

**HAWAII PUBLIC HOUSING AUTHORITY  
NOTICE OF MEETING  
REGULAR BOARD OF DIRECTORS MEETING**

**May 20, 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, April 15, 2010 (001-011)
- B. Executive Session, April 15, 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. DECISION MAKING**

- A. Motion: To Approve the Hawaii Public Housing Authority's Comments and Recommendation That the Governor Veto Senate Bill 2473, S.D.1, H.D.2, C.D.1, Allowing Grandchildren to Reside in State Elderly Housing (012-023)
- B. Motion: To Accept the SAS 114 Management Advisory Letter from KMH, LLP for the Hawaii Public Housing Authority's Audit for the Fiscal Year Ended June 30, 2009 (024-085)
- C. Motion: To Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Reduced Quorum Requirement pursuant to Act 048, Session Laws of Hawaii 2010 (086-105)
- D. Motion: To Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Transfer of the Homeless Programs to the Department of Human Services pursuant to Act 89, Session Laws of Hawaii 2010 (106-125)

## V. REPORTS

- A. Task Force Reports as Requested by the Board Chair at the April 2010 Meeting
1. Finance Task Force to review the corrective action plan for the HPHA's Single Audit and to assist with an action plan.
  2. Human Resources Task Force to continue working with staff on filling priority/critical positions.
  3. Board Training Task Force to meet with new ED and establish a training schedule and determine what training shall be included.
  4. Goals and Objectives Task Force was formed to discuss facilitator to assist HPHA with operational goals and objectives.
  5. Tenant Relations/Operations Task Force to continue to meet with the Executive Director to discuss plans as related to improvement of operations for the HPHA.
- B. Executive Director's Report: April/May 2010 Status Report (126-150)
1. Accomplishments/Highlights for the month of April 2010
  2. Planned Activities – Highlights for the months of April/May 2010
    - a. Administrative and Operating tasks
    - b. HUD / REAC site visits
    - c. Operating Budget
    - d. Obligation of Federal Capital Fund Grant Program funds
    - e. Participation in HUD research study on homeless
  3. Trends/Issues
    - a. Collapse of Retaining Wall at Kalihi Valley Homes
    - b. Computer Equipment
    - c. Elevator Modernization Schedule
    - d. Evictions for FY 2010
  4. Potential Risks
    - a. Collapse of Retaining Wall at Kalihi Valley Homes
    - b. Elevator Modernization Schedule
    - c. Obligation of Federal Capital Funds
  5. Program Reports and Follow-Up from Previous Board Meeting
    - a. Pilot Program for Designated Elderly Housing
    - b. Standardized House Rules for the Public Housing Program
    - c. Formation of Resident Associations
    - d. Tenant Monitor Program

## 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 Status of the Redevelopment Activities at Kuhio Park Terrace and Kuhio Homes and the Master Development Agreement with The Michaels Development Company
- C. For Information: Report on the Status of the Transitional Homeless Program at Puahala Homes by Program Director, Utu Langi **(151-152)**

\*\* Meals will be served to the board members and support staff 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) 832-4680 by close of business two days prior to the meeting date.

**MINUTES OF THE REGULAR MEETING  
OF THE HAWAII PUBLIC HOUSING AUTHORITY  
HELD AT 1002 N. SCHOOL STREET, BUILDING E,  
ON THURSDAY, APRIL 15, 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, April 15, 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 Eric Beaver  
Director Rene Berthiaume  
Director Clarissa Hosino  
Director Carol Ignacio  
Designee Henry Oliva  
Director Linda Smith  
Director Matilda Yoshioka

Krislen Chun, Deputy Attorney General  
Denise M. Wise, Executive Director

**EXCUSED:** Director Sam Aiona  
Director Sherrilee Dodson

**STAFF PRESENT:** Barbara Arashiro, Executive Assistant  
Lydia Camacho, State Housing Development Administrator  
Mark Buflo, Acting Chief Financial Management Advisor  
Rick Sogawa, Acting Contracts and Procurement Officer  
Shirley Befitel, Personnel Supervisor  
Stephanie Fo, Property Management and Maintenance Services Branch  
Chief  
Taryn Chikamori, Secretary to the Board

**PUBLIC:** Ms. Moana Hampton, Kalihi Valley Homes resident  
Mr. Effa Ichita, Kalihi Valley Homes resident  
Ms. Iuni Umaga, Kalihi Valley Homes resident  
Ms. Susana Taua, Kalihi Valley Homes resident  
Mr. Ray Adair, Nan McKay & Associates  
Mr. Tim Garry, private resident

**Proceedings:**

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Beaver to approve the minutes of the Regular Meeting held on March 18, 2010 and seconded by Director Ignacio.

The minutes were unanimously approved as presented with no corrections.

**Public Testimony:**

The Board received public testimony from Ms. Moana Hampton, Mr. Effa Ichita, Ms. Iuni Umaga and Ms. Susana Taua all residents of Kalihi Valley Homes (KVH). All residents expressed gratitude to Denise Wise, Executive Director and the HPHA for the temporary curfew at KVH. Ms. Hampton stated since the curfew residents feel safe in their homes and at night she can “hear a pin drop.” Ms. Umaga stated she can sleep through the night and feels safe leaving her home. Mr. Ichita stated since the curfew he feels safe and so does his family and Ms. Taua also stated she feels safe because of the curfew.

**For Action:**

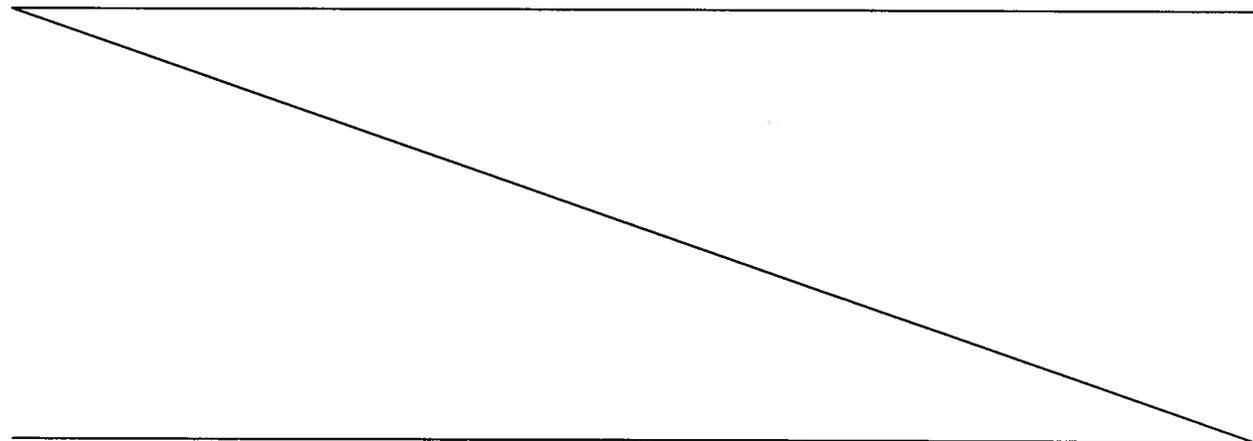
**Motion: To Adopt Board Resolution No.26 Expressing Appreciation to Ms. Barbara E. Arashiro.**

**Director Beaver moved and Director Ignacio seconded.**

Chairperson Thompson provided background information on Ms. Arashiro’s, executive assistant, tenure as acting executive director.

With no further discussion, Chairperson Thompson called the question.

**Support:** The motion carried unanimously.



RESOLUTION NO. 26

EXPRESSING APPRECIATION TO MS. BARBARA E. ARASHIRO

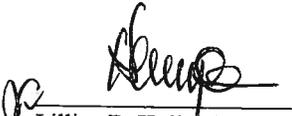
1. Barbara E. Arashiro is the Executive Assistant of the Hawaii Public Housing Authority.
2. With the departure of the Executive Director, Ms. Arashiro accepted the additional responsibilities as the Acting Executive Director.
3. In addition to her normal duties, Ms. Arashiro maintained effective contact with the Board, the Legislature, and representatives of the Department of Housing and Urban Development.
4. Ms. Arashiro directed emergency efforts during the KVH rock fall, mobilizing HPHA personnel, evacuating families, and making the arrangements required for the safety of the families.  
She maintained appropriate contact with the media, and worked with the City and County Department of Water Supply for the rapid remediation of the problem.
5. Ms. Arashiro continuously demonstrated effective leadership during the interim period, fully staffing the monthly meetings of the Board of Directors.
6. BE IT RESOLVED that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 26 Expressing Appreciation to Ms. Barbara E. Arashiro on this 15<sup>th</sup> day of April 2010.
7. BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Ms. Barbara E. Arashiro, and placed in her personnel file, reflecting the sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.

  
Travis O. Thompson, Chairperson

  
R. Eric H. Beaver, Vice Chair

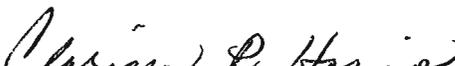
  
Matilda A. Yoshioka, Secretary

  
Linda L. Smith, Member

  
Lillian B. Koller, Member

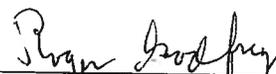
  
Sam Aiona, Member

  
Carol R. Ignacio, Member

  
Clarissa P. Hosino, Member

  
Rene Berthiaume, Member

  
Sherrilee K. Dodson, Member

  
Rodger Godfrey, Member

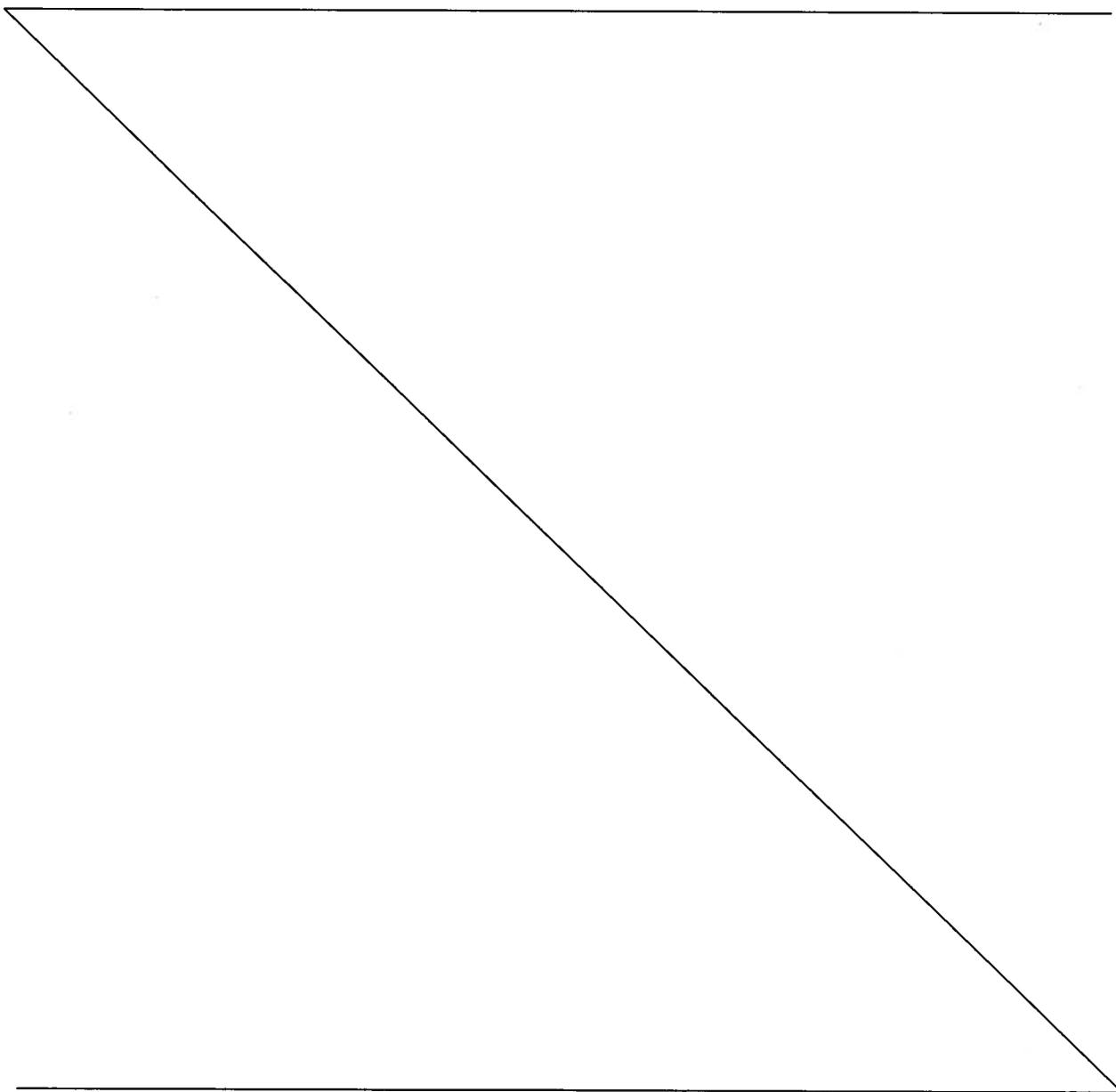
**Motion: To Adopt Board Resolution No.25 Expressing Appreciation to Mr. Michael J. Hee.**

**Director Beaver moved and Designee Oliva seconded.**

Ms. Wise reported that Mr. Hee has voluntarily come into the office after his retirement and provide support to the operations for several functions.

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously.



RESOLUTION NO. 25

EXPRESSING APPRECIATION TO MR. MICHAEL J. HEE

WHEREAS, Mr. Michael J. Hee was the Private Management Contract Administrator for the Hawaii Public Housing Authority (HPHA) until his retirement in February 2010; and

WHEREAS, Mr. Hee was responsible for the oversight of State and Federal public housing properties and private management contracts of the Property Management and Maintenance Services Branch;

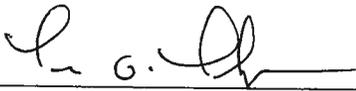
WHEREAS, Mr. Hee was often referred to as the "HPHA Historian" due to his 30 years of experience at the housing agency;

WHEREAS, Mr. Hee used his historical background and experience to assist other Branches and Staff Offices of the HPHA;

WHEREAS, even upon his retirement, Mr. Hee continued to volunteer and assist the HPHA to complete the operating subsidy calculation for the Federal Low Income Public Housing Program, often working a full day to complete the task; now therefore

BE IT RESOLVED that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 25 Expressing Appreciation to Mr. Michael J. Hee on this 15<sup>th</sup> day of April 2010; and

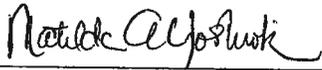
BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to Mr. Hee along with expressions of sincere appreciation for his contributions to the Hawaii Public Housing Authority and the citizens of the State of Hawaii.



Travis O. Thompson, Chairperson



R. Eric H. Beaver, Vice Chair



Matilda A. Yoshioka, Secretary



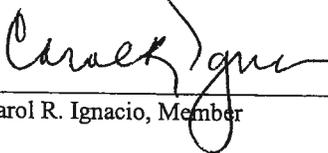
Linda L. Smith, Member



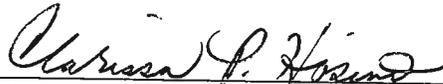
Lillian B. Koller, Member



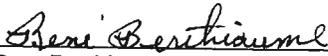
Sam Aiona, Member



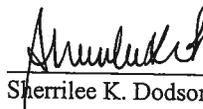
Carol R. Ignacio, Member



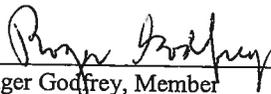
Clarissa P. Hosino, Member



Rene Berthiaume, Member



Sherrilee K. Dodson, Member



Rodger Godfrey, Member

**Motion: To Adopt the Hawaii Public Housing Authority’s Policy Governing the Adoption of Board Policies and Establishment of Procedures.**

**Director Beaver moved, and Director Ignacio seconded.**

Staff provided further explanation regarding the update of all administrative policies as it has been several years since this was done and the intent is not only to update but provide consistency and continuity. Staff also noted that once the policies had been updated and approved by the Board of Directors a new Administrative Manual would be issued to all employees.

Staff reported that this particular recommended Policy had been sent to the Department of the Attorney General (AG) for comment and approval and comments were incorporated into document presented.

Further discussion ensued regarding this particular Policy as Chairperson Thompson expressed concern regarding the inclusion of procedural functions within a policy. He wanted to ensure that this did not preclude the executive director from issuing “administrative memoranda “without first seeking board approval. Ms. Krislen Chun, deputy attorney general, stated that as written it does allow the executive director to issue the memoranda.

Director Smith identified and requested rewording of a “vote of a simple majority” to “majority as defined by law”. This is under Section II of the Policy explanation.

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously with the rewording as recommended by Director Smith.

**Motion: To Adopt the Hawaii Public Housing Authority’s Policy on Board Agenda.**

**Director Beaver moved and Director Ignacio seconded.**

Staff stated that this series of Policy updates was again for consistency and continuity.

Board discussion ensued and Director Beaver stated that under Section II under the Policy heading that “or subcommittees” should be removed. The Board uses a Board Task Force structure.

Chairperson Thompson asked that under procedures the report section the word “achievements” be changed to “program status”.

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously with the recommended changes.

**Motion: To Adopt the Hawaii Public Housing Authority’s Policy on the Board of Directors’ Role and Interaction with the Staff.**

**Director Beaver moved and Director Berthiaume seconded.**

Staff stated that unlike the previous two Policies update recommendations that this is a new policy.

Ms. Chun stated that should this policy be adopted it will need to go before the union for consultation.

Discussion ensued and the Board asked for several points of clarification. Chairperson Thompson asked if a Board member could be removed if not in compliance with this policy. Ms. Chun responded the statues state only the governor can remove a Board member after a hearing is held.

The question was posed if this addresses internal communication only or is it broad enough to cover external communication, e.g., press, legislators, etc., staff responded that was internal and specific to communication with the Board of Directors.

Director Smith asked if the policy complies with Hawaii’s whistle blowers statues because the section on communication with the Board states, “staff shall not make direct reports, inquires or contact with Board members, except at the request of the executive director or department heads”. Ms. Chun stated she will look into the statues to ensure compliance.

**Motion: To Defer the Adoption of the Hawaii Public Housing Authority’s Policy on the Board of Directors’ Role and Interaction with the Staff to the next Board meeting.**

**Director Beaver moved and Director Hosino seconded.**

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously.

**Motion: To Adopt the Hawaii Public Housing Authority’s Standards of Conduct for Employees and the Board of Directors.**

**Director Beaver moved and Director Smith seconded.**

Staff stated this policy is to uphold the HPHA to the highest standards of ethical behavior and business practices.

Chairperson Thompson stated that is includes all the state and federal laws.

Ms. Chun stated that should this pass it will need to go before the union for consultation.

With no further discussion Chairperson Thompson called the question.

**Support:** The motion carried unanimously.

**Motion:** **To Adopt the Hawaii Public Housing Authority's Policy on Security of Confidential Information.**

**Director Beaver moved and Director Smith seconded.**

Staff stated this is an update of the policy and it was last updated in 2005.

Director Smith asked if this covers the state law of redacting personal information. Ms. Chun responded that the state law will supersede the policy.

**Amended Motion:** **To Authorize the Executive Director and Counsel to Make Adjustments as Necessary to the Policy on Security of Confidential Information to Reflect State Laws Enacted Since 2005.**

**Director Beaver moved and Director Smith seconded.**

With no further discussion Chairperson Thompson called the question on the amended motion.

**Support:** The motion as amended carried unanimously.

Chairperson Thompson called a recess at 10:05 a.m. and reconvened at 10:16 a.m.

Upon the start of the meeting, Ms. Wise announced a retaining wall collapsed at KVH. Initial reports were no one was hurt, staff left the meeting to assess the situation and more information is to follow.

**Discussion:**

Ms. Wise introduced Mr. Ray Adair of Nan McKay & Associates. He has been working with the HPHA staff over the prior three days to provide technical assistance on the accounting and budgeting process using asset management principles.

Mr. Adair detailed his expertise and experience in various aspects public housing. Nan McKay & Associates is contractor with HUD and they provide technical assistance to public housing authorities (PHA) on a variety of topics including conversion to asset management.

Mr. Adair stated that overall PHAs are having difficulty making the conversion to asset management and in particular, making the central office cost center (COCC) self-sufficient under asset management.

Chairperson Thompson asked what is included in the COCC. Mr. Adair responded the executive office, support staff, accounting, human resources (HR), information technology (IT), legal services, maintenance services, and general administration. Some IT, accounting and maintenance fees maybe charged to the asset management projects (AMPs).

The board asked additional questions regarding the schedule of fees used to charge out services to the AMPs. Mr. Adair explained that some services that are being charged to the AMPs are reasonable and others may not be. He underscored that when setting the fees there are four important things in charging fee for service: 1) what makes good business sense to offer as a fee for service, 2) establishing the market rent that makes sense, 3) determining what can be earned for billing out the service, and 4) finding out the cost to provide the service.

The Board asked whether the AMPS are tied to fees as determined by the fee schedule. Mr. Adair responded that it would be a policy decision of the HPHA. If the HPHA is allowing AMPs to hire outside, then the AMPs need to ensure timeliness, quality, and price are acceptable.

#### Personnel Update:

Director Smith asked how many positions have received permission to fill. Shirley Befitel, personnel supervisor, responded four positions received approval; however the Building Engineer V and Public Housing Supervisor V were frozen because of the Department of Human Services (DHS) reduction in force (RIF).

Director Smith asked if it possible to get reconsideration to unfreeze the Building Engineer V because it is highly unlikely that someone recently affected by the RIF would qualify for that position. Designee Oliva responded because it falls in the salary range it was frozen, but he is trying to move things forward. He believes the freeze will end early May.

Director Smith asked status of the Application Office regarding staffing. Staff responded that one person retired and one resigned which leaves three staff and one supervisor for the island of Oahu in the applications section. Board recommended that staff reexamine the application process for efficiencies.

#### Status of Various Projects:

Ms. Wise stated the staff is matching the items on the corrective action order (CAO) and the audit and putting together a spread sheet of items that need to be completed. She will be assigning staff to remedy each item.

Ms. Wise reported on the American Reinvestment and Recovery Act (ARRA). Ms. Arashiro reported that HUD stated that the Inspector General will most likely audit the HPHA because of the Homeless Prevention funds.

Director Smith asked that the HPHA invite Mr. Utu Langi, H5, attend the Board meeting to discuss the transition of the families at Puahala Homes and to provide a status on the families still on the program.

Staff provided a status update on the elevator modernization project. Staff pointed out that upon further research the previously published schedule had some inaccuracies. The updated status properly reflects the timetables. There are delays in Phase II, Phase III and Phase IV of the project. The delays span 4-23 months.

Chairperson Thompson asked if there was a way that the modernization project could be expedited to minimize the slips in the schedule. Staff stated that the manner in which the project was sent to bid was as one project therefore that is how it was awarded. There may be some negotiation room with the awarded contractor to move dates. Staff will get back to the Board.

Further discussion ensued regarding notification of the new schedule and staff responded a notice will be going out to all interested parties.

#### Curfew:

A status was given on the KVH curfew. The curfew became effective April 1 and cannot exceed 120 days. Board discussion ensued and Chairperson Thompson asked how the HPHA will remove the curfew at KVH. Staff explained that the curfew is providing an opportunity to meet with residents and service providers to see what we can do to continue the sense of safety that community is currently enjoying. The Kuhio Park Terrace (KPT) and the KVH resident association held a joint meeting to discuss ways in which they can better communicate and support each other's efforts.

The newspapers reported that the assailants were KPT residents however the police department has not been able to confirm that. The residents associations do not know the assailants. There are rumors this is gang related however we are unable to get confirmation from law enforcement.

Director Berthiaume asked if the State sheriffs or the Department of Public Safety is assisting and staff responded that Diane Taira, deputy attorney general forwarded information on to them.

#### **Designee Oliva left at 11:48 p.m.**

Chairperson Thompson called a recess at 11:48 a.m. and reconvened at 12:23 p.m.

Chairperson Thompson asked for reports from the various Board Task Forces that meet during the month.

### Finance Task Force:

The Finance Task Force did not meet however Director Smith reported that the Finance Task Force received an unsolicited bid from Alvarez and Marsel that proposes to provide assistance to HPHA on various aspects of the operation including strategic planning.

