale Mua State Site & Bldg Mod (Design)
					5,079,289	Kahekili Terrace Improvements (Const)
					365,445	Kahekili Terrace Physical Improvements (Design)
				138,547	138,547	Kahekili Terrace Tent Fumigation and Soil Treatment (Const)
				155,000	1,207,127	Kahekili Terrace, David Malo Circle, Makaniki Hale and Piihoni Homes vacant un
					1,831,483	Kaimalino and Kealakehe Reroofing (Const)
					720,000	Kalaheo Homes Physical Improvements (Const)
					95,000	Kalaheo Homes Physical Improvements (Design)
					1,400,000	Kalakaua Homes ADA & 504 Interior & Exterior, Exterior Paint & Miscellaneous
					780,553	Kalakaua Homes Roof Improvements (Const)
				163,467	465,303	Kalakaua Homes Roof Improvements (Design)
					196,865	Kalanihua Reroofing and Elevator Lobby Improvements (Const)
					53,388	Kalanihua Reroofing and Elevator Lobby Improvements (Design)
					200,000	Kalihi Valley Homes Office Roof, Office Asbestos Abatement (Const)
					50,000	Kalihi Valley Homes Office Roof, Office Asbestos Abatement (Design)
					5,920,515	Kalihi Valley Homes Phase IIb Site and Dwelling Improvements (Const)

LS CIP Non-Routine R&M/Reno, S/W Des	LS CIP Non-Routine R&M/Reno, S/W Con	LS CIP Non-Routine R&M/Reno, S/W Des	LS CIP Non-Routine R&M/Reno, S/W Con	General Fund Operating HMS-220		PROJECT TITLE
B-09-409-K	B-09-410-K	I-10-xxx-K	de3-10-xxx-K	co G-10-020-K	Totals	Project Title
					1,000,000	Kalihi Valley Homes Reconstruct Kalena Drive (Const)
					200,000	Kalihi Valley Homes Reroof (11) Residential Buildings and Administration Building
					35,000	Kalihi Valley Homes Reroof (11) Residential Buildings and Administration Building
					5,014,050	Kalihi Valley Homes Site and Dwelling Improvement Phase IVa (Const)
					651,971	Kalihi Valley Homes Site and Dwelling Improvement Phase IVa (Design)
					13,848	Kalihi Valley Homes Site and Dwelling Improvement Phase IVa (Design)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase IX (Const)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase IX (Design)
					7,000,000	Kalihi Valley Homes Site and Dwelling Improvement Phase IVb (Const)
					150,000	Kalihi Valley Homes Site and Dwelling Improvement Phase IVb (Design)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase V (Const)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase V (Design)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase VI (Const)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase VI (Design)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase VII (Const)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase VII (Design)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase VIII (Const)
					0	Kalihi Valley Homes Site and Dwelling Improvement Phase VIII (Design)
					870,990	Kalihi Valley Homes Site and Dwelling Improvements Phase III (Design)
					0	Kamehameha Homes, Replace Railings and Ext. Closet Doors, Termite and Rodent
					378,000	Kauioikalani Type Reroof (Const)
					210,000	Kauioikalani Reroof, Paint, Interior Repairs Including Termites (Const)
					2,000,000	Kawailehua (Federal) Exterior Improvements (Const)
					206,459	Kawailehua (Federal) Exterior Improvements (Design)
					1,200,000	Kawailehua (State) Improvements (Const)
					206,459	Kawailehua (State) Improvements (Design)
					0	Ke Kumu Ekolu and Noelani Repair of Vacant Units (Const)
					0	Ke Kumu Ekolu Painting of Vacant Units (Const)
		130,000	1,200,000		1,200,000	Ke Kumu Ekolu Roofing & Interior Repairs (Const)
					130,000	Ke Kumu Ekolu Roofing & Interior Repairs (Design)
					0	KPT, Bathrooms ADA Compliant (Const)
					0	KPT, Bathrooms ADA Compliant (Const)
					0	KPT, Dry Standpipe Improvements (Const)
					964,221	KPT, Elevator, Phase I: Modernization of 6 elevators & Assessment at Various Sites
					3,970,469	KPT, Elevator, Phase I: Modernization of Six Elevators (Const)
					1,578,918	KPT, Fire Alarm System (Both)
					19,400	KPT, Fire Alarm System Design (Both)
					207,227	KPT, Install New Telephone Cabinets and Conduits in Building "B" (Const)
					35,305	KPT, Installation of New Security Camera System for Elevators (Const)
					2,000,000	KPT, Redevelopment of KPT and Kuhio Homes
					37,500	KPT, Remove and Replace Lobby Roof Towers A & B, Selective patching of Towers
					20,000	KPT, Remove and Replace Lobby Roof Towers A & B, Selective patching of Towers
					52,396	KPT, Renovation to Air Conditioning System at Elevator Machine Rooms (Const)
					1,100,000	KPT, Reroofing Tower A (Const)
					950,000	KPT, Reroofing Tower B (Const)
					0	KPT, Rezoning and Subdivision (Design)
					660,000	KPT, Security Cameras (Not Elevator Cams) (Const)
					1,000,000	KPT, Sewer Repair (Phase I) (Const)
		4,000,000			5,000,000	KPT, Sewer Repair (Phase II) (Const)
					329,983	KPT, Sewer Repairs (Design)
					0	KPT, UFAS/ADAAG Renovations to Parking Lot (Design)
					1,355,413	KPT, Upgrade Trash Chutes (Const)
					108,646	Kupuna Home O'Waialua, Sewage Operational and Preventive Maintenance (Const)
					900,000	Kupuna Home O'Waialua, Sewage Treatment Plant Improvements (Const)
					262,107	Kupuna Home O'Waialua, Sewage Treatment Plant Improvements (Design)
					66,521	Kupuna Home O'Waialua, Sewage Treatment Plant Improvements (Design)
				4,332	4,332	Kupuna Home O'Waialua, Transformer Replacement and Maintenance (Const)
					185,723	La'iola Upgrade Fire Alarm System (Const)
					36,307	La'iola Upgrade Fire Alarm System (Design)
					0	La'iola Upgrade Fire Alarm System (Design)
					2,904,302	Lailani and Kealakehe LCCC (Const)
					426,688	Lanakila Homes - Phase II, III & IV (Design)
					0	Lanakila Homes - Renovation of Existing Buildings (Const)
					0	Lanakila Homes - Renovation of Existing Buildings (Design)
					37,453	Lanakila Homes Demo Phase III & IV (Const)
					1,745,349	Lanakila Homes Fair Housing Renovations (Const)
					273,349	Lanakila Homes Fair Housing Renovations (Design)
					7,140,386	Lanakila Homes Physical Improvements Phase IIIa (Const)
					92,331	Lanakila Homes Physical Improvements Phase IIIa (Energize Project) (Const)