Chairperson Thompson directed the Task Force to work with the executive director on the Corrective Action Order and reviewing and making recommendations on the recently received proposal from Alvarez and Marsel.

### Human Resources Task Force:

Director Ignacio updated the Board on filling position at HPHA. Ms. Befitel reported that the HPHA is waiting for Governor's approval to fill one public housing supervisor and three maintenance staff positions for Kauai.

Chairperson Thompson asked the Human Resources Task Force to continue working on filling positions.

### Board Training Task Force:

Director Berthiaume reported that the Board Training Task Force met and discussed the training needs of the Board. The program that the Task Force outlined has several modules and will take more than one day. The Task Force also discussed organizations available to provide training. The Task Force discussed the time commitment and how should this be scheduled.

Chairperson Thompson asked the Board Training task force to continue working on Board training regarding the budget and timing of the trainings.

### Tenant Relations/Operations Task Force:

Director Yoshioka reported that the task force would like to be updated on four issues: 1) formation on resident associations, 2) standardizing of the house rules, 3) pilot project of elderly only designation, and 4) resident monitoring.

Chairperson Thompson asked that staff report at the next meeting on the four topics.

Chairperson Thompson asked that the Tenant Relations/Operations task force meet to review Ms. Wise's plan on improvement of operations with the HPHA.

Ms. Wise reported that HB 2561 will not help the HPHA with the sale of the Hana parcel. SB 2473 SD1, HD2 to permit grandparent residing in elderly housing to bring their minor grandchildren to live with them has passed and could have the potential to create a costly and

disruptive situation in elderly housing. Further discussion ensued and the Board discussed ways to mitigate the impact this may have in our elderly housing developments.

The Board acknowledged the growing number of intergenerational families however, this Bill no matter how well-meaning, will only create further disruption not only for the family but also the elderly community.

SB 2276 and SB 2278 regarding the open container and trespass bills have not been heard and the failure of the Legislature to schedule hearings “killed” them. Given the recent spate of violence and trouble it is not clear why the Legislature is not willing to schedule the Bills.

Director Beaver requested that an update on the KPT redevelopment be reported at the next Board meeting.

Director Smith requested that an update on the status of the legislative audit be reported at the next Board meeting.

**Motion:**        **To go into executive session at 1:23 p.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 Status of *Kalai v. State of Hawaii Department of Human Services’ Hawaii Public Housing Authority* (Civil No. 08-1-0221)**

**Director Beaver moved and Director Ignacio seconded.**

**Support:**        The motion was unanimously carried.

**The Board reconvened from Executive Session at 1:33 p.m.**

Chairperson Thompson reported that the Board discussed the Status of *Kalai v. State of Hawaii Department of Human Services’ Hawaii Public Housing Authority* (Civil No. 08-1-0221).

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn    **Director Ignacio moved and Director Beaver seconded.**

That the meeting be adjourned at 1:35 p.m.

**Support:** The motion was unanimously carried.

**MINUTES CERTIFICATION**

Minutes Prepared by:

Taryn D. Chikamori  
Taryn Chikamori  
Secretary to the Board/Recording Secretary

MAY 20 2010  
Date

Approved by the HPHA Board of Directors at their Regular Meeting on  
May 20, 2010

Matilda Yoshioka  
Matilda Yoshioka  
Director/Board Secretary

5/20/10  
Date

## FOR APPROVAL

**SUBJECT:** To Approve the Hawaii Public Housing Authority's Comments and Recommendation That the Governor Veto Senate Bill 2473, S.D.1, HD2, CD1, Allowing Grandchildren to Reside in State Elderly Housing

### I. FACTS

- A. The 2008 Legislature established the Grandparents Raising Grandchildren Task Force to study and make recommendations for resolving the difficulties faced by grandparents who are raising their grandchildren.
- B. Among the problems reported by the Task Force was that elderly housing buildings, including but not limited to public housing, do not permit children to reside there with their grandparents and they are evicted if the children do move in with them. The 2010 Legislature passed SB 2473 in response to that concern.
- C. SB 2473 requires HPHA to allow minor grandchildren to reside in state elderly housing projects when the child(ren) would otherwise be without appropriate care due to certain "family crisis" situations. It limits of three months on the grandchildren's stay in elderly housing. It also requires HPHA to create a waitlist preference for elderly persons who have been evicted from elderly housing due to having grandchildren in the unit beyond the allowed time limit, once the grandchildren are no longer with the elderly person. This bill does not affect federal elderly housing projects. (Attachment A)
- D. The Governor's Policy Office has requested that HPHA provide comments and a recommendation for action on this bill before the end of May.

### II. DISCUSSION

- A. The presence of non-elderly persons in elderly housing has been a continuing issue for HPHA, as reflected by the Board's decision to pursue elderly-only designation for 3 federal elderly buildings. The 2009 PHA 5-Year and Annual Plan notified the public and HUD that we would be taking

this action, and it was supported by the Resident Advisory Board and in public comments on the Plan.

- B. There are 5 state elderly housing high-rise buildings, all on Oahu. They have 576 total units, of which 341 are studios and 235 are one-bedroom. There are no units larger than one bedroom. Elderly high-rises do not have appropriate facilities for children, such as play areas, and are not built with the safety of children in mind, e.g. railings may not be child-proof.
- C. The Office of the Attorney General, in a letter to the Conference Committee considering SB 2473, raised issues regarding the possibility of recurring crises leading to long stays in elderly housing; and potential over-crowding of small apartments, leading to violations of occupancy limits. (Attachment B)
- D. The purposes of this bill can be achieved under current law with changes to existing HPHA policy, which allows grandchildren as visitors for short periods of time. Crises that are truly short term can be accommodated under this policy; for those that cannot, HPHA can change the policy to allow more time for the grandparent to find other, more appropriate housing for the family. Through administrative rules, HPHA can also require the grandparent to receive support services such as Child Protective Services, and can create a waitlist preference for state family housing for elder-headed families that need to move out of kupuna housing. The right of return to state elderly housing can also be created through administrative rules.
- E. The recommendation of HPHA staff is that the Governor veto this bill because:
- a change in state statute is not necessary to achieve any of the goals of the bill
  - the bill does not provide for necessary limitations on occupancy
  - the bill does not limit the number of times this exception can be invoked by a resident
  - the bill does not require the grandparent to seek and receive support services

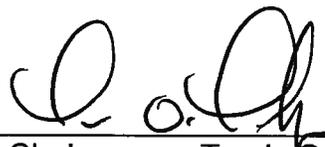
**III. STAFF RECOMMENDATION**

That the HPHA Board of Directors approves the Hawaii Public Housing Authority's Comments and Recommendation That the Governor Veto Senate Bill 2473, S.D.1, HD2, CD1, Allowing Grandchildren to Reside in State Elderly Housing

Exhibit A: S.B. 2473, SD1, HD2, CD1

Exhibit B: Attorney General's Letter to the Conference Committee

Prepared by: Alan Sarhan, Chief Planner 

Approved by the Board of Directors:   
Chairperson, Travis O. Thompson

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## A BILL FOR AN ACT

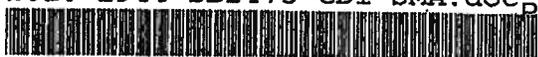
RELATING TO HOUSING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that many grandparents in  
2 Hawaii raise their grandchildren when the parents of the child  
3 are not able to provide for the child due to a family crisis  
4 beyond the control of the grandparent. The legislature further  
5 finds that elderly housing projects do not allow grandchildren  
6 to reside with their grandparents, even during periods of family  
7 crisis, and this situation has sometimes forced grandparents to  
8 move out of their housing project units, resulting in  
9 homelessness for both the grandparent and the grandchild.

10           The purpose of this Act is to:

- 11           (1) Allow grandparents residing in elderly housing  
12 projects to temporarily raise their minor  
13 grandchildren in their housing project units in  
14 certain family crisis situations; and
- 15           (2) Afford elderly housing project residents who have been  
16 evicted for raising minor grandchildren in their units  
17 priority status for acceptance back into elderly



1 public housing projects after the family crisis has  
2 abated.

3 SECTION 2. Section 356D-71, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "[~~f~~]~~\$~~356D-71[~~+~~] Resident selection; dwelling units;  
6 rentals. In the administration of elder or elderly housing, the  
7 authority shall observe the following with regard to resident  
8 selection, dwelling units, and rentals:

- 9 (1) Except as provided in this section, the authority  
10 shall accept elder or elderly households as residents  
11 in the housing projects;
- 12 (2) It may accept as residents in any dwelling unit one or  
13 more persons, related or unrelated by blood or  
14 marriage. It may also accept as a resident in any  
15 dwelling unit or in any housing project, in the case  
16 of illness or other disability of an elder who is a  
17 resident in the dwelling unit or in the project, a  
18 person designated by the elder as the elder's live-in  
19 aide whose qualifications as a live-in aide are  
20 verified by the authority, although the person is not  
21 an elder; provided that the person shall cease to be a



1 resident therein upon the recovery of, or removal from  
2 the project of, the elder;

3 (3) The authority shall, upon verification of a family  
4 crisis, allow any minor who is the grandchild of a  
5 tenant of an elderly housing project to temporarily  
6 live with the tenant for no longer than three months  
7 if, due to the family crisis, the minor would  
8 otherwise be without appropriate care; provided that  
9 the minor is younger than eighteen years of age while  
10 residing with the tenant, the tenant is competent, the  
11 tenant reports the presence of each minor in the  
12 dwelling to the authority within seven days of  
13 arrival, and the minor leaves the dwelling as soon as  
14 the family crisis has abated.

15 A family crisis includes the following  
16 situations:

- 17 (A) Imprisonment or arrest of the parent of the  
18 minor;  
19 (B) Criminal forfeiture of the dwelling of the parent  
20 of the minor pursuant to chapter 712A that  
21 results in the homelessness of the minor;



1            (C) Admission under chapter 334 to a psychiatric  
2            facility or civil commitment of the parent of the  
3            minor for mental health, mental illness, drug  
4            addiction, or alcoholism;

5            (D) The minor is abused or neglected, as defined in  
6            section 346-1, and the minor has been removed  
7            under authority of law from the care of the  
8            parent; or

9            (E) Abandonment of the minor by the parent for any  
10           length of time and the absence of other relatives  
11           able or willing to care for the minor.

12           The authority may use its discretion to determine if  
13           other situations constitute a family crisis for the  
14           purposes of this paragraph.

15        [~~3~~] (4) It may rent or lease to an elder a dwelling unit  
16           consisting of any number of rooms as the authority  
17           deems necessary or advisable to provide safe and  
18           sanitary accommodations to the proposed resident or  
19           residents without overcrowding;

20        [~~4~~] (5) Notwithstanding that the elder has no written  
21           rental agreement or that the agreement has expired,  
22           during hospitalization of the elder due to illness or



1 other disability so long as the elder continues to  
2 tender the usual rent to the authority or proceeds to  
3 tender receipts for rent lawfully withheld, no action  
4 or proceeding to recover possession of the dwelling  
5 unit may be maintained against the elder, nor shall  
6 the authority otherwise cause the elder to quit the  
7 dwelling unit involuntarily, demand an increase in  
8 rent from the elder, or decrease the services to which  
9 the elder has been entitled; and

10 [~~(5)~~] (6) Elder or elderly housing shall be subject to  
11 chapter 521."

12 SECTION 3. The Hawaii public housing authority shall give  
13 an elderly tenant who has been evicted solely because the tenant  
14 allowed a minor grandchild or grandchildren to reside in the  
15 tenant's unit due to a verified family crisis, first priority  
16 for housing in elderly housing projects on the same island.

17 SECTION 4. Nothing in this Act shall be construed to in  
18 any way diminish, amend, or abate the intent to retain elderly  
19 housing projects and accommodate the elderly with proper housing  
20 to the greatest extent possible.

21 SECTION 5. If any part of this Act is found to be in  
22 conflict with federal requirements that are a prescribed



1 condition for the allocation of federal funds to the State, the  
2 conflicting part of this Act is inoperative solely to the extent  
3 of the conflict and with respect to the agencies directly  
4 affected, and this finding does not affect the operation of the  
5 remainder of this Act in its application to the agencies  
6 concerned. Any rules adopted by the Hawaii public housing  
7 authority to implement this Act shall meet the federal  
8 requirements that are a necessary condition of the receipt of  
9 federal funds by the State.

10 SECTION 6. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect on July 1, 2010.

13



**Report Title:**

Elderly Housing; Kupuna; Grandchildren

**Description:**

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. Effective July 1, 2010.  
(CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*





**COMMENTS OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-FIFTH LEGISLATURE, 2010**

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**TO THE CONFERENCE COMMITTEE ON:**

S.B. NO. 2473, S.D. 1, H.D. 2, RELATING TO HOUSING.

**SENATE CONFEREES:**

The Honorable Suzanne Chun  
Oakland, Chair

The Honorable Norman Sakamoto,  
Co-Chair

The Honorable Brickwood  
Galuteria

The Honorable Fred Hemmings

**HOUSE CONFEREES:**

The Honorable Rida Cabanilla,  
Co-Chair

The Honorable Roland Sagum III,  
Co-Chair

The Honorable Pono Chong

The Honorable Corinne Ching

**MEETING DATE:** Not yet scheduled.

**TIME:**

**LOCATION:** Not yet assigned.

**WRITTEN COMMENTS ONLY.** For more information, call Nalani Wilson-Ku, Deputy Attorney General, at 578-2978.

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The Department of the Attorney General provides the following comments.

This bill allows tenants in state elderly housing projects to have grandchildren temporarily live with them for no more than three months upon verification of a family crisis. Children are otherwise prohibited from living in projects that are specifically designated for elderly persons.

While this bill limits a particular stay by grandchildren to three months, it does not limit the number of qualifying crises. Conceivably, a grandchild or grandchildren could live with an elderly tenant for longer than a three-month period, depending on the number of crises encountered. If this is not what the Legislature intends, language to limit the number of crises and stay should be added, if this bill is to be passed.

Further, the bill does not limit the number of grandchildren who are entitled to stay with a grandparent. The

Exhibit B  
Page 1 of 2

number of grandchildren living in a unit, depending on the size of the unit and the number of occupants in that unit, could conflict with building codes that are established for reasons of health and safety. To this end, we suggest that whether a grandchild is allowed to stay should be dependent on not exceeding the occupancy limit of a unit as established by building codes or other health and safety laws.

If this bill is to be passed, we also recommend that language be added so that the addition of grandchildren cannot be interpreted to increase a tenant's household, thereby entitling a tenant to a larger unit. Because the ability to accommodate grandchildren is intended as a temporary accommodation, entitlement to a larger unit should not be a consequence. This would otherwise create extraordinary burdens on the housing authority to coordinate larger units, and could expose the housing authority to further liability to provide a larger unit where no such liability is intended.

We note that allowing children to live in elderly housing projects could be perceived to negatively affect the environment of the projects. From time to time, we are called upon to assist the housing authority in legal disputes arising from an elderly or disabled resident's intolerance to live with noise, which children on-site invariably create. These disputes are especially difficult to resolve when disputing tenants claim an entitlement to live in their units and no other units are available to accommodate them. This bill could potentially exacerbate such situations.

## FOR ACTION

**MOTION:** To Accept the SAS 114 Management Advisory Letter from KMH, LLP for the Hawaii Public Housing Authority's Audit for the Fiscal Year Ended June 30, 2009

### I. FACTS

- A. KMH LLP conducted an audit of the financial statements of the Hawaii Public Housing Authority (HPHA) and an audit on internal control over compliance in accordance with OMB circular A-133 for the fiscal period ending June 30, 2009
- B. The audits findings were presented to the HPHA's Board of Directors in prior month's meetings.
- C. The management advisory letter from KMH LLP is intended to inform the Board of Directors about significant matters related to the annual audit that was conducted.

### II. DISCUSSION

- A. Areas of concern as identified by KMH LLP are as follows:
  - 1. Repeat compliance findings regarding internal controls ( as presented to the Board during the March 2010 regular meeting);
  - 2. Audit adjustments made to the original trial balances presented to the auditors;
  - 3. Reconciliation of all significant accounts to supporting schedules; and
  - 4. Implementation of project based accounting required by the U.S. Department of Housing and Urban Development to comply with asset management requirements

**III. STAFF RECOMMENDATION**

That the HPHA's Board of Directors Accept the SAS 114 Management Advisory Letter from KMH, LLP for the Hawaii Public Housing Authority's Audit for the Fiscal Year Ended June 30, 2009

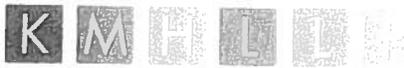
Exhibit A: Management Advisory Letter from KMH LLP

Prepared by: Barbara E. Arashiro, Executive Assistant BA

Accepted:



Travis O. Thompson, Chair



April 16, 2010

Board of Directors  
Hawaii Public Housing Authority  
Honolulu, Hawaii

This letter is intended to inform the Board of Directors (the Board) about significant matters related to the conduct of the annual audit so it can appropriately discharge its oversight responsibility and that we comply with our professional responsibilities to the Board.

In addition to our report on your financial statements, we have provided an 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 and an 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, both dated March 18, 2010, concerning significant deficiencies and material weaknesses in internal control that we noted during our audit of the Hawaii Public Housing Authority's (the Authority) financial statements for the year ended June 30, 2009.

The following summarizes various matters which must be communicated to you under auditing standards generally accepted in the United States of America.

**The Auditor's Responsibility Under Applicable Auditing Standards**

Our audit of the financial statements of the Authority for the year ended June 30, 2009 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. We also performed our audit in accordance with the provisions of the Single Audit Act, OMB Circular A-133 and OMB's Compliance Supplement. Those standards, circulars, and the supplement require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. 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. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplished that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls over internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements that contribute to the evidence supporting our opinion on the

financial statements. However, they do not provide a basis for opining on the Hawaii Public Housing Authority's internal control over financial reporting or on compliance and other matters.

#### **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. Estimates significant to the financial statements are the allowance for doubtful accounts for accounts receivable and workers compensation liability. Management may wish to monitor throughout the year the process used to compute and record the accounting estimate.

#### **Audit Adjustments**

There were several audit adjustments made to the original trial balance presented to us to begin our audit. The adjustments are included as Appendix A.

#### **Uncorrected Misstatements**

Uncorrected misstatements are summarized and included as Appendix B.

#### **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.

#### **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### **Accounting Policies and Alternative Treatments**

Management and the Board have the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period which should be brought to your attention for approval.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Other Information in Documents Containing Audited Financial Statements**

We are not aware of any documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the Authority.

**Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

**Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Major Issues Discussed with Management Prior to Retention**

Following is a description of major issues regarding the application of accounting principles and auditing standards discussed with management in connection with our retention.

1. Hawaii Public Housing Authority management must reconcile all significant accounts to supporting schedules (i.e. cash, accounts receivable, accounts payable, capital assets, etc.).
2. Hawaii Public Housing Authority management still needs to establish a plan to implement project-based accounting required by the U.S. Department of Housing and Urban Development for fiscal year 2009. Proper documentation for implementation during fiscal year 2009 was not provided by management.

**Difficulties Encountered in Performing the Audit**

During the course of our audit of the financial statements for the year ended June 30, 2009 we experienced significant delays in closing the books, providing trial balances and reconciliations for significant accounts.

Board of Directors  
Hawaii Public Housing Authority  
April 16, 2010  
Page 4 of 4

**Certain Written Communications Between Management and Our Firm**

Copies of certain written communication between our firm and the management of the Authority are attached as Exhibits A and B.

**Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Hawaii Public Housing Authority.

This report is intended solely for the information and use of the Board and management and is not intended to be and should not be used by anyone other than the specified parties.

*KMH LLP*

KMH LLP

Copies to: Denise Wise, Executive Director  
Barbara Arashiro, Assistant Executive Director  
Arvin Fujii, Office of the Auditor

Appendix A

2/25/2010  
9:21 AM

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB CIP - Capital Projects  
 Workpaper: 0204 - CP AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 13</b>				
	To properly state cash/Due from SOH and accounts payable due to reconciling items.	1010		
300-211900-0000-381 A/P: OTHER			170,627.00	
KMH-980-000-112001 Due from SOH				170,627.00
<b>Total</b>			<u>170,627.00</u>	<u>170,627.00</u>
<b>Adjusting Journal Entries JE # 15</b>				
	To remove the repairs and maintenance costs out of Capital Outlays.	0210.08		
<KMH-980-000-470001 Repairs & Maintenance - KMH Adj			675,587.00	
<KMH-980-000-461001 CIP - KMH Adj				675,587.00
<b>Total</b>			<u>675,587.00</u>	<u>675,587.00</u>
<b>Adjusting Journal Entries JE # 16</b>				
	To remove the overaccrued amount in AP at YE.	5510 G 4/		
<KMH-980-000-461001 CIP - KMH Adj			2,900.00	
KMH-980-000-461001 CIP - KMH Adj			18,091.00	
300-211900-0000-381 A/P: OTHER				18,091.00
220-345000-0000-001 OTHER CURRENT L				2,900.00
<b>Total</b>			<u>20,991.00</u>	<u>20,991.00</u>
<b>Adjusting Journal Entries JE # 17</b>				
	To reclassify grant expenditures out of Capital Outlays.	0210.08		
KMH-980-000-480001 Grant Expenditure - KMH Adj			300,000.00	
KMH-980-000-461001 CIP - KMH Adj				300,000.00
<b>Total</b>			<u>300,000.00</u>	<u>300,000.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB GEN - General Fund**  
 Workpaper: **0204 - GEN AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 17</b>		<b>1005</b>		
To reclassify cash balance to comply with SOH presentation requirements.				
KMH-000-112000	Due from SOH		6,079,656.00	
KMH-330-112900	Other AR - KMH		71,671.00	
KMH-000-111111	Cash - KMH YE Reclass			6,151,327.00
<b>Total</b>			<u><u>6,151,327.00</u></u>	<u><u>6,151,327.00</u></u>
<b>Adjusting Journal Entries JE # 18</b>		<b>1010</b>		
AJE 1- To properly state cash at 6/30/09 for o/s checks.				
224-312000-0000-00X	A/P < 90 DAYS		140,459.00	
300-121100-0000-00X	PREPAID; HAP S		68,394.00	
224-111002-0000-50X	SOH - FY09 ENCU			140,459.00
KMH-024-111000	Cash - RSP			68,394.00
<b>Total</b>			<u><u>208,853.00</u></u>	<u><u>208,853.00</u></u>
<b>Adjusting Journal Entries JE # 19</b>		<b>5510 G 5/</b>		
AJE 2 - To correct over accrual and properly state AP as of 6/30/09				
220-312000-0000-00X	A/P < 90 DAYS		210,782.00	
220-943000-7100-10X	CONTRACT COSTS			16,080.00
220-943000-7100-10X	CONTRACT COSTS			55,608.00
220-943000-7100-10X	CONTRACT COSTS			77,405.00
220-943000-7100-10X	CONTRACT COSTS			61,689.00
<b>Total</b>			<u><u>210,782.00</u></u>	<u><u>210,782.00</u></u>
<b>Adjusting Journal Entries JE # 20</b>		<b>8105</b>		
AJE 3 - To properly state the revenue account.				
224-924000-7100-00X	HOMELESS PROGRA		124,109.00	
220-919999-7200-00X	LAPSED FUNDS			403.00
224-919999-7200-00X	LAPSED FUNDS			123,706.00
<b>Total</b>			<u><u>124,109.00</u></u>	<u><u>124,109.00</u></u>
<b>Adjusting Journal Entries JE # 21</b>		<b>5515</b>		
To properly state retention payable as of YE.				
220-345000-0000-00X	OTHER CURRENT L		3,567.00	
224-345000-0000-00X	OTHER CURRENT L		10,553.00	
229-345000-0000-00X	OTHER CURRENT L		3,540.00	
220-942000-3100-00X	MAINTENANCE MAT			3,568.00
224-924000-7100-00X	HOMELESS PROGRA			14,092.00
<b>Total</b>			<u><u>17,660.00</u></u>	<u><u>17,660.00</u></u>
<b>Adjusting Journal Entries JE # 23</b>		<b>8205 GEN</b>		
To properly record security expenditures paid by the general fund for the AMPs.				
KMH-000-600000	KMH - Operating Transfers		1,403,318.00	
220-952000-5800-10X	PROTECTIVE SERV			284,388.00
220-952000-5800-10X	PROTECTIVE SERV			378,806.00
220-952000-5800-10X	PROTECTIVE SERV			33,859.00
220-952000-5800-10X	PROTECTIVE SERV			115,692.00
220-952000-5800-10X	PROTECTIVE SERV			26,878.00
220-952000-5800-10X	PROTECTIVE SERV			20,240.00
220-952000-5800-10X	PROTECTIVE SERV			195,790.00
220-952000-5800-10X	PROTECTIVE SERV			51,651.00
220-952000-5800-10X	PROTECTIVE SERV			114,800.00
220-952000-5800-10X	PROTECTIVE SERV			35,171.00
220-952000-7100-10X	PROTECTIVE SERV			122,382.00
220-953000-7200-99X	PROTECTIVE SERV			20,944.00
224-952000-5800-00X	PROTECTIVE SERV			1,766.00
<b>Total</b>			<u><u>1,403,318.00</u></u>	<u><u>1,403,318.00</u></u>
<b>Adjusting Journal Entries JE # 24</b>		<b>1520 DF 1/</b>		