LS CIP Non-Routine R&M/Reno, S/W Des	LS CIP Non-Routine R&M/Reno, S/W Con	LS CIP Non-Routine R&M/Reno, S/W Des	LS CIP Non-Routine R&M/Reno, S/W Con	General Fund Operating HMS-220		PROJECT TITLE
B-09-409-K	B-09-410-K	I-10-xxx-K	de3-10-xxx-K	co G-10-020-K	Totals	Project Title
					2,213,000	LCCC for Federal and State Projects on the Islands of Kauai (Const)
					219,383	LCCC for Federal and State Projects on the Islands of Maui (Const)
					284,750	LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)
					0	LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)
					0	LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)
					46,487	LCCC for Federal and State Projects on the Islands of Maui and Kauai (Design)
					720,252	LCCC, Pahala Elderly, Nani O Puna, Kaimalino, Kealakehe, Lailani, Noelani I an
					37,100	LCCC, Pahala Elderly, Nani O Puna, Kaimalino, Kealakehe, Lailani, Noelani I an
				7,300	65,218	Lokahi Electrical Work, Poles, Transformers - HELCO/PO (Design)
					2,783,408	Lokahi HazMat Abatement and Interior Renovation (Const)
					7,564	Lokahi HazMat Abatement and Interior Renovation (Const)
					214,558	Lokahi HazMat Abatement and Interior Renovation (Const)
					372,896	Lokahi HazMat Abatement and Interior Renovation (Design)
					25,511	Lokahi HazMat Abatement and Interior Renovation (Design)
					17,329	Lokahi HazMat Abatement and Interior Renovation, Electrical Work, Poles, Tran
					50,000	Lokahi LCCC Evaluation of Existing Tanks (Design)
					300,000	Lokahi Replace Electric Poles and Transformers HELCO Will Assume Ownersh
					11,000	Maili II Type "C" Unit Repairs (Const)
					30,388	Makamae Investigation and Repairs (Const)
					1,412,267	Makani Kai Hale Physical Improvements (Const)
					159,037	Makani Kai Hale Physical Improvements (Design)
					0	Makani Kai Hale Physical Improvements (Design)
					1,940,130	Makua Alii Structural and Spall Repairs (Const)
					832,506	Makua Alii Structural Investigation and Repairs (Design)
				21,000	64,141	Makua Alii Upgrade and Replace Existing Booster Pump System (Const)
					0	Mayor Wright Building 11, 20, 22, 23, 24 Structural Repairs (Const)
					0	Mayor Wright Homes Building 11, 20, 22, 23, 24 Structural Repairs (Design)
					287,340	Mayor Wright Homes Reroofing (Const)
					317,281	Mayor Wright Homes, Wahiawa Terrace, Kuhio Park Terrace Towers A & B, Ka
					1,200,000	Mayor Wright Modernization - Ph 1 & 2 (Design)
					0	Mayor Wright Modernization - Ph 1 (Const)
					0	Mayor Wright Modernization - Ph 2 (Const)
	250,000				250,000	Mayor Wright Replacement of Solar Hot Water System (Const)
					380,758	Mayor Wright Replacement of Solar Hot Water System (Design)
					0	Nakolea (Homeless Shelter) CMU Wall & Stair Repairs (Const)
					1,493,510	Nakolea (Homeless Shelter) Design-Build Renovation (Both)
					0	Nakolea and Weinberg Village Various Physical Improvements For Homeless (C
					876,600	Nani O'Puna & Hale O'Puna LCCC (Const)
					0	Nani O'Puna & Hale O'Puna LCCC (Const)
					0	Nani O'Puna & Hale O'Puna LCCC (Const)
					7,696	Nani O'Puna & Hale O'Puna LCCC (Const)
					0	Nani Olu Additional Parking (Const)
					100,000	Nani Olu Additional Parking (Design)
					546,361	Noelani I & Noelani II Make 9 Vacant Units Ready For Tenants Relocating From
					1,000,000	Pahala ADA Units and Modernization (Const)
450,000					450,000	Salt Lake Apartments Bldg Improvements (Design)
					375,362	Pahala Elderly Housing LCCC (Const)
					0	Pahala Rehabilitate 24 Units of Elderly Housing
					2,800,000	Palolo Valley Homes Physical Improvements (Design)
					2,000,000	Palolo Valley Homes Physical Improvements Ph1 (Const)
					3,250,000	Palolo Valley Homes Physical Improvements Ph2 (Const)
					3,250,000	Palolo Valley Homes Physical Improvements Ph3 (Const)
					3,250,000	Palolo Valley Homes Physical Improvements Ph4 (Const)
					200,000	Palolo Valley Homes Security Screen Door Replacement (Const)
					0	Paoakalani
					0	Paoakalani
				285,990	285,990	Paoakalani Interior Repairs 17th Floor Units (Const)
					667,048	Paoakalani Re-roof and Mis Repairs (Const)
					3,600,000	PHA Wide Type C Units (Const)
					251,541	PHA Wide Type C Units Group A (Design)
					443,708	PHA Wide Type C Units Group B (Design)
					280,000	Physical Needs Assessment (PNA) of State-Owned Projects (25 total) (Design)
					1,400,000	Piilani Homes Physical Improvements (Const)
	140,000				140,000	Piilani Homes Physical Improvements (Design)
					2,000,000	Pomaikai ADA Units and Modernization (Const)
					400,000	Pomaikai ADA Units and Modernization (Design)
					1,900,000	Puahala Homes Ib Abatement and Modernization (Const) Buildings 4,5,6
					103,721	Puahala Homes Ib Abatement and Modernization (Design) Buildings 4,5,6
					0	Puahala Homes II, III & IV Abatement and Modernization (Construction)