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB GEN - General Fund  
 Workpaper: 0204 - GEN AJE Report

Account	Description	W/P Ref	Debit	Credit
To properly accrue DF AP at YE and interfund allocation.				
300-411000-0000-00X ADMINISTRATIVE			1,250.00	
300-411000-0000-00X ADMINISTRATIVE			2,780.00	
300-211900-0000-38X A/P: OTHER				1,250.00
224-347000-0000-38X A/P - DUE TO DI				2,780.00
<b>Total</b>			<u>4,030.00</u>	<u>4,030.00</u>
<b>Adjusting Journal Entries JE # 25</b>				
To correct improper closing entry to other revenue at YE.				
224-931000-5200-00X WATER		8205 GEN	185,812.00	
224-932000-5000-00X ELECTRICITY			320,846.00	
300-369000-0000-00X OTHER INCOME				506,658.00
<b>Total</b>			<u>506,658.00</u>	<u>506,658.00</u>
<b>Adjusting Journal Entries JE # 26</b>				
To properly record OPEB liability in compliance w/ PBA and true up PY balances				
MH-022-110700-OPE Pension Expense		6025 G	57,339.00	
MH-024-110700-OPE Pension Expense			14,090.00	
I-022-347000-3181-O Interfund Due to - OPEB				57,339.00
I-024-347000-3181-C Interfund Due to - OPEB				14,090.00
<b>Total</b>			<u>71,429.00</u>	<u>71,429.00</u>
<b>Adjusting Journal Entries JE # 27</b>				
To properly state the accrued expense and accounts payable as of June 30, 2009.				
224-924000-7100-00X HOMELESS PROGRA		5810 G 5/	95,758.00	
224-312000-0000-00X A/P < 90 DAYS				90,933.00
224-345000-0000-00X OTHER CURRENT L				4,825.00
<b>Total</b>			<u>95,758.00</u>	<u>95,758.00</u>
<b>Adjusting Journal Entries JE # 28</b>				
To properly state the accrued expense and AP balances a/o 6/30/09.				
220-943021-5800-10X CONTRACTS-HVAC		5510 G 5/	19,539.00	
KMH-020-Admin Admin Expense - KMH			5,420.00	
220-111003-0000-50X SOH CASH-CLAIMS				24,959.00
<b>Total</b>			<u>24,959.00</u>	<u>24,959.00</u>
<b>Adjusting Journal Entries JE # 29</b>				
To properly reclass R&M and Utility expenses paid by the GEN fund on behalf of other funds.				
KMH-000-600000 KMH - Operating Transfers		8250 GEN	1,569,067.00	
KMH-020-943000 Repairs & Maintenance Exp - KMH				1,346,129.00
KMH-020-943002 Utility Expense (Various) - KMH				222,938.00
<b>Total</b>			<u>1,569,067.00</u>	<u>1,569,067.00</u>
<b>Adjusting Journal Entries JE # 30</b>				
To properly state the utility reimbursement receivable balance as of 6/30/09.				
KMH-022-120000 Utility Reimbursement Receivable - KMH		1610 GEN	196,582.00	
300-369000-0000-00X OTHER INCOME				196,582.00
<b>Total</b>			<u>196,582.00</u>	<u>196,582.00</u>
<b>Adjusting Journal Entries JE # 31</b>				
To true up OPEB liability based on DAGS OPEB allocation schedule.				
I-022-347000-3181-C Interfund Due to - OPEB		6025C	4,305.00	
I-024-347000-3181-O Interfund Due to - OPEB			1,108.00	
MH-022-110700-OPE Pension Expense				4,305.00
MH-024-110700-OPE Pension Expense				1,108.00
<b>Total</b>			<u>5,413.00</u>	<u>5,413.00</u>
<b>Adjusting Journal Entries JE # 32</b>				
To properly net CY recorded reimbursements for utility expense to respective utility expense for the homeless shelters.				
300-369000-0000-00X OTHER INCOME		1610 GEN	276,744.00	
224-931000-5200-00X WATER				106,552.00

Client: STA002 - Housing and Community Development Corporation of Hawaii  
Engagement: 2009 - Hawaii Public Housing Authority  
Period Ending: 6/30/2009  
Trial Balance: TB GEN - General Fund  
Workpaper: 0204 - GEN AJE Report

Account	Description	W/P Ref	Debit	Credit
224-932000-5000-001 ELECTRICITY				170,192.00
Total			276,744.00	276,744.00

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB HCVP - Housing Choice Voucher Program  
 Workpaper: 0205 - HCVP AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 17</b>				
To properly state the FSS Management expense as of 6/30/09.		1520		
007-222-943000-7100-4007-00	FSS MANAGEMENT		45,011.00	
Operating Transfer In	Operating Transfer In			45,011.00
<b>Total</b>			<u>45,011.00</u>	<u>45,011.00</u>
<b>Adjusting Journal Entries JE # 18</b>				
To properly accrue DF AP at YE and interfund allocation.		1520 DF		
007-222-919000-7200-0000-00	ADMINISTRATIVE-		607.00	
007-222-347000-0000-3888-00	AP - DUE TO DI			607.00
<b>Total</b>			<u>607.00</u>	<u>607.00</u>
<b>Adjusting Journal Entries JE # 19</b>				
To properly state interest income and interfund balances at YE.		1510 G		
007-222-144000-0000-3888-00	INTERPROGRAM DU		25,279.00	
007-222-711000-0000-0000-00	INVESTMENT INCO			25,279.00
<b>Total</b>			<u>25,279.00</u>	<u>25,279.00</u>
<b>Adjusting Journal Entries JE # 20</b>				
To properly record OPEB liability in compliance with PBA and true up PY balances.		6025 G		
KMH-007-110700-OPEB	Pension Expense		324,931.00	
KMH-007-347000-3181-OPEB	Interfund Due to - OPEB			324,931.00
<b>Total</b>			<u>324,931.00</u>	<u>324,931.00</u>
<b>Adjusting Journal Entries JE # 21</b>				
To true-up OPEB liability based on DAGS FY allocation schedule.		6025G		
KMH-007-347000-3181-OPEB	Interfund Due to - OPEB		17,222.00	
KMH-007-110700-OPEB	Pension Expense			17,222.00
<b>Total</b>			<u>17,222.00</u>	<u>17,222.00</u>
<b>Adjusting Journal Entries JE # 22</b>				
To write-down SCH investment pool balance at 6/30/09.		0200.16		
KMH-007-EXP	Other Expense - SCH investment pool write-down		78,857.00	
007-222-144000-0000-3888-00	INTERPROGRAM DU			78,857.00
<b>Total</b>			<u>78,857.00</u>	<u>78,857.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB SEC8 - Section 8 Administration**  
 Workpaper: **0204 S8 - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 13</b>				
To properly state A/R as of 6/30/09.				
		1505 S#		
265-220-122000-0000-0000-00	A/R - HUD OTHER		159,506.00	
265-220-962000-7200-0000-00	OTHER GENERAL E			159,506.00
<b>Total</b>			<u>159,506.00</u>	<u>159,506.00</u>
<b>Adjusting Journal Entries JE # 14</b>				
To properly state administrative fees earned as of 6/30/09.				
		1505 S#		
265-220-962000-7200-0000-00	OTHER GENERAL E		48,906.00	
265-220-706020-0000-0000-00	ONGOING ADMINIS			48,906.00
<b>Total</b>			<u>48,906.00</u>	<u>48,906.00</u>
<b>Adjusting Journal Entries JE # 16</b>				
To write off uncollectable portion of o/s receivable to operating transfer.				
		1505 S#		
265-Operating Transfer In	Operating Transfer In		385,124.00	
265-220-125000-0000-0653-00	A/R DUE FROM KE			385,124.00
<b>Total</b>			<u>385,124.00</u>	<u>385,124.00</u>
<b>Adjusting Journal Entries JE # 17</b>				
To properly record OPEB liability in compliance w/ PBA and true up PY balances.				
		6025 G		
KMH-265-110700-OPEB	Pension Expense		5,331.00	
KMH-265-347000-3181-OPEB	Interfund Due to - OPEB			5,331.00
<b>Total</b>			<u>5,331.00</u>	<u>5,331.00</u>

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB COCC - Central Office Cost Center  
 Workpaper: 0204 - COCC A/E Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To true up the COCC management fee charges incorrectly recorded to the amps.				
181-229-111000-0000-0000-00	CASH - UNRESTRI	8110 COC	60,276.00	
181-229-707100-0000-0000-00	MANAGEMENT FEE			60,276.00
<b>Total</b>			<u>60,276.00</u>	<u>60,276.00</u>
<b>Adjusting Journal Entries JE # 2</b>				
To true up COCC charges to the AMPS for incorrectly calculated asset management fees.				
181-229-111000-0000-0000-00	CASH - UNRESTRI	8110 COC	36,550.00	
181-229-707200-0000-0000-00	ASSET MANAGEMEN			36,550.00
<b>Total</b>			<u>36,550.00</u>	<u>36,550.00</u>
<b>Adjusting Journal Entries JE # 4</b>				
To properly state the interfund balance at YE between COCC and HERF.				
181-220-919000-0000-0000-00	ADMINISTRATIVE-	8110 COC	2,000.00	
181-229-144000-0000-3337-00	INTERPROGRAM DU			2,000.00
<b>Total</b>			<u>2,000.00</u>	<u>2,000.00</u>
<b>Adjusting Journal Entries JE # 5</b>				
Reclass to properly state IT revenue at YE.				
181-229-707400-0000-3130-00	FRONT LINE SERV	8110 COC	726.00	
181-229-707400-0000-0000-00	INFORMATION TEC			726.00
<b>Total</b>			<u>726.00</u>	<u>726.00</u>
<b>Adjusting Journal Entries JE # 6</b>				
To properly record security expenditures paid by the general fund for the AMPS.				
181-229-952000-5800-0000-00	PROTECTIVE SERV	8206 GEN	971.00	
181-229-952000-7200-9905-21	PROTECTIVE SERV		1,766.00	
KMH-000-100200	OPERATING TRANS			2,737.00
<b>Total</b>			<u>2,737.00</u>	<u>2,737.00</u>
<b>Adjusting Journal Entries JE # 7</b>				
To properly state capital fund management fee as of YE.				
181-229-100200-0000-3716-00	OPERATING TRANF	0200 COC	2,461,500.00	
181-229-706000-0000-0000-00	HUD PHA OPERATI		1,414,001.00	
KMH-000-100000	Capital Fund Management Fee			3,875,501.00
<b>Total</b>			<u>3,876,501.00</u>	<u>3,875,501.00</u>
<b>Adjusting Journal Entries JE # 8</b>				
To properly accrue DF AP at YE and interfund allocation.				
181-220-919000-0000-0000-00	ADMINISTRATIVE-	1620 DF	33,352.00	
181-229-347000-0000-3888-00	A/P - DISBURSIN			33,352.00
<b>Total</b>			<u>33,352.00</u>	<u>33,352.00</u>
<b>Adjusting Journal Entries JE # 9</b>				
To properly state interest income and interfund balances at YE.				
181-229-347000-0000-3888-00	A/P - DISBURSIN	1610 G	14,458.00	
181-229-711000-0000-0000-00	INVESTMENT INCO			14,458.00
<b>Total</b>			<u>14,458.00</u>	<u>14,458.00</u>
<b>Adjusting Journal Entries JE # 10</b>				
To properly record beginning NA's and transfer of account balances for the creation of the COCC.				
KMH-000-281000	Net Assets	7600 COC	2,326,308.00	
KMH-000-100200	OPERATING TRANS			2,326,308.00
<b>Total</b>			<u>2,326,308.00</u>	<u>2,326,308.00</u>
<b>Adjusting Journal Entries JE # 11</b>				
To properly record OPEB liability in compliance with Project Based Accounting.				
KMH-000-120000	Other Receivable	6026 G	318.00	
KMH-229-144000-3007-OPEB	Interfund Due From - OPEB		324,931.00	
KMH-229-144000-3022-OPEB	Interfund Due From - OPEB		57,339.00	
KMH-229-144000-3024-OPEB	Interfund Due From - OPEB		14,090.00	
KMH-229-144000-3318-OPEB	Interfund Due From - OPEB		153,961.00	
KMH-229-144000-3337-OPEB	Interfund Due From - OPEB		32,584.00	
KMH-229-144000-FLRP-OPEB	Interfund Due From - OPEB		1,718,700.00	
KMH-229-144000-3265-OPEB	Interfund Due From - OPEB		5,331.00	
181-229-357000-0000-0000-00	ACCRUED PENSION			2,307,254.00
<b>Total</b>			<u>2,307,254.00</u>	<u>2,307,254.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB COCC - Central Office Cost Center**  
 Workpaper: **0204 - COCC AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 12</b>				
To properly record cash balances in the COCC as cash balance is held under FLRP bank account.		1010 FLP		
KMH-229-144000-FLRP-Cash	Due from FLRP - Cash - KMH		4,698,037.00	
KMH-229-111000	Cash - KMH			4,698,037.00
<b>Total</b>			<u>4,698,037.00</u>	<u>4,698,037.00</u>
<b>Adjusting Journal Entries JE # 14</b>				
True Up OBEB liability based on DAGS FY 2009 OPEB allocation schedule.		6026G		
181-229-357000-0000-0000-00	ACCRUED PENSION		216,120.00	
KMH-229-110700-0000-9902-00	OPEB Expense			85,123.00
KMH-229-144000-3007-OPEB	Interfund Due From - OPEB			17,222.00
KMH-229-144000-3022-OPEB	Interfund Due From - OPEB			4,305.00
KMH-229-144000-3024-OPEB	Interfund Due From - OPEB			1,108.00
KMH-229-144000-3318-OPEB	Interfund Due From - OPEB			7,135.00
KMH-229-144000-FLRP-OPEB	Interfund Due From - OPEB			101,227.00
<b>Total</b>			<u>216,120.00</u>	<u>216,120.00</u>
<b>Adjusting Journal Entries JE # 15</b>				
To properly state revenues and interfund receivable for PHCF mgt fee drawdown receivable at YE,		5515 FLP		
KMH-000-144000	Interfund Due From		500,000.00	
KMH-000-100000	Capital Fund Management Fee			500,000.00
<b>Total</b>			<u>500,000.00</u>	<u>500,000.00</u>
<b>Adjusting Journal Entries JE # 16</b>				
To write-down SOH investment pool balance at 6/30/09.		0200.16		
KMH-000-EXP	Other Expense - SOH invest pool write-down		45,102.00	
181-229-144000-0000-3888-00	INTERPROGRAM DU			45,102.00
<b>Total</b>			<u>45,102.00</u>	<u>45,102.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB FLRP - Federal Low Rent Program**  
 Workpaper: **0204 FLP - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 13</b>		<b>8110 COC</b>		
To true up the COCC management fee charges incorrectly recorded to the emps.				
130-220-913000-7100-0000-00	MANAGEMENT FEES		18,434.00	
131-220-913000-7100-0000-00	MANAGEMENT FEES		43,150.00	
132-220-913000-7100-0000-00	MANAGEMENT FEES		15,702.00	
133-220-913000-7100-0000-00	MANAGEMENT FEES		16,372.00	
134-220-913000-7100-0000-00	MANAGEMENT FEES		28,154.00	
135-220-913000-7100-0000-00	MANAGEMENT FEES		4,894.00	
137-220-111000-0000-0000-00	CASH - UNRESTRI		77,109.00	
138-220-913000-7100-0000-00	MANAGEMENT FEES		319.00	
138-220-913000-7100-0000-00	MANAGEMENT FEES		11,099.00	
139-220-111000-0000-0000-00	CASH - UNRESTRI		34,513.00	
140-220-913000-7100-0000-00	MANAGEMENT FEES		22,336.00	
143-220-913000-7100-0000-00	MANAGEMENT FEES		17,993.00	
144-220-111000-0000-0000-00	CASH - UNRESTRI		13,045.00	
145-220-913000-7100-0000-00	MANAGEMENT FEES		8,821.00	
149-220-111000-0000-0000-00	CASH - UNRESTRI		1,955.00	
150-220-913000-7100-0000-00	MANAGEMENT FEES		1,621.00	
130-220-111000-0000-0000-00	CASH - UNRESTRI			18,434.00
131-220-111000-0000-0000-00	CASH - UNRESTRI			43,150.00
132-220-111000-0000-0000-00	CASH - UNRESTRI			15,702.00
133-220-111000-0000-0000-00	CASH - UNRESTRI			16,372.00
134-220-111000-0000-0000-00	CASH - UNRESTRI			28,154.00
135-220-111000-0000-0000-00	CASH - UNRESTRI			4,894.00
137-220-913000-7100-0000-00	MANAGEMENT FEES			77,109.00
138-220-111000-0000-0000-00	CASH - UNRESTRI			319.00
138-220-111000-0000-0000-00	CASH - UNRESTRI			11,099.00
139-220-913000-7100-0000-00	MANAGEMENT FEES			34,513.00
140-220-111000-0000-0000-00	CASH - UNRESTRI			22,336.00
143-220-111000-0000-0000-00	CASH - UNRESTRI			17,993.00
144-220-913000-7100-0000-00	MANAGEMENT FEES			13,045.00
145-220-111000-0000-0000-00	CASH - UNRESTRI			8,821.00
149-220-913000-7100-0000-00	MANAGEMENT FEES			1,955.00
150-220-111000-0000-0000-00	CASH - UNRESTRI			1,621.00
<b>Total</b>			<b>313,617.00</b>	<b>313,617.00</b>

<b>Adjusting Journal Entries JE # 14</b>		<b>8110 COC</b>		
To true up COCC charges for incorrectly calculated asset management fees.				
130-220-920000-7100-0000-00	ASSET MGT FEES		520.00	
131-220-111000-0000-0000-00	CASH - UNRESTRI		3,670.00	
132-220-920000-7100-0000-00	ASSET MGT FEES		870.00	
133-220-920000-7100-0000-00	ASSET MGT FEES		880.00	
134-220-920000-7100-0000-00	ASSET MGT FEES		1,210.00	
135-220-920000-7100-0000-00	ASSET MGT FEES		4,110.00	
137-220-920000-7100-0000-00	ASSET MGT FEES		14,100.00	
138-220-920000-7100-0000-00	ASSET MGT FEES		1,110.00	
139-220-920000-7100-0000-00	ASSET MGT FEES		6,520.00	
140-220-920000-7100-0000-00	ASSET MGT FEES		3,130.00	
143-220-111000-0000-0000-00	CASH - UNRESTRI		1,010.00	
144-220-920000-7100-0000-00	ASSET MGT FEES		4,030.00	
145-220-920000-7100-0000-00	ASSET MGT FEES		620.00	
148-220-920000-7100-0000-00	ASSET MGT FEES		1,800.00	
149-220-920000-7100-0000-00	ASSET MGT FEES		1,550.00	
150-220-920000-7100-0000-00	ASSET MGT FEES		780.00	
130-220-111000-0000-0000-00	CASH - UNRESTRI			520.00
131-220-920000-7100-0000-00	ASSET MGT FEES			3,670.00
132-220-111000-0000-0000-00	CASH - UNRESTRI			870.00
133-220-111000-0000-0000-00	CASH - UNRESTRI			880.00
134-220-111000-0000-0000-00	CASH - UNRESTRI			1,210.00
135-220-111000-0000-0000-00	CASH - UNRESTRI			4,110.00
137-220-111000-0000-0000-00	CASH - UNRESTRI			14,100.00
138-220-111000-0000-0000-00	CASH - UNRESTRI			1,110.00
139-220-111000-0000-0000-00	CASH - UNRESTRI			6,520.00
140-220-111000-0000-0000-00	CASH - UNRESTRI			3,130.00
143-220-920000-7100-0000-00	ASSET MGT FEES			1,010.00
144-220-111000-0000-0000-00	CASH - UNRESTRI			4,030.00
145-220-111000-0000-0000-00	CASH - UNRESTRI			620.00
148-220-111000-0000-0000-00	CASH - UNRESTRI			1,800.00
149-220-111000-0000-0000-00	CASH - UNRESTRI			1,550.00
150-220-111000-0000-0000-00	CASH - UNRESTRI			780.00
<b>Total</b>			<b>46,910.00</b>	<b>46,910.00</b>

<b>Adjusting Journal Entries JE # 16</b>		<b>4010</b>		
To properly state fixed assets as of YE.				
143-220-162001-0000-0000-00	20 YEARS PROPER		13,210.00	
143-220-942018-7700-1070-00	MAINT, APPL & E			13,210.00