LS CIP Non-Routine R&M/Reno S/W Des	LS CIP Non-Routine R&M/Reno S/W Con	LS CIP Non-Routine R&M/Reno S/W Des	LS CIP Non-Routine R&M/Reno S/W Con	General Fund Operating HMS-220	Totals	PROJECT TITLE
B-09-409-K	B-09-410-K	B-10-xxx-K	B-10-xxx-K	B-10-020-K		Project Title
600,000					600,000	Puahala Homes II, III & IV Abatement and Modernization (Design)
	2,600,000				2,600,000	Puahala Homes Site Improvements (Const)
					205,420	Puahala Homes Site Improvements (Design)
					48,291	Pumehana, Replace Existing Booster Pump System and Provide Three Years P
					0	Punchbowl Homes (CFP LIST) (Const)
					0	Punchbowl Homes (CFP LIST) (Design)
					0	Puuwai Momi W. Heater & Roof Impr. (Const)
					0	Puuwai Momi W. Heater & Roof Impr. (Design)
					2,179,508	Puuwai Momi, Electrical System Repairs (Const) I & II
					179,813	Puuwai Momi, Electrical System Repairs (Design)
					1,000,000	Salt Lake Apartment Elevator Renovation (1) Plus Install (1) New Elevator (Const)
					150,000	Salt Lake Apartment Elevator Renovation (1) Plus Install (1) New Elevator (Design)
					2,500,000	Salt Lake Apartments Bldg Improvements (Const)
100,000					100,000	Pahala ADA Units and Modernization (Design)
			1,600,000		1,600,000	School St Bldg A Hazmat Abatement (Const)
					192,000	School St Bldg A Hazmat Abatement (Design)
					0	School Street Building G Reroof (Const)
					621,202	School Street Renovations, Building M (Both)
					0	Tree Trimming at Various Sites Statewide (Const)
					0	Wahiawa Terrace, Electrical (Const)
					589,277	Wahiawa Terrace, Re-roof (Const)
					39,626	Wahiawa Terrace, Sewage Lift Station (Const)
				76,105	76,105	Wahiawa Terrace, Upgrade and Replace Heat Pumps and Gas Water Heaters (Const)
					0	Wahiawa Terrace, Weatherproofing, Painting (Const)
					0	Wahiawa Terrace, Weatherproofing, Painting (Design)
					0	CFP 1460/1430 Expenses Related to CMS
					0	Transfer Funds from B-07-416-K to B-07-415-K Con to Des
					0	Transfer Funds from B-07-414-K to B-07-413-K Con to Des
					0	Transfer Funds from B-08-400-K to B-08-401-K Des to Con
					0	Transfer Funds from B-08-403-K to B-08-402-K Con to Des
					0	Transfer Funds from B-09-409-K to B-09-410-K Con to Des
650,000	(650,000)					
1,150,000	6,763,000	500,000	4,000,000	4,414,556	259,910,145	APPROPRIATION ALLOTMENT
1,150,000	6,250,000	270,000	8,800,000	4,414,556	180,010,813	EXPENDED/BUDGET
0	513,000	230,000	(4,800,000)	0	79,899,332	BALANCES