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB FLRP - Federal Low Rent Program**  
 Workpaper: **0204 FLP - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Total</b>			<u><u>13,210.00</u></u>	<u><u>13,210.00</u></u>
<b>Adjusting Journal Entries JE # 17</b>				
To properly state accounts payable as of YE				
134-220-942000-3100-0000-00	MAINTENANCE MAT	4015	16,335.00	
716-000-312000-0000-0000-34	A/P - 90 DAYS			16,335.00
<b>Total</b>			<u><u>16,335.00</u></u>	<u><u>16,335.00</u></u>
<b>Adjusting Journal Entries JE # 18</b>				
To properly state AR and nonoperating revenue from HUD as of 6/30/09				
130-220-122000-0000-0000-00	A/R - HUD OTHER		56,630.00	
131-220-122000-0000-0000-00	A/R - HUD OTHER		204,856.00	
132-220-122000-0000-0000-00	A/R - HUD OTHER		22,170.00	
133-220-122000-0000-0000-00	A/R - HUD OTHER		13,274.00	
134-220-122000-0000-0000-00	A/R - HUD OTHER		38,905.00	
135-220-122000-0000-0000-00	A/R - HUD OTHER		67,075.00	
137-220-122000-0000-0000-00	A/R - HUD OTHER		45,363.00	
138-220-706000-0000-0000-00	HUD PHA OPERATI		15,024.00	
139-220-122000-0000-0000-00	A/R - HUD OTHER		1,716.00	
140-220-122000-0000-0000-00	A/R - HUD OTHER		70,460.00	
143-220-122000-0000-0000-00	A/R - HUD OTHER		36,953.00	
144-220-122000-0000-0000-00	A/R - HUD OTHER		31,120.00	
145-220-122000-0000-0000-00	A/R - HUD OTHER		31,398.00	
146-220-122000-0000-0000-00	A/R - HUD OTHER		9,342.00	
149-220-122000-0000-0000-00	A/R - HUD OTHER		15,514.00	
150-220-706000-0000-0000-00	HUD PHA OPERATI		2,162.00	
130-220-706000-0000-0000-00	HUD PHA OPERATI			56,630.00
131-220-706000-0000-0000-00	HUD PHA OPERATI			204,856.00
132-220-706000-0000-0000-00	HUD PHA OPERATI			22,170.00
133-220-706000-0000-0000-00	HUD PHA OPERATI			13,274.00
134-220-706000-0000-0000-00	HUD PHA OPERATI			38,905.00
135-220-706000-0000-0000-00	HUD PHA OPERATI			67,075.00
137-220-706000-0000-0000-00	HUD PHA OPERATI			45,363.00
138-220-122000-0000-0000-00	A/R - HUD OTHER			15,024.00
139-220-706000-0000-0000-00	HUD PHA OPERATI			1,716.00
140-220-706000-0000-0000-00	HUD PHA OPERATI			70,460.00
143-220-706000-0000-0000-00	HUD PHA OPERATI			36,953.00
144-220-706000-0000-0000-00	HUD PHA OPERATI			31,120.00
145-220-706000-0000-0000-00	HUD PHA OPERATI			31,398.00
146-220-706000-0000-0000-00	HUD PHA OPERATI			9,342.00
149-220-706000-0000-0000-00	HUD PHA OPERATI			15,514.00
150-220-122000-0000-0000-00	A/R - HUD OTHER			2,162.00
<b>Total</b>			<u><u>661,962.00</u></u>	<u><u>661,962.00</u></u>
<b>Adjusting Journal Entries JE # 19</b>				
To properly state A/R as of YE				
717-000-122000-0000-0000-34	A/R - HUD OTHER	6515	16,335.00	
717-000-706000-0000-0000-34	HUD PHA OPERATI			16,335.00
<b>Total</b>			<u><u>16,335.00</u></u>	<u><u>16,335.00</u></u>
<b>Adjusting Journal Entries JE # 20</b>				
To properly record security expenditures paid by the general fund for the AMPS				
130-220-952000-5800-1026-22	PROTECTIVE SERV		195,790.00	
130-220-952000-7100-1026-22	PROTECTIVE SERV		20,944.00	
131-220-952000-5800-0000-00	PROTECTIVE SERV		378,806.00	
132-220-952000-5800-1003-22	PROTECTIVE SERV		284,368.00	
133-220-952000-5800-1009-22	PROTECTIVE SERV		33,859.00	
133-220-952000-5800-1099-22	PROTECTIVE SERV		122,362.00	
134-220-952000-5800-1012-00	PROTECTIVE SERV		26,878.00	
134-220-952000-5800-1036-22	PROTECTIVE SERV		51,651.00	
134-220-952000-5800-1062-22	PROTECTIVE SERV		35,171.00	
135-220-952000-5800-1011-22	PROTECTIVE SERV		115,682.00	
135-220-952000-5800-1024-22	PROTECTIVE SERV		20,240.00	
135-220-952000-5800-1046-22	PROTECTIVE SERV		114,800.00	
KMH-000-100100	OPERATING TRANS			1,400,581.00
<b>Total</b>			<u><u>1,400,581.00</u></u>	<u><u>1,400,581.00</u></u>
<b>Adjusting Journal Entries JE # 21</b>				
To properly state FSS Admin Fee as of 6/30/09				
140-220-347000-0000-4007-00	INTER-PROGRAM -	1605	1,199.00	
KMH002	Other A/P			1,199.00
<b>Total</b>			<u><u>1,199.00</u></u>	<u><u>1,199.00</u></u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB FLRP - Federal Low Rent Program**  
 Workpaper: **0204 FLP - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 22</b>		<b>8326</b>		
To properly record management fees drawdown.				
181-420010-0-1150	MANAGEMENT FEE		3,875,501.00	
716-000-100200-0000-3181-00	OPERATING TRANF			2,461,500.00
KMH-000-708000	HUD Subsidy Drawdown			1,414,001.00
<b>Total</b>			<u><b>3,875,501.00</b></u>	<u><b>3,875,501.00</b></u>
<b>Adjusting Journal Entries JE # 23</b>		<b>1520 DF</b>		
To properly accrue DF AP at YE and interfund allocation.				
130-220-919000-7200-0000-00	ADMINISTRATIVE-		17,766.00	
131-220-919000-7200-0000-00	ADMINISTRATIVE-		3,591.00	
132-220-919000-7200-0000-00	ADMINISTRATIVE-		11,359.00	
133-220-919000-7200-0000-00	ADMINISTRATIVE-		4,914.00	
134-220-919000-7200-0000-00	ADMINISTRATIVE-		5,147.00	
135-220-919000-7200-0000-00	ADMINISTRATIVE-		2,986.00	
137-220-919000-7200-0000-00	ADMINISTRATIVE-		2,810.00	
138-220-919000-7200-0000-00	ADMINISTRATIVE-		8,010.00	
139-220-919000-7200-0000-00	ADMINISTRATIVE-		5,161.00	
140-220-919000-7200-0000-00	ADMINISTRATIVE-		31,747.00	
143-220-919000-7200-0000-00	ADMINISTRATIVE-		77.00	
145-220-919000-7200-0000-00	ADMINISTRATIVE-		501.00	
146-220-919000-7200-0000-00	ADMINISTRATIVE-		128.00	
150-220-919000-7200-0000-00	ADMINISTRATIVE-		884.00	
130-220-347000-0000-3888-00	A/P - DISBURSIN			17,766.00
131-220-347000-0000-3888-00	INTER-PROGRAM -			3,591.00
132-220-347000-0000-3888-00	INTER-PROGRAM -			11,359.00
133-220-347000-0000-3888-00	INTER-PROGRAM -			4,914.00
134-220-347000-0000-3888-00	INTER-PROGRAM -			5,147.00
135-220-347000-0000-3888-00	INTER-PROGRAM -			2,986.00
137-220-347000-0000-3888-00	INTER-PROGRAM -			2,810.00
138-220-347000-0000-3888-00	INTER-PROGRAM -			8,010.00
139-220-347000-0000-3888-00	INTER-PROGRAM -			5,161.00
140-220-347000-0000-3888-00	INTER-PROGRAM -			31,747.00
143-220-347000-0000-3888-00	INTER-PROGRAM -			77.00
145-220-347000-0000-3888-00	INTER-PROGRAM -			501.00
146-220-347000-0000-3888-00	INTER-PROGRAM -			128.00
150-220-347000-0000-3888-00	AP - DUE TO DIB			884.00
<b>Total</b>			<u><b>95,081.00</b></u>	<u><b>95,081.00</b></u>
<b>Adjusting Journal Entries JE # 24</b>		<b>1510 G</b>		
To properly state interest income and interfund balances at YE.				
KMH-222-144000-0000-3888-00	Interfund Due From		25,495.00	
KMH-222-711000	Investment Income			25,495.00
<b>Total</b>			<u><b>25,495.00</b></u>	<u><b>25,495.00</b></u>
<b>Adjusting Journal Entries JE # 25</b>		<b>1520 FLP</b>		
To properly record bad debt expense at YE.				
KMH-220-762000-7200	Other General Expense - FLRP		102,536.00	
KMH-220-964000	Bad Debt Expense - FLRP			102,536.00
<b>Total</b>			<u><b>102,536.00</b></u>	<u><b>102,536.00</b></u>
<b>Adjusting Journal Entries JE # 27</b>		<b>1505 DF</b>		
To properly zero out interfund accounts at YE.				
130-220-347000-0000-4007-00	A/P - DUE TO FS		3.00	
130-220-312002-0000-0000-00	A/P OTHER < 90			3.00
<b>Total</b>			<u><b>3.00</b></u>	<u><b>3.00</b></u>
<b>Adjusting Journal Entries JE # 28</b>		<b>8325 FLP</b>		
To properly state due from HUD as of 6/30/09.				
KMH-000-122000	Receivable from HUD - Retention		633,814.00	
KMH-000-706000	HUD Subsidy Drawdown			554,287.00
KMH-220-782000-7200	Other General Expense - FLRP			79,527.00
<b>Total</b>			<u><b>633,814.00</b></u>	<u><b>633,814.00</b></u>
<b>Adjusting Journal Entries JE # 29</b>		<b>4015 FLP</b>		
To properly state construction in progress as of 6/30/09.				
KMH-000-167000	Construction-In-Progress		667,048.00	
716-000-943007-5800-1036-34	CONTRACTS-BLDG			667,048.00
<b>Total</b>			<u><b>667,048.00</b></u>	<u><b>667,048.00</b></u>

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2008 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB FLRP - Federal Low Rent Program  
 Workpaper: 0204 FLP - AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 30</b>				
To properly record beginning NA's and transfer of account balances for the creation of the COCC		7500 COC		
KMH-000-100100	OPERATING TRANS		2,326,308.00	
KMH-000-281000	Net Assets			2,326,308.00
<b>Total</b>			<u>2,326,308.00</u>	<u>2,326,308.00</u>
<b>Adjusting Journal Entries JE # 31</b>				
To properly accrue CIP AP at YE		6610 G		
716-000-167000-7900-0000-35	CONSTRUCTION IN		62,612.00	
716-000-312000-0000-0000-35	AP < 90 DAYS			62,612.00
<b>Total</b>			<u>62,612.00</u>	<u>62,612.00</u>
<b>Adjusting Journal Entries JE # 32</b>				
To properly record OPEB liability in compliance with Project Based Accounting		6025 G		
KMH-222-357000	Accrued Pension - FLRP		1,718,700.00	
KMH-000-347000-3181-OPEB	Interfund Due to - OPEB			1,718,700.00
<b>Total</b>			<u>1,718,700.00</u>	<u>1,718,700.00</u>
<b>Adjusting Journal Entries JE # 33</b>				
To properly record cash balances in the COCC as cash balance is held under FLRP bank account.		1010 FLP		
KMH-000-111000	Cash - KMH		4,698,037.00	
KMH-000-347000	Due to COCC - KMH			4,698,037.00
<b>Total</b>			<u>4,698,037.00</u>	<u>4,698,037.00</u>
<b>Adjusting Journal Entries JE # 34</b>				
To properly state the accrued exp and AP balance a/o 6/30/09.		6610 G		
KMH-000-900000-1	Electric Exp - KMH		30,611.00	
KMH-000-900000-2	Water/Sewer Exp - KMH		132,069.00	
KMH-220-762000-7200	Other General Expense - FLRP		59,891.00	
KMH-000-900000-3	Gas Exp - KMH			53,090.00
KMH002	Other A/P			169,481.00
<b>Total</b>			<u>222,571.00</u>	<u>222,571.00</u>
<b>Adjusting Journal Entries JE # 35</b>				
To properly reclass R&M and Utility expenses paid by the GEN fund on behalf of other funds.		8250 GEN		
KMH-000-942000	Repair & Maintenance Expense		1,346,129.00	
KMH-222-900000-4	Utility Expense (various) - KMH		222,938.00	
KMH-000-100100	OPERATING TRANS			1,569,067.00
<b>Total</b>			<u>1,569,067.00</u>	<u>1,569,067.00</u>
<b>Adjusting Journal Entries JE # 36</b>				
To true up OPEB based on DAGS OPEB allocation schedule.		6025G		
KMH-000-347000-3181-OPEB	Interfund Due to - OPEB		101,227.00	
KMH-229-110700-0000-9802-00	OPEB Expense			101,227.00
<b>Total</b>			<u>101,227.00</u>	<u>101,227.00</u>
<b>Adjusting Journal Entries JE # 37</b>				
To properly reflect B&I's in the General FA Account Group.		0210.07		
KMH-000-162000	Buildings & Improvements		1,689,114.00	
KMH-000-974000	Depreciation Expense		62,580.00	
KMH-000-100100	OPERATING TRANS			1,689,114.00
KMH-000-170000	Accumulated Depreciation			62,580.00
<b>Total</b>			<u>1,751,694.00</u>	<u>1,751,694.00</u>
<b>Adjusting Journal Entries JE # 38</b>				
To properly reflect CIP in the General FA Account Group.		0210.07		
KMH-000-162000	Buildings & Improvements		2,651,546.00	
KMH-000-167000	Construction-In-Progress		1,928,268.00	
KMH-000-974000	Depreciation Expense		66,830.00	
KMH-000-100100	OPERATING TRANS			4,579,834.00
KMH-000-170000	Accumulated Depreciation			66,830.00
<b>Total</b>			<u>4,648,664.00</u>	<u>4,648,664.00</u>
<b>Adjusting Journal Entries JE # 39</b>				
To properly state expense and interfund payable for PHCF mgf fee drawdown receivable.		5616 FLP		
KMH-000-913000	Management Fees - COCC		500,000.00	
KMH-000-347000	Due to COCC - KMH			500,000.00

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB FLRP - Federal Low Rent Program**  
 Workpaper: **0204 FLP - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Total</b>			<u>500,000.00</u>	<u>500,000.00</u>
<b>Adjusting Journal Entries JE # 40</b>				
To property move completed CIP projects to FA.				
		<b>4015 FLP</b>		
KMH-000-162000	Buildings & Improvements		16,626,878.00	
KMH-000-974000	Depreciation Expense		860,948.00	
KMH-000-167000	Construction-In-Progress			16,626,878.00
KMH-000-170000	Accumulated Depreciation			860,948.00
<b>Total</b>			<u>17,487,826.00</u>	<u>17,487,826.00</u>
<b>Adjusting Journal Entries JE # 41</b>				
To write-down SOH investment pool balance at 6/30/09.				
		<b>0200.16</b>		
KMH-000-EXP	Other Expense - SOH invest pool write-down		79,530.00	
KMH-222-144000-0000-3888-00	Interfund Due From			79,530.00
<b>Total</b>			<u>79,530.00</u>	<u>79,530.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance - Housing for Elders Revolving Fund**  
 Workpaper: **0204 - HERF AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 16</b>				
To properly accrue expenditures that were disbursed subsequent to 6/30/09 but occurred during FY2008		5510 G		
337-000-432000-0000-0000-00	ELECTRICITY		2,459.00	
337-000-438000-0000-0000-00	SEWER		4,325.00	
337-220-942018-7200-2401-00	MAINT, APPL & E		9,571.00	
337-000-211900-0000-0000-00	A/P: OTHER			18,355.00
<b>Total</b>			<u>16,355.00</u>	<u>18,355.00</u>
<b>Adjusting Journal Entries JE # 19</b>				
To properly reclass investment pool income,		8106 HEF		
337-220-715000-0000-0000-00	OTHER REVENUE		77,642.00	
337-220-712000-0000-0000-00	INVESTMENT POOL INCOME			77,642.00
<b>Total</b>			<u>77,642.00</u>	<u>77,642.00</u>
<b>Adjusting Journal Entries JE # 20</b>				
To properly state the HERF Interfund balance,		1606 HERF		
337-220-347000-0000-3888-00	INTER-PROGRAM -		6,764.00	
337-000-912000-7100-0000-00	AUDIT FEE			6,764.00
<b>Total</b>			<u>6,764.00</u>	<u>6,764.00</u>
<b>Adjusting Journal Entries JE # 21</b>				
To properly accrue DF AP at YE and interfund allocation,		1620 DF		
337.419000	Other Expenses		218.00	
337-000-347000-0000-3888-00	IF PAYABLE			218.00
<b>Total</b>			<u>218.00</u>	<u>218.00</u>
<b>Adjusting Journal Entries JE # 22</b>				
To properly state interest income and interfund balances at YE,		1610 G		
337-220-347000-0000-3888-00	INTER-PROGRAM -		2,666.00	
337-220-712000-0000-0000-00	INVESTMENT POOL INCOME			2,666.00
<b>Total</b>			<u>2,666.00</u>	<u>2,666.00</u>
<b>Adjusting Journal Entries JE # 23</b>				
To properly state interest income and accrual a/o YE,		1610 G		
337-220-129000-0000-0000-00	ACCRUED INTERES		37,155.00	
337-220-712000-0000-0000-00	INVESTMENT POOL INCOME			37,155.00
<b>Total</b>			<u>37,155.00</u>	<u>37,155.00</u>
<b>Adjusting Journal Entries JE # 24</b>				
To properly record OPEB liability in compliance w/ PBA and true up PY balances,		6026 G		
337-OPEB Expense	OPEB Expense		32,584.00	
KMH-337-347000-3161-OPEB	Interprogram Due to - OPEB			32,584.00
<b>Total</b>			<u>32,584.00</u>	<u>32,584.00</u>
<b>Adjusting Journal Entries JE # 25</b>				
To properly reflect B&I's in the General FA Account Group,		0210.07		
337-000-140405-0000-0000-00	RENTAL UNIT BUI		188,550.00	
337-220-974000-6000-0000-00	DEPRECIATION EX		8,105.00	
337-000-152400-0000-0000-00	ACCUMULATED DEP			8,105.00
337-Operating Transfer	Operating Transfer			188,550.00
<b>Total</b>			<u>196,655.00</u>	<u>196,655.00</u>
<b>Adjusting Journal Entries JE # 26</b>				
To properly reflect CIP in the General FA Account Group,		0210.07		
337-000-140405-0000-0000-00	RENTAL UNIT BUI		141,473.00	
337-220-974000-6000-0000-00	DEPRECIATION EX		21,489.00	
KMH-337-160000	CIP		76,343.00	
337-220-166000-0000-0000-00	ACCUMULATED DEP			21,489.00
337-Operating Transfer	Operating Transfer			217,818.00
<b>Total</b>			<u>239,305.00</u>	<u>239,305.00</u>
<b>Adjusting Journal Entries JE # 27</b>				
To write-down SOH investment pool balance at 6/30/09,		0200.16		
KMH-337-EXP	Other Expense - SOH invest pool write-down		78,530.00	
KMH-337-100000	SOH Cash - Investment pool write-down			78,530.00
<b>Total</b>			<u>78,530.00</u>	<u>78,530.00</u>
<b>Adjusting Journal Entries JE # 28</b>				
		0200.16		

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance - Housing for Elders Revolving Fund**  
 Workpaper: **0204 - HERF AJE Report**

Account	Description	W/P Ref	Debit	Credit
To write-down SOH investment pool balance at 6/30/09.				
KMH-337-EXP 337-220-144000-0000-3888-00	Other Expense - SOH invest pool wntedown INTERPROGRAM DU		8,315.00	
<b>Total</b>			<u>8,316.00</u>	<u>8,315.00</u>

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB - Trial Balance - Housing Revolving Fund  
 Workpaper: 0204 - HRF AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 13 To reverse interest booked in the CY on Note Receivable		1505 HRF		
220-715000-0000-00X OTHER REVENUE			20,000.00	
220-129000-0000-00X ACCRUED INTERES				20,000.00
Total			<u>20,000.00</u>	<u>20,000.00</u>
Adjusting Journal Entries JE # 18 To correct benefit accounts as of 6/30/09				
220-321000-0000-00X ACCRUED PAYROLL			155.00	
220-322000-0000-00X ACCRUED VAC/COM			4,238.00	
220-353000-0000-00X NONCURRENT LIAB			10,635.00	
220-915000-2000-00X EMP BENEFIT CON				15,028.00
Total			<u>15,028.00</u>	<u>15,028.00</u>
Adjusting Journal Entries JE # 20 To correct accrual for AP posted to incorrect fund at YE.		5510 HRF		
220-312000-0000-00X A/P < 90 DAYS			16,714.00	
220-911000-2000-00X ADMINISTRATIVE				16,714.00
Total			<u>16,714.00</u>	<u>16,714.00</u>
Adjusting Journal Entries JE # 21 To properly accrue expenditures that were disbursed subsequent to YE but occurred during the CY.		5510 G 71		
220-931000-5200-22X WATER			23,532.00	
220-932000-5000-22X ELECTRICITY			11,306.00	
220-936000-5300-22X SEWER			1,275.00	
220-943028-5800-22X PVT MGMT CONTRA			3,231.00	
220-312000-0000-00X A/P < 90 DAYS				39,344.00
Total			<u>39,344.00</u>	<u>39,344.00</u>
Adjusting Journal Entries JE # 24 To properly accrue DF AP at YE and interfund allocation.		1520 DF		
308.459 Other Expenses			1,020.00	
220-347000-0000-38X INTER-PROGRAM -				1,020.00
Total			<u>1,020.00</u>	<u>1,020.00</u>
Adjusting Journal Entries JE # 25 To properly state interest income and interfund balances at YE.		1510 G		
220-347000-0000-38X INTER-PROGRAM -			13,259.00	
220-712000-0000-00X INTEREST INCOME				13,259.00
Total			<u>13,259.00</u>	<u>13,259.00</u>
Adjusting Journal Entries JE # 28 To properly zero out interfund accounts at YE.		1505 DF		
220-347000-0000-31X INTER-PROGRAM -			466.00	
220-347000-0000-31X INTER-PROGRAM -			1,693.00	
KMH-220-312000 Other Payables				2,159.00
Total			<u>2,159.00</u>	<u>2,159.00</u>
Adjusting Journal Entries JE # 27 To properly true up the OPEB expense recorded at YE.		6005 HRF		
220-945000-2000-00X EMP BENEFIT-ORD			82,420.00	
220-354000-0000-00X ACCRUED COMPENS				82,420.00
Total			<u>82,420.00</u>	<u>82,420.00</u>
Adjusting Journal Entries JE # 28 To properly record OPEB liability in compliance with Project Based Accounting.		6025 G		
220-354000-0000-00X ACCRUED COMPENS			153,961.00	
I-220-347000-3181-O Interfund Due to - OPEB				153,961.00
Total			<u>153,961.00</u>	<u>153,961.00</u>
Adjusting Journal Entries JE # 29		6025G		

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB - Trial Balance - Housing Revolving Fund  
 Workpaper: 0204 - HRF AJE Report

Account	Description	W/P Ref	Debit	Credit
To true up OPEB liability based on DAGS OPEB allocation schedule				
I-220-347000-3181-0	Interfund Due to - OPEB		7,135.00	
308.4600.OPEB	OPEB Expense			7,135.00
<b>Total</b>			<u>7,135.00</u>	<u>7,135.00</u>
Adjusting Journal Entries JE # 30				
To properly reflect B&T's in the Gen FA Account Group.				
220-162000-0000-000	BUILDINGS	0210.07	2,167,039.00	
220-974000-6000-000	DEPRECIATION EX		101,983.00	
220-166000-0000-000	ACCUMULATED DEP			101,983.00
KMH-318-8000	Operating Transfer-In			2,167,039.00
<b>Total</b>			<u>2,269,022.00</u>	<u>2,269,022.00</u>
Adjusting Journal Entries JE # 31				
To properly reflect CIP in the General FA Account Group.				
220-162000-0000-000	BUILDINGS	0210.07	1,410,735.00	
220-974000-6000-000	DEPRECIATION EX		103,868.00	
KMH-318-165000	CIP		288,541.00	
220-166000-0000-000	ACCUMULATED DEP			103,868.00
KMH-318-8000	Operating Transfer-In			1,699,276.00
<b>Total</b>			<u>1,803,144.00</u>	<u>1,803,144.00</u>
Adjusting Journal Entries JE # 32				
To write-down SOH investment pool balance at 6/30/09.				
KMH-318-EXP	Other Expense - SOH Invest Pool Write-down	0200.16	10,736.00	
KMH-318-100000	SOH Cash - investment pool write-down			10,736.00
<b>Total</b>			<u>10,736.00</u>	<u>10,736.00</u>
Adjusting Journal Entries JE # 33				
To write-down SOH investment pool balance at 6/30/09.				
KMH-318-EXP	Other Expense - SOH Invest Pool Write-down	0200.16	41,360.00	
220-144001-0000-380	DUE FROM FUND 0			41,360.00
<b>Total</b>			<u>41,360.00</u>	<u>41,360.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - EDI - Boys and Girls T/B**  
 Workpaper: **0206 - EDI AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
CJE 1 - To record audit fee (FY2008) paid in Fy2009				
756-000-912000-7100-0000-00	AUDIT FEE		220.00	
756-000-347000-0000-3888-00	I/F PAYABLE			220.00
<b>Total</b>			<b>220.00</b>	<b>220.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
CJE 1 - To property state revenue/ar as of 6/30/09				
756-220-122000-0000-0000-00	A/R - HUD OTHER		220.00	
756-220-708000-0000-0000-00	HUD PHA OPERATI			220.00
<b>Total</b>			<b>220.00</b>	<b>220.00</b>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance- ROSS**  
 Workpaper: **0204 - ROSS AJE Report**

<b>Account</b>	<b>Description</b>	<b>W/P Ref</b>	<b>Debit</b>	<b>Credit</b>
<b>Adjusting Journal Entries JE # 16</b>				
	<b>1520 HVP</b>			
	To properly state operating expense as of 6/30/09.			
KMH001	Operating Transfer Out		45,011.00	
000-423000-0000-000	ADMINISTRATIVE			45,011.00
<b>Total</b>			<b>45,011.00</b>	<b>45,011.00</b>

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Workpaper: 0204 KPT - AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 15</b>				
RJE to property state payables at YE.				
8010 KPT				
220-346000-0000-00X ACCRUED LIABIL			32,344.00	
755-Accounts Payabl Accounts Payable				32,344.00
<b>Total</b>			<u>32,344.00</u>	<u>32,344.00</u>
<b>Adjusting Journal Entries JE # 16</b>				
To property state Net Assets at YE				
0200 KPT				
J00-281000-0000-37X UNRESERVED SURP 1			44.00	
220-703000-0000-00X NET TENANT RENT				44.00
<b>Total</b>			<u>44.00</u>	<u>44.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance - DF**  
 Workpaper: **0205 DF - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 27</b>		<b>0200 DF</b>		
To properly state the Vehicle Rental interfund balances at YE.				
888-000-347000-0000-3335-00	INTER-PROGRAM -		111,411.00	
888-000-144000-0000-3335-00	INTERPROGRAM DU			111,411.00
<b>Total</b>			<u>111,411.00</u>	<u>111,411.00</u>
<b>Adjusting Journal Entries JE # 28</b>		<b>1615 DF</b>		
To properly state AP - TANIF and cash balances for o/s checks at YE.				
888-000-312000-0000-3654-00	ACCOUNTS PAYABLE - TANIF		31,670.00	
888-000-111110-0000-0000-00	CASH - SOH: ALL			31,670.00
<b>Total</b>			<u>31,670.00</u>	<u>31,670.00</u>
<b>Adjusting Journal Entries JE # 29</b>		<b>6510 G 10/</b>		
To properly accrue AP for DHS TANIF payments made subsequent to YE.				
888-000-124001-0000-3654-00	ACCOUNTS RECEIVABLE - TANIF		394,265.00	
888-000-312000-0000-3654-00	ACCOUNTS PAYABLE - TANIF			394,265.00
<b>Total</b>			<u>394,265.00</u>	<u>394,265.00</u>
<b>Adjusting Journal Entries JE # 30</b>		<b>1620 DF</b>		
To properly accrue additional AP identified in the search for unrecorded liab.				
888-000-125000-0000-3652-00	ACCOUNTS RECEIV		7,828.00	
888-000-144000-0000-3007-00	A/P DUE FROM HC		607.00	
888-000-144000-0000-3020-00	A/P DUE FROM G-		1,250.00	
888-000-144000-0000-3022-00	INTERPROGRAM DU		2,780.00	
888-000-144000-0000-3130-00	A/R - DUE FROM		17,766.00	
888-000-144000-0000-3131-00	A/R - DUE FROM		3,591.00	
888-000-144000-0000-3132-00	A/R - DUE FROM		11,359.00	
888-000-144000-0000-3133-00	A/R - DUE FROM		4,914.00	
888-000-144000-0000-3134-00	A/R - DUE FROM		5,147.00	
888-000-144000-0000-3135-00	A/R - DUE FROM		2,985.00	
888-000-144000-0000-3137-00	A/R - DUE FROM		2,810.00	
888-000-144000-0000-3138-00	A/R - DUE FROM		8,010.00	
888-000-144000-0000-3139-00	A/R - DUE FROM		5,161.00	
888-000-144000-0000-3140-00	A/R - DUE FROM		31,747.00	
888-000-144000-0000-3143-00	A/R - DUE FROM		77.00	
888-000-144000-0000-3145-00	A/R - DUE FROM		501.00	
888-000-144000-0000-3146-00	A/R - DUE FROM		128.00	
888-000-144000-0000-3150-00	A/R - DUE FROM		884.00	
888-000-144000-0000-3181-00	A/R - DUE FROM		33,352.00	
888-000-144000-0000-3318-00	A/R - DUE FROM		1,020.00	
888-000-144000-0000-3337-00	A/R - DUE FROM		218.00	
888-000-144000-0000-3651-00	INTERPROGRAM DU		230.00	
888-000-312001-0000-0000-00	A/P VENDORS AND			142,366.00
<b>Total</b>			<u>142,366.00</u>	<u>142,366.00</u>
<b>Adjusting Journal Entries JE # 31</b>		<b>1610 DF</b>		
To properly record '09 insurance allocation.				
888-000-144000-0000-3012-00	AR - Due From KeKumu		9,965.00	
888-000-125000-0000-3853-00	ACCOUNTS RECEIV			9,965.00
<b>Total</b>			<u>9,965.00</u>	<u>9,965.00</u>
<b>Adjusting Journal Entries JE # 32</b>		<b>1605 DF</b>		
To properly record FLRP and DF interfund balances.				
888-000-144000-0000-3715-00	INTERPROGRAM DU		134,958.00	
888-000-144000-0000-3716-00	INTERPROGRAM DU		922,982.00	
888-000-144000-0000-3130-00	A/R - DUE FROM			72,438.00
888-000-144000-0000-3131-00	A/R - DUE FROM			72,020.00
888-000-144000-0000-3132-00	A/R - DUE FROM			72,638.00
888-000-144000-0000-3133-00	A/R - DUE FROM			74,434.00
888-000-144000-0000-3134-00	A/R - DUE FROM			116,340.00
888-000-144000-0000-3135-00	A/R - DUE FROM			117,138.00
888-000-144000-0000-3137-00	A/R - DUE FROM			69,568.00
888-000-144000-0000-3138-00	A/R - DUE FROM			64,057.00
888-000-144000-0000-3139-00	A/R - DUE FROM			39,113.00
888-000-144000-0000-3140-00	A/R - DUE FROM			148,884.00
888-000-144000-0000-3143-00	A/R - DUE FROM			40,310.00
888-000-144000-0000-3144-00	A/R - DUE FROM			51,884.00
888-000-144000-0000-3145-00	A/R - DUE FROM			45,100.00
888-000-144000-0000-3146-00	A/R - DUE FROM			20,554.00
888-000-144000-0000-3149-00	A/R - DUE FROM			29,934.00
888-000-144000-0000-3150-00	A/R - DUE FROM			23,548.00
<b>Total</b>			<u>1,057,940.00</u>	<u>1,057,940.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance - DF**  
 Workpaper: **0205 DF - AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 33</b>				
To properly state interest income and interfund balances at YE.		1610 G		
KMH-888-220-129000	Accrued Interest		82,672.00	
888-000-144000-0000-3007-00	A/P DUE FROM HC			25,279.00
888-000-144000-0000-3181-00	A/R - DUE FROM			14,458.00
888-000-144000-0000-3318-00	A/R - DUE FROM			13,259.00
888-000-144000-0000-3335-00	INTERPROGRAM DU			1,515.00
888-000-144000-0000-3337-00	A/R - DUE FROM			2,666.00
KMH-888-000-144000-FLRP	Interfund Due From			25,495.00
<b>Total</b>			<u>82,672.00</u>	<u>82,672.00</u>
<b>Adjusting Journal Entries JE # 34</b>				
To properly record payroll appropriation cash balance at YE.		1010 DF		
KMH-888-000-111110	Cash - Payroll		36,007.00	
888-000-124001-0000-0000-00	ACCOUNTS RECEIV			36,007.00
<b>Total</b>			<u>36,007.00</u>	<u>36,007.00</u>
<b>Adjusting Journal Entries JE # 35</b>				
To properly remove interfund balances for THRF		1606 DF		
888-000-347001-0000-3311-00	INTERPROGRAM (P		20,000.00	
888-000-144000-0000-3311-00	INTERPROGRAM DU			14,154.00
KMH-888-000-333000	Due to Other State Agency - THRF			5,846.00
<b>Total</b>			<u>20,000.00</u>	<u>20,000.00</u>
<b>Adjusting Journal Entries JE # 36</b>				
To properly zero out interfund balances in the DF at YE.		1606 DF		
888-000-144000-0000-3012-00	AR - Due From KeKumu		1.00	
888-000-144000-0000-3020-00	A/P DUE FROM G-		1.00	
888-000-144000-0000-3130-00	A/R - DUE FROM		283.00	
888-000-144000-0000-3137-00	A/R - DUE FROM		1.00	
888-000-144000-0000-3140-00	A/R - DUE FROM		5,556.00	
888-000-144000-0000-3145-00	A/R - DUE FROM		1.00	
888-000-144000-0000-3181-00	A/R - DUE FROM		9,607.00	
888-000-144000-0000-3181-00	A/R - DUE FROM		1,935.00	
888-000-144000-0000-3715-00	INTERPROGRAM DU		216,905.00	
888-000-144000-0000-3755-00	INTERPROGRAM DU		2.00	
888-000-124001-0000-0000-00	ACCOUNTS RECEIV			234,272.00
888-000-144000-0000-3007-00	A/P DUE FROM HC			1.00
888-000-144000-0000-3133-00	A/R - DUE FROM			1.00
888-000-144000-0000-3134-00	A/R - DUE FROM			1.00
888-000-144000-0000-3135-00	A/R - DUE FROM			2.00
888-000-144000-0000-3138-00	A/R - DUE FROM			1.00
888-000-144000-0000-3139-00	A/R - DUE FROM			1.00
888-000-144000-0000-3143-00	A/R - DUE FROM			1.00
888-000-144000-0000-3144-00	A/R - DUE FROM			1.00
888-000-144000-0000-3148-00	A/R - DUE FROM			1.00
888-000-144000-0000-3149-00	A/R - DUE FROM			1.00
888-000-144000-0000-3150-00	A/R - DUE FROM			1.00
888-000-144000-0000-3335-00	INTERPROGRAM DU			1.00
888-000-144000-0000-3336-00	INTERPROGRAM DU			1.00
888-000-144000-0000-3716-00	INTERPROGRAM DU			5.00
888-000-144000-0000-3756-00	INTERPROGRAM DU			1.00
<b>Total</b>			<u>234,292.00</u>	<u>234,292.00</u>
<b>Adjusting Journal Entries JE # 37</b>				
To write-down SOH investment pool balance at 6/30/09.		0200.16		
888-000-144000-0000-3007-00	A/P DUE FROM HC		78,857.00	
888-000-144000-0000-3181-00	A/R - DUE FROM		45,102.00	
888-000-144000-0000-3318-00	A/R - DUE FROM		41,360.00	
888-000-144000-0000-3335-00	INTERPROGRAM DU		4,726.00	
888-000-144000-0000-3337-00	A/R - DUE FROM		8,315.00	
KMH-888-000-144000-FLRP	Interfund Due From		79,530.00	
KMH-888-000-100000	SOH Cash - investment pool write-down			257,882.00
<b>Total</b>			<u>267,882.00</u>	<u>267,882.00</u>

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance - Ke Kumu Waikoloa Project**  
 Workpaper: **0204 - KEK AJE Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 13</b>				
To separate out interfund due to disbursing fund.				
347000	INTER-PROGRAM - DUE TO	0200 KEK	2,566.00	
300-347000-0000-38	I/F PAYABLE			2,566.00
<b>Total</b>			<b>2,566.00</b>	<b>2,566.00</b>

**Adjusting Journal Entries JE # 14**  
True up entry.

111000	CASH - UNRESTRICTED		500.00	
346000	ACCRUED LIABILITIES-OTHER		338,779.00	
703000	NET TENANT RENTAL REVENUE		271,878.00	
703010	RENT REPAYMENT AGREEMENT		22,760.00	
704000	TENANT REVENUE - OTHER		16,037.00	
704005	LATE FEES		3,450.00	
715000	OTHER REVENUE		4,892.00	
KMH.411	Administrative Services		1,573.00	
KMH.442.4	Supplies-Janitorial		373.00	
KMH.443.1	Maint/Repair-Building		207.00	
KMH.443.2	Maint/Repair-Equipment		20,761.00	
KMH.461.2	Insurance/Taxes Payroll		18,950.00	
KMH-5004	Maint/repair - appliance		116.00	
KMH-5024	Maint/repair - plumbing		624.00	
911000	ADMINISTRATIVE SALARIES			27,581.00
911500	TECHNICAL SALARIES - 143002			106,561.00
912000	ACCOUNTING AND AUDITING FEES			2,566.00
913000	MANAGEMENT FEES			71,936.00
913100	BOOKKEEPING FEES			9,874.00
914000	ADVERTISING AND MARKETING			448.00
915000	EMP BENEFIT CONTRIBUTIONS-ADMIN			66,662.00
916001	TELEPHONE			388.00
916002	POSTAGE			1,076.00
916009	LEASE RENT			152,899.00
916013	OFFICE SUPPLIES			1,364.00
917000	LEGAL EXPENSE			3,797.00
919002	CAR MILEAGE/VEHICLE GASOLINE			1,129.00
931000	WATER			30,044.00
932000	ELECTRICITY			31,177.00
936000	SEWER			34,854.00
942001	BLD SUPPLIES			3,137.00
942004	GROUNDS SUPPLIES			1,213.00
942005	ELECTRICAL/LIGHTING SUPPLIES			790.00
943002	CONTRACTS-REFUSE COLLECTION			25,578.00
943004	CONTRACTS-EQUIPMENT RENTAL			946.00
943007	CONTRACTS-BLDG REPAIR & MAINTENANCE			7,794.00
943010	CONTRACTS-JANITORIAL SERVICES			2,344.00

Client: **STA002 - Housing and Community Development Corporation of Hawaii**  
 Engagement: **2009 - Hawaii Public Housing Authority**  
 Period Ending: **6/30/2009**  
 Trial Balance: **TB - Trial Balance - Ke Kumu Waikoloa Project**  
 Workpaper: **0204 - KEK AJE Report**

Account	Description	W/P Ref	Debit	Credit
943017	CONTRACTS-PLUMBING REPAIRS			1,201.00
943019	CONTRACTS-APPLIANCE REPAIRS			30,237.00
943026	CONTRACTS-YARD MAINTENANCE			4,211.00
961100	PROPERTY INSURANCE			60,905.00
962000	OTHER GENERAL EXPENSE			20,188.00
<b>Total</b>			<b>700,900.00</b>	<b>700,900.00</b>
<b>Adjusting Journal Entries JE # 15 8215</b>				
CY lease adjustment				
916009	LEASE RENT		45,437.00	
346000	ACCRUED LIABILITIES-OTHER			45,437.00
<b>Total</b>			<b>45,437.00</b>	<b>45,437.00</b>
<b>Adjusting Journal Entries JE # 16</b>				
Disbursing Fund insurance Allocation.				
961100	PROPERTY INSURANCE		9,965.00	
000-347000-0000-388 I/F PAYABLE				9,965.00
<b>Total</b>			<b>9,965.00</b>	<b>9,965.00</b>
<b>Adjusting Journal Entries JE # 17 1505 S8</b>				
To write off uncollectable portion of o/s payable to operating transfer.				
347000	INTER-PROGRAM - DUE TO KMH.transfers		385,124.00	
	Other Financing uses - transfer in			385,124.00
<b>Total</b>			<b>385,124.00</b>	<b>385,124.00</b>
<b>Adjusting Journal Entries JE # 18 8205 KEK</b>				
To properly state operating expenses and AP at YE.				
913000	MANAGEMENT FEES		3,800.00	
931000	WATER		8,000.00	
932000	ELECTRICITY		4,000.00	
936000	SEWER		6,000.00	
962000	OTHER GENERAL EXPENSE		630.00	
KMH.2119	Accounts Payable			22,430.00
<b>Total</b>			<b>22,430.00</b>	<b>22,430.00</b>

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB - Trial Balance - ER  
 Workpaper: 0204 ER - AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 14</b>				
	To property state interest income and accrual a/o YE.	1510 G		
300-129000-0000-00X ACCRUED INTERES			16,688.00	
300-711000-0000-00I INVESTMENT INCO				16,688.00
<b>Total</b>			<u>16,688.00</u>	<u>16,688.00</u>
<b>Adjusting Journal Entries JE # 15</b>				
	To property state rental income as of 6/30/09	0200 ER		
300-711000-0000-00I INVESTMENT INCO			13,539.00	
KMH001 Rental Revenue				13,539.00
<b>Total</b>			<u>13,539.00</u>	<u>13,539.00</u>
<b>Adjusting Journal Entries JE # 16</b>				
	To write-down SOH investment pool balance at 6/30/09.	0200.16		
KMH-336-EXP Other Expense - SOH Invest Pool Write-down			34,869.00	
KMH-336-100000 SOH Cash - investment pool write-down				34,869.00
<b>Total</b>			<u>34,869.00</u>	<u>34,869.00</u>

Client: STA002 - Housing and Community Development Corporation of Hawaii  
 Engagement: 2009 - Hawaii Public Housing Authority  
 Period Ending: 6/30/2009  
 Trial Balance: TB - Trial Balance - VR  
 Workpaper: 0204 VR - AJE Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 16</b>				
	To properly state interest income and accrual a/o YE.	1510 G		
300-129000-0000-000	ACCRUED INTERES		9,456.00	
300-711000-0000-000	INVESTMENT INCO			9,456.00
Total			<u>9,456.00</u>	<u>9,456.00</u>
<b>Adjusting Journal Entries JE # 17</b>				
	To properly state interest income and Interfund balances at YE.	1510 G		
300-144000-0000-380	INTERPROGRAM DU		1,515.00	
300-711000-0000-000	INVESTMENT INCO			1,515.00
Total			<u>1,515.00</u>	<u>1,515.00</u>
<b>Adjusting Journal Entries JE # 18</b>				
	To write-down SOH investment pool balance at 6/30/09.	0200.16		
KMH-335-EXP	Other Expense - SOH Investment Pool Write-down		4,728.00	
300-144000-0000-380	INTERPROGRAM DU			4,728.00
Total			<u>4,728.00</u>	<u>4,728.00</u>
<b>Adjusting Journal Entries JE # 19</b>				
	To write-down SOH investment pool balance at 6/30/09.	0200.16		
KMH-335-EXP	Other Expense - SOH Investment Pool Write-down		19,758.00	
KMH-335-100000	SOH Cash - Investment Pool Write-down			19,758.00
Total			<u>19,758.00</u>	<u>19,758.00</u>

Hawaii Public Housing Authority  
Passed Adjusting Journal Entries  
June 30, 2009

**Federal Low Rent Program****PAJE #1**

Dr: Depreciation Expense	96,052	
Cr: Accumulated Depreciation		96,052
<i>To true depreciation expense as of year-end</i>		

**PAJE #2**

DR: Fixed Assets 20 year	4,375,059	
CR: CIP		4,375,059
DR: Beginning Unrestricted Net Assets	565,745	
CR: Accumulated Depreciation		565,745
<i>To properly state beginning balance of construction-in-progress and fixed assets</i>		

**Various Funds**

*Adjustments to properly state the beginning balance of building and improvements and construction-in-progress that were recorded under the governmental capital assets prior to July 1, 2008*

**Building and improvements -****PAJE #3** *Housing Revolving Fund*

DR: Building & Improvements	2,167,039	
CR: Beginning Unrestricted Net Assets		2,167,039
DR: Beginning Unrestricted Net Assets	101,983	
CR: Accumulated Depreciation		101,983

**PAJE #4** *Housing for Elders Revolving Fund*

DR: Building & Improvements	188,550	
CR: Operating Transfer - Govt Wide B&I		188,550
DR: Beginning Unrestricted Net Assets	8,105	
CR: Accumulated Depreciation		8,105

**PAJE #5** *Federal Low Rent Program*

DR: Building & Improvements	1,689,114	
CR: Operating Transfer - Govt Wide B&I		1,689,114
DR: Beginning Unrestricted Net Assets	62,580	
CR: Accumulated Depreciation		62,580

**CIP****PAJE #6** *Federal Low Rent Program*

DR: Building & Improvements	952,232	
CR: Beginning Unrestricted Net Assets		952,232
DR: Beginning Unrestricted Net Assets	50,549	
CR: Accumulated Depreciation		50,549

**PAJE #7** *Housing Revolving Fund*

DR: Building & Improvements	1,410,735	
CR: Beginning Unrestricted Net Assets		1,410,735
DR: Beginning Unrestricted Net Assets	103,868	
CR: Accumulated Depreciation		103,868

Hawaii Public Housing Authority  
 Passed Adjusting Journal Entries  
 June 30, 2009

<b>PAJE #8</b>	<i>Housing for Elders Revolving Fund</i>		
	DR: Building & Improvements	141,473	
	CR: Beginning Unrestricted Net Assets		141,473
	DR: Beginning Unrestricted Net Assets	21,489	
	CR: Accumulated Depreciation		21,489
<b>PAJE #9</b>	<i>Banyan Street Manor</i>		
	DR: Building & Improvements	21,333	
	CR: Beginning Unrestricted Net Assets		21,333
	DR: Beginning Unrestricted Net Assets	3,909	
	CR: Accumulated Depreciation		3,909
<b>PAJE #10</b>	<i>Wilikina Apartments</i>		
	DR: Building & Improvements	70,394	
	CR: Beginning Unrestricted Net Assets		70,394
	DR: Beginning Unrestricted Net Assets	9,604	
	CR: Accumulated Depreciation		9,604
<b>PAJE #11</b>	<i>Teacher Housing Revolving Fund</i>		
	DR: Building & Improvements	157,892	
	CR: Beginning Unrestricted Net Assets		157,892
	DR: Beginning Unrestricted Net Assets	2,813	
	CR: Accumulated Depreciation		2,813

LINDA LINGLE  
GOVERNOR



DENISE M. WISE  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
Honolulu, Hawaii 96817  
FAX: (808) 832-4679

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:  
10:OED/11

March 18, 2010

KMH LLP  
Attn: Mr. Wils Choy  
1003 Bishop Street, Suite 2400  
Honolulu, Hawaii 96183

In connection with your audit of the basic financial statements of the Hawaii Public Housing Authority (the Authority) of the State of Hawaii as of and for the year ended June 30, 2009, we confirm that we are responsible for the fair presentation in the financial statements of financial position, changes in financial position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

We confirm to the best of our knowledge and belief, as of March 18, 2010 the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have identified for you all organizations that are a part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards that are Component units.
3. We are a component unit of the State of Hawaii as this term is defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
4. We have identified for you all of our funds, governmental functions, and identifiable business-type activities, including all appropriations and allotments of the Authority.
5. We have properly classified all funds and activities.
6. We have properly determined and reported the major governmental and enterprise funds based on the required quantitative criteria. We have determined the following funds to be major for public interest reasons: General Fund, Capital Projects Fund, Housing Choice Voucher Program Fund, Section 8 Contract Administration Fund,

Federal Low Rent Program Fund, Central Office Cost Center, Housing Revolving Fund and Housing for Elders Revolving Fund. We believe that all judgmentally determined major funds are particularly important to the financial statement users.

7. We are responsible for compliance with laws and regulations applicable to the Authority including adopting, approving, and amending budgets.
8. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts including legal and contractual provisions for reporting specific activities in separate funds.
9. We have made available to you:
  - a. All financial records and related data of all funds and activities, including those of all special funds, programs, departments, projects, activities, etc., in existence at any time during the period covered by your audit.
  - b. All minutes of the meetings of the governing board and committees of board members or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - c. All communications from grantors, lenders, other funding sources, or regulatory agencies concerning noncompliance with:
    - (1) Statutory, regulatory, or contractual provisions or requirements.
    - (2) Financial reporting practices that could have a material effect on the financial statements.
10. We have no knowledge of fraud or suspected fraud affecting the entity involving:
  - a. Management or employees who have significant roles in the internal control.
  - b. Others where the fraud could have a material effect on the financial statements.
11. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
12. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, analysts, regulators, short sellers, or others.
13. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data.
14. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
15. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

16. The following have been properly recorded and/or disclosed in the financial statements:
- a. Related-party transactions, including those with the primary government having accountability for the Authority as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.
  - b. Guarantees, whether written or oral, under which the Government is contingently liable.
  - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
  - d. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
  - e. Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
  - f. Any liabilities which are subordinated in any way to any other actual or possible liabilities.
  - g. All leases and material amounts of rental obligations under long-term leases.
  - h. All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the AICPA's Statement of Position No. 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
  - i. All of our depository banks have pledge as collateral, government securities held in the name of the State of Hawaii for deposits not covered by federal deposit insurance.
  - l. The current status of our litigations, whose outcome is not currently determinable. As such, no estimate of loss had been made to the financial statements.

17. We are responsible for making the accounting estimates included in the financial statements.

Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made.

- a. To reduce receivables to their estimated net collectable amounts.
- b. For pension obligations, post-retirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2009.