*Office of Investigations*U.S. Department of Homeland Security  
595 Ala Moana Boulevard  
Honolulu, HI 96813**U.S. Immigration  
and Customs  
Enforcement**Barbara Arashiro  
Acting Executive Director  
Hawaii Public Housing Authority  
Fax: 808-832-4679**Re: Request for Public Housing Information**

Dear Director Arashiro:

The United States Department of Homeland Security, Immigration and Customs Enforcement (ICE), Office of Investigations, would like to open a relationship with the State of Hawaii Public Housing Authority. The State of Hawaii is providing benefits to those who are in need and require assistance; however, there are many people to provide for, and a limited amount of resources to fill the needs. ICE would like to partner with the State of Hawaii Public Housing Authority to ensure those not legally qualified for assistance offered by the State do not usurp the resources for those who have a legal and genuine need. Through this relationship, our agencies can assist each other in curbing abuses within the Hawaii Public Housing system and violations of the Immigration and Nationality Act.

ICE respectfully requests your assistance in providing access to specific information regarding current Hawaii Public Housing residents. ICE agents have access to information that may assist in confirming eligibility of benefits being provided to individuals or families under various programs and laws. In some instances, ICE may also assist with the removal foreign national tenants who have violated the terms in which they were admitted to the United States. This partnership will enhance the safety and security of the Public Housing communities, which can lead the residents to a certain level of confidence and pride in the community they live.

Thank you for your consideration to this matter, and I look forward to a continued dialogue on the progress of partnership. Please direct your points of contact to Group Supervisor Special Agent John Duenas at 237-4820 or Special Agent Amy Garon at 864-0446 to discuss this matter further or answer any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "David S. Wills".

Wayne K. Wills  
Special Agent in Charge

Amendment to the Hawaii Public Housing Authority 2009-2014 5-Year and Annual Plan  
March 1, 2010

The Hawaii Public Housing Authority (HPHA) proposes to amend its current HUD-approved PHA 5-Year and Annual Plan to change the list of the projects to be completed using funds from the American Reinvestment and Recovery Act of 2009 (ARRA). The approved plan included construction at the following housing projects to be funded partially or in whole with ARRA: Hale Hookipa; Mayor Wright Homes; Puuwai Momi; renovations of extensively damaged units (Type-C Units) at various sites statewide; and David Malo Circle. These projects will be removed from the ARRA list and will instead be completed using alternate sources of funding.

HPHA proposes to add the following projects to the list of those to be completed with ARRA funds:

**Kahekili Terrace** : \$5,079,289 for improvements include the replacement of the solar hot water system and storage tanks for three (3), 3-story buildings, eleven (11), 2-story buildings and one (1) single story building. Project also includes re-roofing, spalling repairs, exterior paint, gas water heater replacement, plumbing and electrical work upgrades.

**Kalanihuia**: \$196,865 for improvements include re-roofing, the installation of aluminum store-front buffer walls and windows.

**Kalakaua Homes**: \$780,553 for improvements include re-roofing all the low and mid-rise structures. In addition the project will included new insulation to comply with current energy requirements.

The attached Performance and Annual Report form (HUD 50075.1) will be substituted for the existing one in the HUD-approved PHA Plan.

Denise M. Wise

Executive Director

Hawaii Public Housing Authority