18. There are no:

- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Federal Environmental Protection Agency or any equivalent state agencies in connection with any environmental contamination.
- c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.

19. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No.10.

20. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private that is not disclosed in the financial statement.

21. We have satisfactory title to all owned assets.

22. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

23. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.

24. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

25. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
26. Capital assets are properly capitalized, reported, and depreciated.
27. Required supplementary information is properly measured and presented.
28. Fair values of investments are determined by third party trustees and financial institutions.
29. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which are included in the summarized schedule of posted adjustments and will post all adjustments accordingly. These adjustments are attached as Appendix A. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.

In connection with your audit conducted in accordance with Government Auditing Standards, we confirm:

30. We are responsible for:
  - a. Compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Authority.
  - b. Establishing and maintaining effective internal control over financial reporting.
31. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
32. We have a process to track the status of audit findings and recommendations.
33. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.
34. We have reviewed, approved, and take full responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.
35. We have reviewed, approved, and take full responsibility for the accrual adjustments and an acknowledgement of the auditor's role in the preparation of the adjustments.

In connection with your audit of federal awards conducted in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, we confirm:

36. We are responsible for complying, and have complied, with the requirements of Circular A-133.

37. We have prepared the schedule of expenditures of federal awards in accordance with Circular A-133 and have included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
38. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the Authority is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on our federal programs.
39. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of the Authority's federal programs and have complied, in all material respects, with those requirements.
40. We have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
41. We have provided you with our interpretations of any compliance requirements that have varying interpretations.
42. We have made available all contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies or pass-through entities related to federal programs.
43. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including those resulting from other audits or program reviews.
44. We have charged costs to federal awards in accordance with applicable cost principles.
45. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
46. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
47. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

48. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Circular A-133.
49. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Circular A-133.
50. We have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
51. We have accurately completed the appropriate sections of the data collection form.
52. We have disclosed all contracts or other agreements with service organizations.
53. We have disclosed any known noncompliance occurring subsequent to the period for which compliance is audited.
54. We have disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies (including material weaknesses), have occurred subsequent of the date as of which compliance is audited.

No events or transactions have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

During the course of your audit, you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

As of and for the Year Ended June 30, 2009, we believe that the effects of the uncorrected misstatements aggregated by you and summarized in Appendix B are immaterial, both individually and in the aggregate to the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Sincerely,



Barbara E. Arashiro  
Interim Executive Director

## **Hawaii Public Housing Authority**

Recommendations Designed to Improve  
Internal Accounting Controls and  
Administrative Efficiency  
For The Year Ended June 30, 2009



A Hawaii Limited Liability Partnership

March 18, 2010

Board of Directors  
Hawaii Public Housing Authority:

Under auditing standards generally accepted in the United States, auditors are encouraged to report various matters concerning internal control noted during an audit, and are required to report certain of those matters. Matters that are required to be reported are "significant deficiencies in the design or operation of internal control, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements."

As part of our audit of the basic financial statements of the Hawaii Public Housing Authority (the Authority), for the year ended June 30, 2009, we considered the Authority's internal control, but only to the extent we felt necessary for the purpose of providing a basis for reliance thereon in determining the nature, timing and extent of the audit tests applied in connection with our audit.

Our consideration of internal control did not entail a detailed study and evaluation of any of its elements and was not made for the purpose of making detailed recommendations or evaluating the adequacy of internal control to prevent or detect errors and fraud. In this regard, it should be recognized that, because of inherent limitations in any internal control, errors or fraud may occur and not be detected. Furthermore, projection of any evaluation of internal control to future periods is subject to the risk it may become inadequate because of changes in conditions or deterioration in its operating effectiveness.

While the purpose of our consideration of internal control was not to provide assurances thereon, certain matters came to our attention that we want to report to you. These matters, which were considered by us during our audit and do not modify the opinion expressed in our auditors' report dated TBD along with our recommendations, are described in the accompanying memorandum.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives. We would be pleased to discuss these recommendations in greater detail or otherwise assist in their implementation.

Very truly yours,

*KMH LLP*

KMH LLP

Honolulu, Hawaii

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# Hawaii Public Housing Authority

Recommendations Designed to Improve Internal Accounting Controls  
and Administrative Efficiency

June 30, 2009

## CURRENT YEAR RECOMMENDATIONS

### Fiscal Management Office:

#### 1. Procurement File

During the audit, we noted one procurement file related to a property management contract for the state Housing for Elders Revolving Fund that did not have a "Procurement File Checklist" maintained in the file. The procurement file included all required documentation, however the checklist which functions as a control over proper completion of the compliance requirements could not be located to indicate that the control was in place.

**Recommendation:** We recommend that the procurement office adheres to the current practice of completing the "Procurement File Checklist." This will ensure procurement compliance with State and Federal guidelines.

#### 2. Project Based Accounting

During the audit, we noted several discrepancies and the lack of consistent application of the new project based accounting requirements by the Authority. As a result, the following uncorrected misstatements were noted:

- AMPS: Incorrect number of units used to calculate the management fee and asset management fee.
- AMPS: Incorrect Safe Harbor Phase-in rate used to calculate management fee.
- AMPS: Safe Harbor Phase-in rate was not properly included in the Board Approved Operating Budget for the current fiscal year as required by HUD.
- Housing for Elders Revolving Fund and Housing Revolving Fund: Incorrect per unit management fee applied, this was inconsistent with management fee rate applied to AMPS.
- Housing for Elders Revolving Fund and Housing Revolving Fund: Number of units used to calculate the management fee was based on an approximate number of occupied units during the current year (Units at June 2009 multiplied by 12 months). This is not consistent with the guidance provided for the federal projects, in which the total number of occupied units should be calculated based on the actual occupied units on the 1<sup>st</sup> day of each month during the year.
- Homeless Services (General Fund): A charge of \$200,000 was charged to the General Fund for the overhead costs to run the homeless programs. However, this amount did not agree

## Hawaii Public Housing Authority

### Recommendations Designed to Improve Internal Accounting Controls and Administrative Efficiency

June 30, 2009

to the calculated amount of the required fee performed by management of \$194,565. In addition, as a result of testing it was noted that the calculation performed by management of this fee was incorrect due to calculation error. The total recalculated fee for the homeless programs under the General Fund should have been \$185,300, based on an inflation rate of 5% on the prior year's payroll allocation.

- COCC: Cash balances allocated to the COCC were incorrectly classified as cash rather than amounts due from FLRP at year end. As a separate bank account was not utilized during the year for the COCC, a due from FLRP receivable should have been recorded to reflect the monies held in the FLRP checking account on behalf of the COCC.

**Recommendations:** We recommend that the Fiscal Management personnel and supervisors assigned to complete and review these areas obtain proper training and knowledge of the requirements in order to properly calculate the fee for service charges as required by HUD. We also recommend that the Authority open and utilize a separate bank account for the COCC to aid in proper tracking of expenditures to comply with asset management.

#### 3. Payment to Incorrect Vendor and from Incorrect Fund

During the audit we noted a payment was disbursed to an incorrect vendor. The error was due to the incorrect preparation of the request for payment. The check should have been prepared to Koga Engineering and Construction instead of Willocks Construction. Additionally, the amount should have been disbursed from the Public Housing Capital Fund instead of the Capital Projects Fund. All documentation was signed by supervisors indicating review and approval, however the errors in vendor, contract, and fund were not identified during this review process. The error was identified when the vendor returned the check as they did not know what payment was related to.

**Recommendation:** We recommend that the fiscal management office, including the supervisor's review, be more diligent in performing their responsibilities.

#### 4. Housing Assistance Payment (HAP) Register Approval Documentation and Communication

During the audit we noted that there was no documented evidence that the Housing Choice Voucher Program (HCVP) HAP registers were properly approved and reviewed for payment. According to HCVP accountant, he occasionally receives emails from the HCVP indicating that the HAP registers are ready to be processed for payment.

# Hawaii Public Housing Authority

## Recommendations Designed to Improve Internal Accounting Controls and Administrative Efficiency

June 30, 2009

**Recommendation:** We recommend that the Authority document the review process and approval of the HAP registers prior to processing the HAP registers for payment. For example, all final HAP registers should be signed by the HCVP supervisor and forwarded to the fiscal management office for payment. The signed HAP registers should be kept on file as documented evidence that the final HAP register was properly reviewed by management.

### 5. Disbursing Fund Deferred Revenue Allocation

During the audit we noted that the deferred revenue allocated in the Disbursing Fund was calculated incorrectly. The allocation during the year was based on those funds with monies held in the State of Hawaii Treasury. However, as the deferred revenue was related to interest due on prior year over-withdrawal of State of Hawaii Treasury funds, these expenses should have been allocated to those funds with interfund payable balances to the Disbursing Fund.

**Recommendation:** We recommend that the fiscal management office obtain an understanding of the transactions in order to properly record the substance of the transaction.

### 6. Homeless Shelter Utility Reimbursements

In accordance with the Authority's contract with certain homeless shelters, the Authority pays utility expenditures on behalf of certain homeless shelters and is subsequently reimbursed by the shelters. During the audit, we noted that utility reimbursements from prior years were recorded during the current year due to the fact that the fiscal management office was unaware of such arrangement between the Authority and the homeless shelters. The amounts received in the current year for prior year expenditures should have been recorded as revenue during the respective prior years. We also noted that not all of the reimbursements related to the current year were properly accrued.

**Recommendation:** We recommend that the fiscal management office maintain open communication channels with the other branches in the Authority in order to identify events that occur that may have an impact on accounting.

### 7. Tracking and Recording of Capital Projects

During the audit we noted that the capital projects administered by the Authority under the Capital Projects Fund, General Fund, and the Federal Low Rent Program were not properly transferred out of construction-in-progress when completed and transferred to the respective fund that the asset belonged to. Upon further inquiry with management, it was noted that the internal policy for

# Hawaii Public Housing Authority

## Recommendations Designed to Improve Internal Accounting Controls and Administrative Efficiency

June 30, 2009

recognizing asset completion is not compliance with generally accepted accounting principles as the asset was only accounted for as completed when the final paperwork was received by the accountant instead of when the asset was placed in service. Capital assets transferred to the fixed asset accounts are depreciated. In addition, only one property management personnel was aware of the status of these capital projects and whether the projects were placed in service.

**Recommendation:** We recommend that the fiscal management office review their procedures for accounting and tracking capital projects to ensure proper recording and communication between the property management personnel and the fiscal office.

### 8. Misplaced Supporting Documents

During the audit we noted the following supporting documents could not be located by management.

- General Fund: four Summary Warrant Vouchers for cash disbursements during the fiscal year could not be located.
- Disbursing Fund: one Treasury Deposit Receipt for cash reimbursements from other funds could not be located.

**Recommendation:** We recommend that the fiscal management office create, implement, and maintain a log of all files (Journal Vouchers, Summary Warrant Vouchers, etc.) to keep track of all important supporting documents. The misplacement and or lack of supporting documents could lead to significant unsupported transactions and hinder the ability for management to ascertain the reason for such transactions.

### Federal Grant Programs:

#### *Housing Choice Voucher Program*

### 9. Eligibility

Per 24 CFR sections 5.230, 5.609, and 982.516, requires tenants and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility. Also, for both family income examinations and reexaminations, the PHA must obtain and document in the family file third party verification of: (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors

## Hawaii Public Housing Authority

### Recommendations Designed to Improve Internal Accounting Controls and Administrative Efficiency

June 30, 2009

that affect the determination of adjusted income or income-based rent. During the OMB A-133 Single Audit, we noted 1 out of 181 tenant files test was missing Information Release Authorization Form HUD 9886 and background check, and 1 out of 181 tenant files tested was missing applicable third party verification forms.

**Recommendation:** We recommend that the Authority continue to enforce the implementation of its eligibility certification process and continue to enforce the quality control review of participant files by program management. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

#### 10. Special Tests and Provisions – Housing Assistance Payments

Per 24 CFR section 982.158 and 982 subpart K, the PHA must pay a monthly HAP on behalf of the family that corresponds with the amount on line 12u of the HUD-50058. During the OMB A-133 Single Audit, we noted that 3 out of 181 tenant files tested where the HAP was miscalculated due to the utility allowance miscalculation and error in recording the amount on the HUD 50058, and 1 out of 181 tenant files tested did not have a HAP contract amendment on file.

**Recommendation:** We recommend that the Authority continue to enforce the quality control review of participant files by the program management. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

#### *Section 8 Project Based Contract Administration*

#### 11. Tenant Files

During our review of the tenant files for the financial statement audit, we noted the following:

- 2 out of 60 tenant files tested, we noted the housing assistance payment amount was miscalculated.
- 1 out of 60 tenant files was missing current 3rd party verification
- 1 out of 60 tenant files did not perform an annual recertification

**Recommendation:** We recommend that the Authority continue to enforce the quality control review of participant files by its 3<sup>rd</sup> party vendor, Bremerton Housing Authority – Contract Management Services Branch. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

## Hawaii Public Housing Authority

Recommendations Designed to Improve Internal Accounting Controls  
and Administrative Efficiency

June 30, 2009

### *Shelter Plus Care*

#### 12. Participant Files

Per 24 CFR section 582.310 subpart (b)(2), the PHA must examine a participant's income initially, and at least annually thereafter, to determine the amount of rent payable by the participant. During our review of the participant files for the OMB A-133 Single Audit, we noted that one of the 37 participant files tested did not have an annual re-evaluation performed.

**Recommendation:** We recommend that the Authority continue to enforce the quality control review of participant files by its 3<sup>rd</sup> party subrecipients. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

# Hawaii Public Housing Authority

Recommendations Designed to Improve Internal Accounting Controls  
and Administrative Efficiency

June 30, 2009

## PRIOR YEAR RECOMMENDATIONS – 2008

### Fiscal Management Office:

#### 1. Lack of Management's Responsibility and Oversight

During the year, independent consultants were hired to assist the Authority in addressing the numerous accounting and financial reporting deficiencies, including but not limited to, account reconciliations, preparations of trial balances and general ledger, and supporting audit schedules. In performing our audit we noted the following exceptions:

- Account reconciliations were incorrect and without adequate support.
- Couple of the initial trial balances did not balance.
- Accounting entries were improperly recorded.
- The initial construction in progress detail schedules were prepared incorrectly.
- Numerous journal entries recorded by the consultants did not have adequate supporting documentation or proper approval.
- Several of the funds initial trial balances needed to be reconstructed.

A major cause for the above items was due to management not being initially involved in the review or approval process. The consultants essentially processed, prepared and recorded transactions without management's review or approval. Such exceptions were brought to consideration during the audit process. This lack of management oversight resulted in numerous correcting entries and significant delays in completing the audit.

**Recommendation:** The ultimate responsibility for the accounting and reporting of financial transactions of the Authority resides with management. As such, we would recommend that in any and all future use of consultants, management needs to take a more active role in providing the proper oversight and responsibilities for its financial transactions.

**Status:** Comment is still applicable.

#### 2. Inadequate Review and Approval of Transactions

During our audit, we noted numerous transactions were recorded to the incorrect "object" or cost code for State of Hawaii reporting purpose and to the general ledger accounts. The review and approval process is a key control activity to ensure that transactions are recorded and reported properly. The presumption is that the "reviewer" should have the appropriate level of knowledge and understanding to determine whether such transactions are being recorded properly.

## Hawaii Public Housing Authority

### Recommendations Designed to Improve Internal Accounting Controls and Administrative Efficiency

June 30, 2009

**Recommendation:** We recommend that management perform an assessment and evaluation to determine who should be authorized to perform this review and approval function. Should a transaction arise where the “reviewer” is uncertain of its disposition, the Authority should seek assistance to ensure a proper analysis is performed prior to approval.

**Status:** Comment is still applicable.

#### 3. Disbursing Fund Expense Allocations

The “Disbursing Fund” is a fund in which the Authority uses to pay for certain general expenses, including salaries and wages. Such expenditures are allocated and charged to the other funds, which results in amounts owed between the funds. During the audit, we noted that the allocation of these expenditures to the appropriate funds was incorrectly charged. Initially, the Authority established certain parameters of allocation within its “emPHAsys” general ledger system to systematically perform the allocation. However, as there was no monthly reconciliation or review of these allocations, numerous correcting entries were required to correct these balances, including the interfunds balances.

**Recommendation:** We recommend that the Authority revisits the “emPHAsys” allocation parameters to ensure it is consistent with the Authority’s requirements. Additionally, a monthly review and reconciliation of the Disbursing Fund’s transactions should be performed to ensure that the interfund balances are recorded correctly.

**Status:** No such instances noted. Comment is no longer applicable.

#### 4. Unrecorded State Allotted Appropriations

During our audit, we noted that approximately \$556,000 of 2007 allotted appropriations were not recorded by the Authority which resulted in a restatement of its net asset balances. We believe a major determinant of this unrecorded allotted appropriations was due to the lack of knowledge and understanding of the various State of Hawaii generated reports from the Department of Accounting and General Services (DAGS). The failure to identify these appropriations resulted in amounts not being utilized during 2007 and 2008.

**Recommendations:** We recommend that personnel familiarize themselves with the various reports provided by DAGS. This will assist in ensuring that transactions are properly identified and recorded by the Authority.

**Status:** No such instances noted. Comment is no longer applicable.

## Hawaii Public Housing Authority

### Recommendations Designed to Improve Internal Accounting Controls and Administrative Efficiency

June 30, 2009

#### 5. Misplaced Journal Vouchers

During the audit, we noted the following Journal Vouchers could not be located by management.

- Section 8 Project Based Contract Administration: ACH files from Bremerton detail the requested payments by project and support the disbursement out of the housing assistance payment bank account. We noted that proper support for housing assistance payments to the contracted projects, ACH files and Journal Vouchers, could not be located.
- Federal Low Rent Program: one Journal Voucher for a cash disbursement during June 2008 could not be located.

**Recommendation:** We recommend that the fiscal management office create, implement, and maintain a log of all files (Journal Vouchers, Summary Warrant Vouchers, etc.) to keep track of all important supporting documents. We also recommend that ACH files be attached to Journal Vouchers as it is the sole supporting document for housing assistance payments for the Section 8 Project Based Contract Administration. The misplacement and or lack of supporting documents could lead to significant unsupported transactions and hinder the ability for management to ascertain the reason for such transactions.

**Status:** No such instances noted. Comment is no longer applicable.

#### 6. Contract File Maintenance

During the audit, we noted one contract folder related to a completed capital project that could not be located by management. The contract was completed in 2004 and filed in storage at the Authority; however, the file could not be located by accounting personnel.

**Recommendation:** We recommend that the fiscal management office create, implement, and maintain a log of all contract files, including those in storage, in addition to a filing system to help locate prior period files if necessary and to ensure compliance with the State's record retention policies.

**Status:** No such instances noted. Comment is no longer applicable.

## Hawaii Public Housing Authority

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#### 7. **Vacation Balances**

During the audit, we noted the following discrepancies in accounting records and forms that could not be located by management.

- Vacation hours taken per the Form 7 did not agree to the respective G-1's for two employees.
- Management could not locate the Form 7 and G-1's for two employees.

**Recommendation:** We recommend that the Authority's personnel department facilitate the collection and maintenance of all employee vacation files. Without proper oversight and accountability, missing documents and poor retention policies may result.

**Status:** Similar instances noted. Comment is still applicable.

#### 8. **Review of Third-Party Contractor's Information: Banyan Street Manor, Kekumu at Waikaloa, Wilikina Apartments Project**

During the audit, we noted that the Authority's trial balances for those funds administered by a third party contractor were not properly reviewed and reconciled. In our discussion with fiscal office personnel, the balances recorded were taken directly from the financial statements provided by the respective property manager. As a result, the following uncorrected misstatements were noted:

- Beginning Fund Balance did not rollforward from the prior year.
- Loans from Section 8 Contract Administration to Kekumu at Waikaloa and Banyan Street Manor were incorrectly recorded as operating transfers.
- Missing current year accrual for unpaid lease rent.

**Recommendation:** We recommend that the fiscal management office designate accounting personnel to review and reconcile the information provided by third party contractor's to properly record account balances and activity to the GL.

**Status:** Comment is still applicable.

# Hawaii Public Housing Authority

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## 9. FSS Escrow Account Reconciliation

The Family Self Sufficiency (FSS) Program is part of the Housing Choice Voucher Program (HCVP) fund and combines stable, affordable housing (provided through a housing voucher or public housing), with case management to help families increase their earnings and to achieve other goals and escrow accounts that grow as families' earnings rise. The escrow accounts serve as both a work incentive and an asset-building tool. During the audit, we noted that the FSS Escrow Account Schedule maintained by the third party service provider (the City and County of Honolulu) was not reconciled to the FSS Escrow bank account (maintained by the Authority) and that the current year beginning balances did not agree to the fiscal year 2007 ending balances.

**Recommendation:** We recommend that fiscal management personnel responsible for the HCVP fund work with the Authority's project managers and third party service provider to reconcile the bank account balance with FSS Escrow Account Schedule on a monthly basis. The schedule should also be reviewed by fiscal management to ensure balances roll forward and agree to prior period ending balances.

**Status:** No such instances noted. Comment is no longer applicable.

## 10. Unrecorded Litigation Settlement Receivable and Revenue

During the audit, we noted that cash of approximately \$530,000 was received in the current year from the State of Hawaii related to the "utility allowance" lawsuit. In our discussions with fiscal office personnel, the amount received was related to the \$2.3 million settlement; however amounts were not accrued properly in the prior year as a receivable. Consequently, the financial balances were restated in the current year.

This adjustment may be an indication that fiscal office personnel are not aware of significant operational issues or events.

**Recommendation:** To ensure that the Authority's financial transactions are properly reported, we recommend that fiscal office personnel should be informed of major operational events or issues. This will allow for the proper accounting and reporting of such events.

**Status:** No such instances noted. Comment is no longer applicable.

## Hawaii Public Housing Authority

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#### 11. Physical Inventory – Federal Low Rent Program

During the audit, we noted that physical inventory counts were not being performed by project managers to update the balances for the Federal Low Rent Program (FLRP) as there were no changes recorded to several inventory groups.

**Recommendations:** We recommend that Authority personnel enforce policies in place to perform physical inventory counts on an annual basis to ensure that accurate information is provided to the fiscal management office to record in the Authority's financial records.

**Status:** Similar instances noted. Comment is still applicable.

#### 12. Internal Service Funds – Revenue and Depreciation Allocation

During the audit, we noted that the allocation of the depreciation expense and charges to the other funds was not performed for the Equipment Rental (ER) and Vehicle Rental (VR) funds in the 2008 fiscal year. Depreciation expense for the ER and VR funds in the 2008 fiscal year totaled approximately \$4,700 and \$37,800, respectively. As a result, the funds did not record any revenue during the current year and understated the inter-fund activity.

**Recommendation:** We recommend that the fiscal management office supervisory personnel monitor and review the policies, procedures and reconciliations for these standard allocations to ensure execution and proper recording at fiscal year end.

**Status:** No such instances noted. Comment is no longer applicable.

#### 13. Housing Revolving Fund and Teacher Housing Revolving Fund

During the audit, we noted that supporting documents were not maintained for several of the Housing Revolving Fund and Teacher Housing Revolving Fund account balances. The following balance sheet accounts were initially unsupported and/or not reconciled to supporting details:

- Cash, with the State of Hawaii Treasury
- Accounts Receivable
- Security Deposits
- Accounts Payable

## Hawaii Public Housing Authority

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In addition, fund balances did not roll forward from the prior year. In our discussions with fiscal office personnel, the Teacher Housing Revolving Fund's files were not maintained for the fund as the responsible accountant transferred out of the agency during the current fiscal year. As a result, there may be additional support that will need to be compiled and reconciled by management as the Teacher Housing Revolving Fund will be transferred to the Department of Education effective July 1, 2008.

**Recommendation:** We recommend that fiscal management personnel work with the project manager, respective resident managers of the properties, and the State of Hawaii DAGS to reconstruct the additional supporting documents and reconcile the information to the June 30, 2008 account balances.

**Status:** No such instances noted. Comment is no longer applicable.

#### 14. Fraud Policy

Management is responsible for the detection and prevention of fraud. For fraud to be minimized, sound personnel policies and procedures should be established and top management should set the proper tone. Unless management sets an example and advises employees of what is acceptable and unacceptable, fraud will be more likely to occur. The Authority should establish and communicate a mechanism whereby employees' complaints are properly investigated.

During the audit, we noted that management was unaware of whether or not it had a Fraud Policy and whether or not all employees were properly informed and or required to read and adhere to such a policy.

**Recommendation:** We recommend the Authority establish a Fraud Policy and formally communicate it to all employees, board members, and resident management corporation by having them sign a notification that they have received and read the Authority's Fraud Policy. We also recommend a notification letter should be signed upon hire and upon any significant changes to the Fraud Policy. Also, we recommend the Fraud Policy should contain detailed information for at least the following sections:

- Policy Statement
- Scope of Policy
- Actions Constituting Fraud and Related Criminal Activities
- Reporting Suspected Fraud

## Hawaii Public Housing Authority

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- Other Irregularities
- Confidentiality
- Authorization for Investigation
- Reporting Procedures
- Termination

**Status:** Comment is still applicable.

#### 15. Valuation Allowance for Bad Debt

Accounts and notes receivables generally should be presented at outstanding face value adjusted for any charge-off and valuation allowances. Valuation allowances adjust the carrying amount of the receivables for amounts estimated to be uncollectible. One popular estimating technique is utilizing the “aging of accounts receivable” method. Based on the Authority’s past experience or on other available statistics, historical bad debt percentages are applied to each of these aggregate amounts, with the larger percentages being applied to the older accounts.

During our audit, we noted that several fund year-end accounts receivable aged trial balances reflected a large percentage of receivables over 120 days old and several accounts greater than two years old. Management provides a reserve balances as of year-end for all accounts outstanding more than 90 days old. However, there is no documented analysis being performed relative to any notes receivable outstanding. Additionally, no analysis was performed to determine if accounts should be written-off accordingly, and minimal collection efforts have been made during the past year.

**Recommendation:** We recommend the following items:

- Continuous review of accounts receivable for old and slow-paying accounts
- A formal periodic review of the account receivable aged trial balance and outstanding notes receivable balances, which should consider assessing all amounts outstanding, including accounts that are not 90 days old
- The implementation of formalized procedures for contacting delinquent accounts for payment, such as sending letters to slow-paying tenants
- The increased use of collection agencies to aid in collecting delinquent accounts

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For those items deemed not collectible, management should charge-off these accounts in accordance with State of Hawaii procedures.

**Status:** No such instances noted. Comment is no longer applicable.

#### 16. Accounts Payable/Accrued Expenses Cutoff

During the past year, within the Disbursing Fund, several invoices relating to goods received or services performed prior to the year-end date were not recorded within the proper period and allocated to the appropriate Funds. Accrual basis of accounting requires expenditures to be recorded in the period the expenditures were incurred.

**Recommendation:** We suggest that during the year-end closing, management should identify any subsequent invoices and disbursements that should be accrued for as of year-end on a timely basis. We would also recommend that training be held to present to the Fund Accountants the basic concepts of accrual basis of accounting and the modified accrual basis of accounting.

**Status:** No such instances noted. Comment is no longer applicable.

#### Federal Grant Programs:

##### *Housing Choice Voucher Program*

#### 17. Special Tests and Provisions – Rent Reasonableness

Per 24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507, the PHA must determine that the rent to the owner is reasonable at the time of the initial leasing. The PHA must maintain records to document the basis for the determination that the rent paid to the owner is a reasonable rent initially and during the term of the HAP contract. During the OMB A-133 Single Audit, we noted that 1 out of 165 tenant files tested did not have a rent reasonableness completed.

**Recommendation:** We recommend that the Authority continue to enforce the implementation of its rent reasonableness certification process and continue to enforce the quality control review of participant files by program management. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

**Status:** No such instances noted. Comment is no longer applicable.

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### 18. Special Tests and Provisions – Housing Assistance Payments

Per 24 CFR section 982.158 and 982 subpart K, the PHA must pay a monthly HAP on behalf of the family that corresponds with the amount on line 12u of the HUD-50058. During the OMB A-133 Single Audit, we noted 1 out of 165 tenant files where the HAP was calculated incorrectly due to the use of an outdated utility allowance schedule.

**Recommendation:** We recommend that the Authority continue to enforce the quality control review of participant files by the program management. Such a quality control review could identify areas requiring more attention by management and ultimately reduce the number of errors.

**Status:** Similar instances noted. Comment is still applicable. See current year comment 6.

### *Section 8 Project Based Contract Administration*

#### 19. Tenant Unit Files

During our review of the tenant files, we noted one file that had an outdated (prior fiscal year) Social Security Administration's Supplemental Security Income-Notice in Change of Payment form that was used to verify social security income as of the February 1, 2008 annual recertification. Although, the current annualized income amounts listed on Form 50059 calculated the HAP payments correctly, without current income verification the amount of HAP may be misstated due to the lack of current Social Security income verification at the annual recertification.

**Recommendation:** We recommend that the Authority secure all current information required for its annual recertification.

**Status:** Similar instances noted. Comment is still applicable. See current year comment 7.

### *Public and Indian Housing*

#### 20. Eligibility – Tenant Files

During our tenant file testing, we noted that the tenant files across 60 projects are not being processed and maintained in a consistent manner. In addition we noted that quality reviews are done by the project managers and respective reports are submitted to the program management for review. However, in our discussion with management, there are some reservations about relying on

## Hawaii Public Housing Authority

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the reports provided by the project managers. This is due to the fact that the majority of the reports from the projects are being submitted with no findings although findings have been noted in the past.

**Recommendation:** We recommend that the Authority consider standardizing the processing and maintaining of the tenant files. Training should be provided to all project housing specialists, specifying what needs to be completed for all tenant files and how tenant files should be organized. We also recommend that the program management perform a quality review of the tenant file reviews performed by the project management to reassure that the project management reviews are properly documented, accurate and effective.

**Status:** Comment is still applicable.

#### 21. Cash Management and Period of Availability of Federal Funds

The signed Journal Vouchers serve as a control mechanism to indicate that management has reviewed and approved the cash transaction of the operating subsidy receipts from HUD. We noted that 1 out of 12 Journal Vouchers was not signed by the reviewer/approver, indicating that it was not reviewed and approved.

**Recommendation:** We recommend that the Authority continue to implement its control procedure of review and documentation of approval as described above.

**Status:** No such instances noted. Comment is no longer applicable.



May 20, 2010

## FOR ACTION

**MOTION:** To Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Reduced Quorum Requirement pursuant to Act 048, Session Laws of Hawaii 2010

### I. FACTS

- A. The Governor's Bill Action Report indicated that ACT 048 (10) HB2568 SD1 was signed on April 23, 2010 - RELATING TO THE BOARD OF DIRECTORS OF THE HAWAI'I PUBLIC HOUSING AUTHORITY (HPHA). The Act reduces the number of members of the Board of Directors of the Hawai'i Public Housing Authority needed for a quorum and to approve actions from seven to six.

### II. DISCUSSION

- A. Staff is proposing revisions to the HPHA's By-laws to reflect the change in quorum requirements.
- B. The following areas will be revised as follows:

#### **ORIGINAL:**

##### **Article V, Section 2. Quorum; compensation of directors.**

Seven members to which the Board is entitled under law shall constitute a quorum, whose affirmative vote shall be necessary for all actions by the Authority.

#### **REVISED**

##### **Article V, Section 2. Quorum; compensation of directors.**

An affirmative vote by the number of Board members constituting a quorum under the Hawaii Revised Statutes shall be necessary for all action taken by the Authority.

#### **ORIGINAL**

##### **Article VII, Section 8. Quorum; approval of actions.**

A quorum shall consist of seven of the directors, or their designees where appropriate, and the affirmative vote of at least seven of the directors shall be required to make any action of the Authority valid.

**REVISED**

**Article VII, Section 8. Quorum; approval of actions.**

An affirmative vote by the number of Board members constituting a quorum under the Hawaii Revised Statutes shall be necessary for all action taken by the Authority.

**III. STAFF RECOMMENDATION**

That the HPHA's Board of Directors Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Reduced Quorum Requirement pursuant to Act 048, Session Laws of Hawaii 2010

Exhibit A: By-Laws of the Hawaii Public Housing Authority

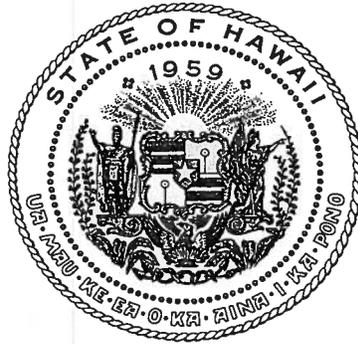
Prepared by: Barbara E. Arashiro, Executive Assistant 

Adopted:



Travis O. Thompson, Chair

Exhibit A



**BY-LAWS OF THE  
HAWAII PUBLIC HOUSING AUTHORITY**

Adopted July 1, 2006  
Revised May 20, 2010

**BY-LAWS OF THE  
HAWAII PUBLIC HOUSING AUTHORITY**

**Table of Contents**

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## **ARTICLE I. PREAMBLE**

Act 196, Session Laws of Hawaii, 2005 (Act), as amended by Act 180, Session Laws of Hawaii, 2006, established the Hawaii Public Housing Authority ("Authority") to perform the function of developing and maintaining public housing.

These By-Laws are hereby promulgated to effectuate and implement the purposes of the Act.

## ARTICLE II. STATEMENT OF MISSION AND PURPOSE

The Legislature has declared that Hawaii's greatest housing need is housing for those earning below fifty per cent and from fifty to eighty per cent of the median family income.

The Legislature has found that it is a public purpose to help the unsheltered homeless population or those who have a primary nighttime residence that is a public or private place not ordinarily used as a regular sleeping accommodation.

The Legislature has mandated that the Authority shall perform the function of developing and maintaining public housing, and ensuring that more homeless persons and families are being served and transitioned into permanent housing.

## ARTICLE III. DEFINITIONS

### Section 1. Definitions.

The following terms, whenever used herein, shall have the following respective meaning, unless a different meaning clearly appears from the context.

"Authority" means the Hawaii Public Housing Authority.

"Board" means the Board of Directors of the Hawaii Public Housing Authority.

"Board Secretary" means a director of the Authority who has been elected by the board to perform the duties described in Article V of these By-Laws.

"Bonds" means any bonds, interim certificates, notes, debentures, participation certificates, pass-through certificates, mortgage-backed obligations or other evidences of indebtedness of the Corporation issued pursuant to Act 196, Session Laws of Hawaii 2005, as amended by Act 180, Session Laws of Hawaii 2006.

"Chair" or "Chairperson" means a director of the Authority who has been elected by the Board to perform the duties described in Article V of these By-Laws.

"Designated representative" means the duly authorized designee of the Director of Human Services.

"Executive Assistant" means the Executive Assistant of the Authority who is employed by the Board, pursuant to Act 196, Session Laws of Hawaii, 2005 (Act), as amended by Act 180, Session Laws of Hawaii, 2006.

"Executive Director" means the Executive Director of the Authority who is employed by the Board, pursuant to Act 196, Session Laws of Hawaii, 2005 (Act), as amended by Act 180, Session Laws of Hawaii, 2006.

“Officers” means the duly selected officers of the Authority, which may include a Secretary and Treasurer, with such duties and responsibilities as may be determined by the Authority.

“Secretary to the Board” means any staff member of the Authority whose duties and responsibilities include providing the Board with the necessary secretarial and record-keeping support in order for the Authority to conduct its business.

## **ARTICLE IV. GENERAL PROVISIONS**

### **Section 1. Name of the Authority.**

The name of the Authority shall be the "Hawaii Public Housing Authority".

### **Section 2. Seal of the Authority.**

The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the date of establishment.

### **Section 3. Principal place of business.**

The principal place of business and official mailing address of the Authority shall be 1002 North School Street, Honolulu, Hawaii 96817. The Authority may establish, by duly authorized resolution at its annual meeting, any other location in the City and County of Honolulu as its principal place of business. The Authority may designate such auxiliary or satellite offices where business may be transacted with the general public or on behalf of the Authority.

### **Section 4. Service of process; official notices.**

All official notices to the Authority, including service of process where the Authority is either suing or is being sued, shall comply with applicable law and shall be served upon the Authority at its principal place of business.

**Section 5. Business hours.**

The Authority shall establish the business hours of the Authority in compliance with applicable State law.

## ARTICLE V. BOARD OF DIRECTORS

### **Section 1. Official action by Board.**

All official action of the Authority shall be established through the Board of Directors as established by law. The Board may delegate, in its discretion, any duties and responsibilities to the Executive Director as it deems necessary and proper to carry out the mission and purposes of the Authority.

### **Section 2. Quorum; compensation of directors.**

An affirmative vote by the number of Board members constituting a quorum under the Hawaii Revised Statutes shall be necessary for all action taken by the Authority.

The directors shall receive no compensation for their services on the Board, but shall be entitled to reimbursement of necessary expenses, including but not limited to travel expenses, incurred by them in the performance of their duties.

### **Section 3. Officers of the Authority; term; vacancy.**

The officers of the Authority shall be the Chairperson, Vice-Chairperson, Secretary and Treasurer. All officers of the Authority shall be directors of the Authority, except as authorized by these By-Laws, and shall be elected by the Board at the Board's inaugural or annual meeting. The officers shall hold office for one year or until their successors are elected.

If any vacancy occurs for any reason, the vacancy shall be filled by the election of a successor officer from among the directors at any regular or special meeting of the Board to fill

out the remainder of the vacant term until the election of officers at the Board's next annual meeting.

The ex-officio member of the Board shall be ineligible to serve as Chairperson.

**Section 4. Chairperson; duties.**

The Chairperson shall be a director of the Authority and shall be elected by the Board at the Board's annual meeting. The Chairperson shall preside at all meetings of the Board and shall maintain order and proper procedures of the Board at all times.

Except as authorized by these By-Laws or by duly adopted resolution of the Board, the Authority together with the Secretary shall sign and execute all bonds and notes to which the Authority is a signatory.

For each meeting and upon proper notice as may be required by law, the Chairperson may submit such recommendations or items for information or for Board action as the Chairperson considers necessary and proper concerning the policies and procedures of the Authority.

The Chairperson from time to time and at any duly noticed meeting, may appoint from the directors of the Board two or more members of the Board to obtain facts and information on any specific matter or issue which is necessary and proper concerning the policies and procedures of the Authority, provided that the number of members of such a committee appointed by the Chairperson shall be in compliance with applicable law and shall be less than the number of directors required for a quorum.

**Section 5. Vice-Chairperson; duties.**

The Vice-Chairperson shall be a director of the Authority and shall be elected at the Board's annual meeting. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In case of the resignation, removal or death of the Chairperson, the Vice-Chairperson shall perform all the duties imposed on the Chairperson until such time as the Board elects a successor Chairperson.

**Section 6. Secretary; duties.**

The Secretary shall be a director of the Authority and shall be elected at the Board's annual meeting. The Secretary shall perform the duties of the Chairperson in the absence of the Chairperson and the Vice-Chairperson.

The Secretary, together with the Chairperson, shall sign and execute all bonds and notes to which the Authority is a signatory.

The Secretary shall be responsible for maintaining all records of the Authority, including maintaining a record of the Board proceedings in a journal to be kept specifically for that purpose. The Secretary shall be responsible for keeping in safe custody the seal of the Authority and shall affix or cause to be affixed the corporate seal to all contracts or instruments which have been authorized by the Authority and which require the corporate seal.

The Secretary may delegate any of the duties described in this section to the Executive Director.

In the absence, incapacity or death of the Secretary, the Board may appoint the Executive Director or any qualified employee of the Authority to serve as Secretary "pro tem" in order to

fulfill the duties imposed upon the Secretary. The Secretary pro tem, together with the Chairperson, shall sign and execute all bonds and notes to which the Authority is a signatory.

**Section 7. Treasurer; duties.**

The Executive Director shall be the ex-officio Treasurer of the Authority and shall not be a director of the Authority. The Treasurer shall be responsible for the care, custody and safeguarding of all funds of the Authority, including depositing the funds in such banks or financial institutions as the Authority selects.

The Treasurer shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson, Vice-Chairperson, and Secretary.

**Section 8. Non-attendance of board members; expiration of term.**

Notwithstanding the term of office, the term of a board member shall expire upon the failure of the member, without valid excuse, to attend three consecutive meetings duly noticed to all members of the board and where the board failed to constitute quorum necessary to transact business. The chair or acting chair of the board shall determine if the absence of the member is excusable. The expiration of the member's term shall be effective immediately after the third consecutive unattended meeting and unexcused absence. This provision shall not apply to the ex officio member of the board.

## **ARTICLE VI. EXECUTIVE DIRECTOR**

### **Section 1. Executive Director; duties, generally.**

The Executive Director shall be employed by the Board and shall be responsible for the daily management of the Authority. The Executive Director shall have general supervision over the administration and business affairs of the Authority, pursuant to the direction of the Board.

Except for the inaugural meeting, at each annual meeting the Executive Director shall submit an annual report to the Board which shall include an account of the financial condition of the Authority and the status of any other matter which was brought to the Authority. The Executive Director may submit such status reports to the Board at any other time or when so requested by the Board.

The Executive Director, together with the Secretary, shall sign and execute all notes to which the Authority is a signatory. The Executive Director is empowered to execute any and all documents to which the Authority is a signatory, except as specifically limited by the Board.

### **Section 2. Delegation of duties; disability of Executive Director.**

The Executive Director may delegate any of the duties described herein, to any qualified employee of the Authority for the efficient administration of the Authority's business; provided that, the Executive Director shall nevertheless be responsible for the proper performance of all such duties and responsibilities so delegated.

In the absence, incapacity or vacancy in the position of the Executive Director, the Executive Assistant of the Authority shall perform the duties of the Executive Director.

**Section 3. Executive Assistant; duties, generally.**

The Board shall employ an Executive Assistant who shall assist the Executive Director with the daily management of the Authority. The Executive Assistant shall perform such duties and responsibilities as determined by the Executive Director or the Board.

In the absence, incapacity or vacancy in the position of the Executive Director, the Executive Assistant shall assume the position and perform the duties of the Executive Director until the Board employs or appoints a successor Executive Director.

**Section 4. Disbursement of funds.**

Instruments or checks for the payment of money shall require the signature of 1) the Executive Director and 2) any qualified employee of the Authority who has been appointed by the Executive Director to countersign such instruments or checks.

**Section 5. Employment of personnel.**

The Executive Director, on behalf of the Authority, may employ such personnel as are necessary to carry out the business of the Authority, without ratification or approval of the Board. The employment and compensation of such personnel shall be pursuant to all applicable laws.

## **ARTICLE VII. MEETINGS**

### **Section 1. Annual Meeting.**

The annual meeting of the Authority shall be held on the third Thursday of July, at the regular scheduled meeting place of the Authority or at any designated meeting place. In the event such date shall fall on a legal holiday, the annual meeting shall be held on the next Thursday. Any and all business may be transacted at the annual meeting with adequate notice being given.

### **Section 2. Regular meeting of the Authority.**

The regular meetings of the Authority shall be held on the third Thursday of each month, beginning at 9:00 a.m., except if such date is a legal holiday, then the regular meeting for such month shall be held on the next Thursday. The Board may change the date and time of any regularly scheduled meeting, provided however, that proper notice as prescribed by law, be given of such rescheduled meeting.

### **Section 3. Special and emergency meetings; notice.**

The Chairperson may, when determined to be necessary, call a special meeting of the Authority. The notice of the special meeting shall conform with the notice requirements as provided by law, and the Authority shall discuss only the item or items for which the special meeting has been called.

The Chairperson may call an emergency meeting, pursuant to the requirements and procedures as required by law, upon a finding that an imminent peril to the health, safety or welfare of the public exists.

**Section 4. Notice of meetings.**

All notices of meetings shall adhere to the notice requirements as prescribed by law.

**Section 5. Agenda; order of business.**

The Board shall determine the conduct and order of business prior to any meeting, which may include the call to order, roll call, reading and approval of minutes, items for information, items for action, and the Executive Director's report.

**Section 6. Executive session.**

The Board may meet in executive session, closed to the public, only in accordance with applicable law. Minutes of the executive session shall be prepared and approved separately from the minutes of the board meeting.

**Section 7. Minutes; resolutions.**

Minutes of the board meetings, including the minutes of any executive session, shall be prepared and adopted by the Board by the next board meeting, or as soon as practicable. The minutes should provide a concise summary of the business which was conducted at the meeting, including the vote on any item and an accurate description of the substantive testimony on any item.

All corporate resolutions shall be recorded in a separate journal under the care and custody of the Secretary.

**Section 8. Quorum; approval of actions.**

A quorum shall consist of a minimum number of the directors, or their designees where appropriate, as prescribed by law. The affirmative vote of quorum of the directors shall be required to make any action of the Authority valid.

**Section 9. Conduct of meetings.**

The Chairperson shall conduct the meetings consistent with the procedure contained in the most recent edition of Robert's Rules of Order.

## **ARTICLE VIII. OTHER PROVISIONS**

### **Section 1. Amendments to by-laws.**

The By-Laws may be amended by the Board at any regular, special or annual meeting of the Authority.

### **Section 2. Severability.**

If any provision in the By-Laws is deemed to be illegal or in violation of any statute, rule or regulation, then that provision shall be deemed to be null and void without affecting any other provision in these By-Laws.

May 20, 2010

## FOR ACTION

**MOTION:** To Adopt Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Transfer of the Homeless Programs to the Department of Human Services pursuant to Act 89, Session Laws of Hawaii 2010

### I. FACTS

The Governor's Bill Action Report indicated that ACT 089 (10) SB910 SD1 HD2 CD1 was signed on May 10, 2010 - RELATING TO THE TRANSFER OF HOMELESS PROGRAMS WITHIN THE DEPARTMENT OF HUMAN SERVICES. The Act transfers oversight of the State's homeless programs from the Hawai'i Public Housing Authority to the Department of Human Services' Benefits, Employment, and Support Services Division to ensure that the State remains eligible to receive federal funding.

### II. DISCUSSION

Staff is proposing revisions to the HPHA's By-laws to support the transfer of the homeless programs as follows:

#### **Article II, Statement of Mission and Purpose**

The Legislature has mandated that the Authority shall perform the function of developing and maintaining public housing, and ensuring that more [~~homeless persons~~] individuals and families are being served and transitioned into permanent housing.

**III. STAFF RECOMMENDATION**

That the HPHA's Board of Directors Adopt the Amendments to the Hawaii Public Housing Authority's By-Laws to Comply with the Transfer of the Homeless Programs to the Department of Human Services pursuant to Act 89, Session Laws of Hawaii 2010

Exhibit A: By-Laws of the Hawaii Public Housing Authority

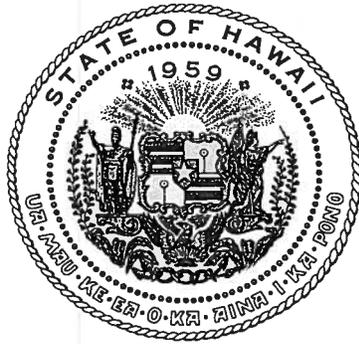
Prepared by: Barbara E. Arashiro, Executive Assistant \_\_\_\_\_

Adopted:

A handwritten signature in black ink, appearing to read 'T. O. Thompson', written over a horizontal line.

Travis O. Thompson, Chair

Exhibit A



**BY-LAWS OF THE  
HAWAII PUBLIC HOUSING AUTHORITY**

Adopted July 1, 2006  
Revised May 20, 2010

**BY-LAWS OF THE  
HAWAII PUBLIC HOUSING AUTHORITY**

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Article I.	Preamble
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## ARTICLE I. PREAMBLE

Act 196, Session Laws of Hawaii, 2005 (Act), as amended by Act 180, Session Laws of Hawaii, 2006, established the Hawaii Public Housing Authority ("Authority") to perform the function of developing and maintaining public housing.

These By-Laws are hereby promulgated to effectuate and implement the purposes of the Act.

## ARTICLE II. STATEMENT OF MISSION AND PURPOSE

The Legislature has declared that Hawaii's greatest housing need is housing for those earning below fifty per cent and from fifty to eighty per cent of the median family income.

The Legislature has found that it is a public purpose to help the unsheltered homeless population or those who have a primary nighttime residence that is a public or private place not ordinarily used as a regular sleeping accommodation.

The Legislature has mandated that the Authority shall perform the function of developing and maintaining public housing, and ensuring that more individuals and families are being served and transitioned into permanent housing.

## ARTICLE III. DEFINITIONS

### Section 1. Definitions.

The following terms, whenever used herein, shall have the following respective meaning, unless a different meaning clearly appears from the context.

"Authority" means the Hawaii Public Housing Authority.

"Board" means the Board of Directors of the Hawaii Public Housing Authority.

"Board Secretary" means a director of the Authority who has been elected by the board to perform the duties described in Article V of these By-Laws.

"Bonds" means any bonds, interim certificates, notes, debentures, participation certificates, pass-through certificates, mortgage-backed obligations or other evidences of indebtedness of the Corporation issued pursuant to Act 196, Session Laws of Hawaii 2005, as amended by Act 180, Session Laws of Hawaii 2006.

"Chair" or "Chairperson" means a director of the Authority who has been elected by the Board to perform the duties described in Article V of these By-Laws.

"Designated representative" means the duly authorized designee of the Director of Human Services.

"Executive Assistant" means the Executive Assistant of the Authority who is employed by the Board, pursuant to Act 196, Session Laws of Hawaii, 2005 (Act), as amended by Act 180, Session Laws of Hawaii, 2006.

"Executive Director" means the Executive Director of the Authority who is employed by the Board, pursuant to Act 196, Session Laws of Hawaii, 2005 (Act), as amended by Act 180, Session Laws of Hawaii, 2006.

“Officers” means the duly selected officers of the Authority, which may include a Secretary and Treasurer, with such duties and responsibilities as may be determined by the Authority.

“Secretary to the Board” means any staff member of the Authority whose duties and responsibilities include providing the Board with the necessary secretarial and record-keeping support in order for the Authority to conduct its business.

## ARTICLE IV. GENERAL PROVISIONS

### **Section 1. Name of the Authority.**

The name of the Authority shall be the "Hawaii Public Housing Authority".

### **Section 2. Seal of the Authority.**

The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the date of establishment.

### **Section 3. Principal place of business.**

The principal place of business and official mailing address of the Authority shall be 1002 North School Street, Honolulu, Hawaii 96817. The Authority may establish, by duly authorized resolution at its annual meeting, any other location in the City and County of Honolulu as its principal place of business. The Authority may designate such auxiliary or satellite offices where business may be transacted with the general public or on behalf of the Authority.

### **Section 4. Service of process; official notices.**

All official notices to the Authority, including service of process where the Authority is either suing or is being sued, shall comply with applicable law and shall be served upon the Authority at its principal place of business.

**Section 5. Business hours.**

The Authority shall establish the business hours of the Authority in compliance with applicable State law.

## ARTICLE V. BOARD OF DIRECTORS

### **Section 1. Official action by Board.**

All official action of the Authority shall be established through the Board of Directors as established by law. The Board may delegate, in its discretion, any duties and responsibilities to the Executive Director as it deems necessary and proper to carry out the mission and purposes of the Authority.

### **Section 2. Quorum; compensation of directors.**

An affirmative vote by the number of Board members constituting a quorum under the Hawaii Revised Statutes shall be necessary for all action taken by the Authority.

The directors shall receive no compensation for their services on the Board, but shall be entitled to reimbursement of necessary expenses, including but not limited to travel expenses, incurred by them in the performance of their duties.

### **Section 3. Officers of the Authority; term; vacancy.**

The officers of the Authority shall be the Chairperson, Vice-Chairperson, Secretary and Treasurer. All officers of the Authority shall be directors of the Authority, except as authorized by these By-Laws, and shall be elected by the Board at the Board's inaugural or annual meeting. The officers shall hold office for one year or until their successors are elected.

If any vacancy occurs for any reason, the vacancy shall be filled by the election of a successor officer from among the directors at any regular or special meeting of the Board to fill

out the remainder of the vacant term until the election of officers at the Board's next annual meeting.

The ex-officio member of the Board shall be ineligible to serve as Chairperson.

**Section 4. Chairperson; duties.**

The Chairperson shall be a director of the Authority and shall be elected by the Board at the Board's annual meeting. The Chairperson shall preside at all meetings of the Board and shall maintain order and proper procedures of the Board at all times.

Except as authorized by these By-Laws or by duly adopted resolution of the Board, the Authority together with the Secretary shall sign and execute all bonds and notes to which the Authority is a signatory.

For each meeting and upon proper notice as may be required by law, the Chairperson may submit such recommendations or items for information or for Board action as the Chairperson considers necessary and proper concerning the policies and procedures of the Authority.

The Chairperson from time to time and at any duly noticed meeting, may appoint from the directors of the Board two or more members of the Board to obtain facts and information on any specific matter or issue which is necessary and proper concerning the policies and procedures of the Authority, provided that the number of members of such a committee appointed by the Chairperson shall be in compliance with applicable law and shall be less than the number of directors required for a quorum.

**Section 5. Vice-Chairperson; duties.**

The Vice-Chairperson shall be a director of the Authority and shall be elected at the Board's annual meeting. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In case of the resignation, removal or death of the Chairperson, the Vice-Chairperson shall perform all the duties imposed on the Chairperson until such time as the Board elects a successor Chairperson.

**Section 6. Secretary; duties.**

The Secretary shall be a director of the Authority and shall be elected at the Board's annual meeting. The Secretary shall perform the duties of the Chairperson in the absence of the Chairperson and the Vice-Chairperson.

The Secretary, together with the Chairperson, shall sign and execute all bonds and notes to which the Authority is a signatory.

The Secretary shall be responsible for maintaining all records of the Authority, including maintaining a record of the Board proceedings in a journal to be kept specifically for that purpose. The Secretary shall be responsible for keeping in safe custody the seal of the Authority and shall affix or cause to be affixed the corporate seal to all contracts or instruments which have been authorized by the Authority and which require the corporate seal.

The Secretary may delegate any of the duties described in this section to the Executive Director.

In the absence, incapacity or death of the Secretary, the Board may appoint the Executive Director or any qualified employee of the Authority to serve as Secretary "pro tem" in order to

fulfill the duties imposed upon the Secretary. The Secretary pro tem, together with the Chairperson, shall sign and execute all bonds and notes to which the Authority is a signatory.

**Section 7. Treasurer; duties.**

The Executive Director shall be the ex-officio Treasurer of the Authority and shall not be a director of the Authority. The Treasurer shall be responsible for the care, custody and safeguarding of all funds of the Authority, including depositing the funds in such banks or financial institutions as the Authority selects.

The Treasurer shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson, Vice-Chairperson, and Secretary.

**Section 8. Non-attendance of board members; expiration of term.**

Notwithstanding the term of office, the term of a board member shall expire upon the failure of the member, without valid excuse, to attend three consecutive meetings duly noticed to all members of the board and where the board failed to constitute quorum necessary to transact business. The chair or acting chair of the board shall determine if the absence of the member is excusable. The expiration of the member's term shall be effective immediately after the third consecutive unattended meeting and unexcused absence. This provision shall not apply to the ex officio member of the board.

## **ARTICLE VI. EXECUTIVE DIRECTOR**

### **Section 1. Executive Director; duties, generally.**

The Executive Director shall be employed by the Board and shall be responsible for the daily management of the Authority. The Executive Director shall have general supervision over the administration and business affairs of the Authority, pursuant to the direction of the Board.

Except for the inaugural meeting, at each annual meeting the Executive Director shall submit an annual report to the Board which shall include an account of the financial condition of the Authority and the status of any other matter which was brought to the Authority. The Executive Director may submit such status reports to the Board at any other time or when so requested by the Board.

The Executive Director, together with the Secretary, shall sign and execute all notes to which the Authority is a signatory. The Executive Director is empowered to execute any and all documents to which the Authority is a signatory, except as specifically limited by the Board.

### **Section 2. Delegation of duties; disability of Executive Director.**

The Executive Director may delegate any of the duties described herein, to any qualified employee of the Authority for the efficient administration of the Authority's business; provided that, the Executive Director shall nevertheless be responsible for the proper performance of all such duties and responsibilities so delegated.

In the absence, incapacity or vacancy in the position of the Executive Director, the Executive Assistant of the Authority shall perform the duties of the Executive Director.

**Section 3. Executive Assistant; duties, generally.**

The Board shall employ an Executive Assistant who shall assist the Executive Director with the daily management of the Authority. The Executive Assistant shall perform such duties and responsibilities as determined by the Executive Director or the Board.

In the absence, incapacity or vacancy in the position of the Executive Director, the Executive Assistant shall assume the position and perform the duties of the Executive Director until the Board employs or appoints a successor Executive Director.

**Section 4. Disbursement of funds.**

Instruments or checks for the payment of money shall require the signature of 1) the Executive Director and 2) any qualified employee of the Authority who has been appointed by the Executive Director to countersign such instruments or checks.

**Section 5. Employment of personnel.**

The Executive Director, on behalf of the Authority, may employ such personnel as are necessary to carry out the business of the Authority, without ratification or approval of the Board. The employment and compensation of such personnel shall be pursuant to all applicable laws.

## ARTICLE VII. MEETINGS

### **Section 1. Annual Meeting.**

The annual meeting of the Authority shall be held on the third Thursday of July, at the regular scheduled meeting place of the Authority or at any designated meeting place. In the event such date shall fall on a legal holiday, the annual meeting shall be held on the next Thursday. Any and all business may be transacted at the annual meeting with adequate notice being given.

### **Section 2. Regular meeting of the Authority.**

The regular meetings of the Authority shall be held on the third Thursday of each month, beginning at 9:00 a.m., except if such date is a legal holiday, then the regular meeting for such month shall be held on the next Thursday. The Board may change the date and time of any regularly scheduled meeting, provided however, that proper notice as prescribed by law, be given of such rescheduled meeting.

### **Section 3. Special and emergency meetings; notice.**

The Chairperson may, when determined to be necessary, call a special meeting of the Authority. The notice of the special meeting shall conform with the notice requirements as provided by law, and the Authority shall discuss only the item or items for which the special meeting has been called.

The Chairperson may call an emergency meeting, pursuant to the requirements and procedures as required by law, upon a finding that an imminent peril to the health, safety or welfare of the public exists.

**Section 4. Notice of meetings.**

All notices of meetings shall adhere to the notice requirements as prescribed by law.

**Section 5. Agenda; order of business.**

The Board shall determine the conduct and order of business prior to any meeting, which may include the call to order, roll call, reading and approval of minutes, items for information, items for action, and the Executive Director's report.

**Section 6. Executive session.**

The Board may meet in executive session, closed to the public, only in accordance with applicable law. Minutes of the executive session shall be prepared and approved separately from the minutes of the board meeting.

**Section 7. Minutes; resolutions.**

Minutes of the board meetings, including the minutes of any executive session, shall be prepared and adopted by the Board by the next board meeting, or as soon as practicable. The minutes should provide a concise summary of the business which was conducted at the meeting, including the vote on any item and an accurate description of the substantive testimony on any item.

All corporate resolutions shall be recorded in a separate journal under the care and custody of the Secretary.

**Section 8. Quorum; approval of actions.**

A quorum shall consist of a minimum number of the directors, or their designees where appropriate, as prescribed by law. The affirmative vote of quorum of the directors shall be required to make any action of the Authority valid.

**Section 9. Conduct of meetings.**

The Chairperson shall conduct the meetings consistent with the procedure contained in the most recent edition of Robert's Rules of Order.

## **ARTICLE VIII. OTHER PROVISIONS**

### **Section 1. Amendments to by-laws.**

The By-Laws may be amended by the Board at any regular, special or annual meeting of the Authority.

### **Section 2. Severability.**

If any provision in the By-Laws is deemed to be illegal or in violation of any statute, rule or regulation, then that provision shall be deemed to be null and void without affecting any other provision in these By-Laws.

**Human Resources Task Force Report**  
**May 20, 2010**

Sub-Committee Members: Shirley Befitel, Carol Ignacio, Henry Oliva, Mattie Yoshioka, and Denise Wise

- Your Human Resources Task Force met on May 12, 2010 via teleconference.
- Received approval to fill Contract Administrator (Unit Supervisor).
- HPHA identified the following eleven (11) positions as critical to fill  
Continues recruitment - Fiscal Officer, Public Housing Supervisor (Section 8), Building Maintenance Worker I (AMP 38), Maintenance Worker Helper (AMP 38), General Laborer I (AMP 38)

Interviews scheduled - Housing Planner, Building Engineer V and Contract Administrator

Pending approvals:

Budget Resources Specialist – Submit to DHS 5/19/10.

Property Management Specialist (2 positions) – Personnel is currently assisting manager in the justification before final draft.

Positions deferred due to cost savings - 48

- Effective May 11, 2010 Department of Human Resources Development lifted the hiring freeze for all civil service positions. All requests to fill will need Governor's approval.
- HPHA Personnel and Office of the Executive Director will distribute notices to all managers to identify critical positions to fill. Managers must complete the justification, review the position function and responsibilities, and explain what the operational impact would be if unable to fill the position(s). The Executive Director will review each justification and determine which to forward for approval to fill. Timeline to complete the justification is June 10, 2010.
- Reorganization –SB 910, signed by the Governor will transfer Homeless Branch function and structure to BESSD effective July 1, 2010. Four positions will be transferring from HPHA.

## Board Training Task Force Report

Meeting: May 12<sup>th</sup>

Directors: S. Aiona  
R. Berthiaume  
S. Dodson

Staff: D. Wise

The Task Force discussed the setting of a date for the Board training and the recommended dates are either July 14 or 16 and an alternate of August 20<sup>th</sup>.

The recommended dates flank Board meeting dates. The Task Force considered these dates as a way to temper the expenses for the training. By flanking a board meeting date then air fare is expended only once as the dates coincide with a Board meeting.

Discussion also included an off-site location for the meeting. Various directors will follow-up on possibilities. It was thought that an off-site location may be a better venue than the HPHA Board room.

The noticing of the Board training was also discussed and once dates and location are set that will be done by staff.

Budget was discussed as well. It is being projected not to exceed \$2,000. This would include facilitator fee, lodging if necessary, and meal service. If another date is selected that does not flank a Board meeting then cost would increase due to air fare.

## GOALS AND OBJECTIVES/FINANCIAL ASSETS TASK FORCES

Meeting on May 5, 2010

Present: Roger Godfrey  
Clarissa Hosino  
Eric Beaver (by phone)  
Linda Smith  
Denise Wise, Exec Director

There was a general discussion of the priorities and workload the HPHA should consider undertaking.

A general consensus was reached that the HPHA should conduct strategic planning sessions to focus on our priorities for the next 2-3 years. This would help us shape broad objectives for the authority and allow us to bring in key stakeholders, such as residents, into the planning process.

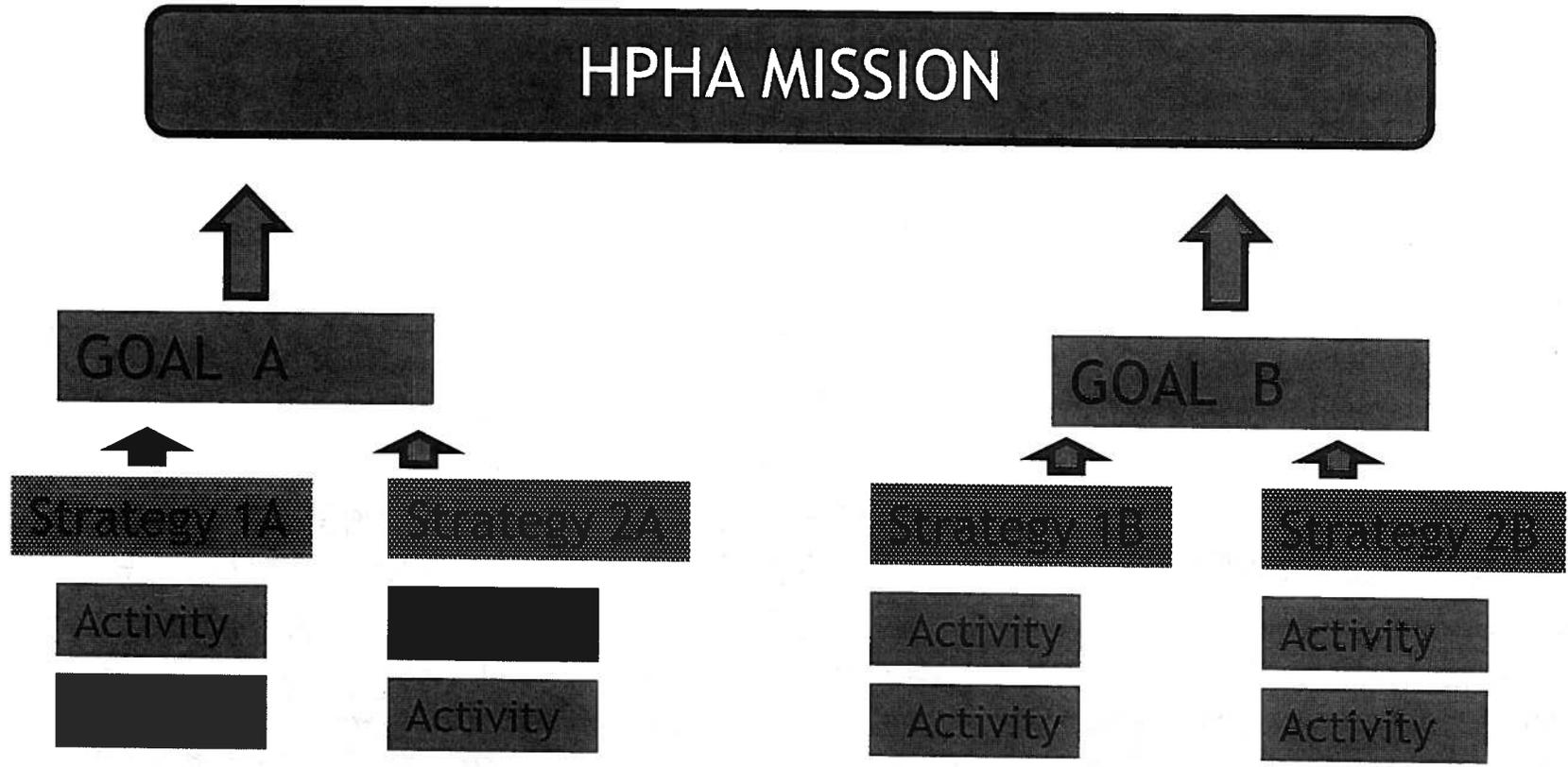
It is possible that the authority may find useful facilitation assistance and tap into the strategic planning expertise of other PHAs that are high performers.

There was also a consensus that the agency needs project management assistance—particularly for projects such as the KPT redevelopment. The project management team may include an “owner’s representative” for this type of major undertaking and help ensure that Michael’s Development gets the information and guidance it deserves, and the regular HPHA staff can continue to focus on their core responsibilities.

The Executive Director has already taken steps to obtain this type of project management assistance and related technical support.

The HPHA has received an unsolicited proposal to help in these two areas as well as a number of other possible areas where consultants assist public housing authorities. The organization submitting this unsolicited proposal may be one of the firms that responds to the requests for proposals that would be going out on the above two needs.

Finally, inquiries will be made as to whether outside firms can provide grant assistance to a State agency on a no-obligation basis to help solicit and obtain additional funding for HPHA. We will want to ensure that this type of activity falls within the legal constraints that the state must operate under.



**BUDGETING IS THE ALLOCATION OF RESOURCES TO ACTIVITIES THAT HELP ACHIEVE THE ORGANIZATION'S GOALS.**



# WORKING MISSION AND GOALS FY 2011

THE MISSION OF THE HAWAII PUBLIC HOUSING AUTHORITY IS TO BE A HIGH PERFORMING AGENCY THAT PROVIDES DECENT, SAFE AND SANITARY AFFORDABLE HOUSING TO THOSE ELIGIBLE FOR OUR PROGRAMS		
GOAL 1: IMPROVE OUR SCORES ON PASS, FASS, MASS, RAS AND SEMAP	GOAL 2: COMPLY WITH STATE AND FEDERAL REQUIREMENTS	GOAL 3: IMPROVE THE EFFICIENCY OF ADMINISTRATIVE SERVICES
↑	↑	↑
ACTIVITIES	ACTIVITIES	ACTIVITIES
BRANCHES BUDGET THEIR RESOURCES TO CONDUCT THE ACTIVITIES SUPPORTING THESE INTERIM GOALS		

## Executive Director's April/May 2010 Board Status Report

### Accomplishments:

- Finalized PHA Plan per Board approval and the documents package to meet 4/16 submission deadline; some modifications made per HUD request.
- Conducted abbreviated budget planning session with staff. Included development of agreed upon mission statement with associated goals so that budget is a cohesive document.
- Construction contracts have been executed for all 8 ARRA projects and permits have been obtained for 6 of the 8 projects.
- ITO created a "drop box" account for use for internet distribution of documents for the Board of Directors. This streamlines the distribution of information to the Board.
- ITO redesigned the HPHA website to include the following feature:
  - Created a "Login" button in the left column of the Board of Director's page to allow access to information specific to the Board. This feature, when operational, is anticipated to provide the Board with more streamlined information and reports.
- Compiled document to begin monitoring Corrective Action Order and Audit. Accountabilities have been assigned and will be reviewed by staff monthly for implementation and progress. Please see attached chart for detail.
- HPHA executed the final construction contract on May 3, 2010 for the elevator modernization project.

### Planned Activities for May/June:

- Hearings office will Assist Deputy Attorney Generals with Circuit Court Appeals
- The draft of the uniform House Rules has been reviewed by Public Housing and Private Managers and the Executive Director. The draft was forwarded to the Attorney General's office for review on April 7, 2010. Representatives from PMMSB, the AG's office, Office of the Executive Director, Planning and Compliance met on May 6, 2010 to discuss implementation of the uniform House Rules. PMMSB will solicit comments from the Resident Association Board (RAB) and AMP Resident Association Representatives. Board will be presented with comments for review and public hearings held to receive further comments.
- ITO will review revised draft calendar for Elite implementation. Discuss implementation dates with PMMSB "Go To" people who will be assisting with Elite LIPH.
- HUD will be conducting site visits at five (5) AMPs from May 17 - 21, 2010
- HPHA discovered that REAC will be making inspections of 15 properties. The properties were put to bid in 3 lots and inspections to be completed by July 23, 2010. Some of the properties are Punchbowl, KPT, KVH, MWH, and Lanikilla Homes.
- Complete and submit budget and financials for Board approval.
- To fully obligate the approximately \$12.5mm Capital Fund Program (CFP) funds awarded through HUD's 718 CFP by June 12, 2010.
- HPHA was approached by HUD to be a participant in a research study that will assess the impact of various services and housing interventions in ending homelessness for families. 12

communities were identified and Hawaii was chosen as one of the sites to conduct the study. HPHA met with a representative of the research team. The study needs at least 50 families to participate. The City and County of Honolulu has identified that they may be able to use up 21 HCV vouchers for the study. HPHA would then make up the difference of 34. If HPHA does not participate then the study cannot be conducted in Hawaii. Staff is looking into HPHA participating. Please see HUD letter dated March 29, 2010 for details.

#### Trends/Issues:

- Rain Forest Construction, General Contractor, is currently under contract with the HPHA to perform construction services at Kalihi Valley Homes and on April 15, 2010, a 60-foot portion of the retaining wall near the southwestern end of Building 24 collapsed. It was reported that a large excavator/backhoe was traversing along the area between the top of the wall and the building at the time of the failure. At approximately 8:30 a.m. a HPHA inspector observed the GC and Subcontractor assessing the damage. He also observed the large excavator along the site dangerously positioned. Traffic controllers were placed by the GC and the Subcontractor worked on moving their heavy equipment away from the wall. As soon as the Inspector completed his initial assessment, he notified the Project Engineer and upper management.

CMS and Property Management staff meet with a structural engineer from GYA Architects, a soil engineer from Geo Technical Engineering and a representative from Rain Forest Construction. Both the structural and soil engineer advised that all work near the damaged wall be suspended until a full site assessment was conducted. They recommended that the exposed soil around the damaged wall be covered with plastic in an attempt to avoid further soil loss.

Since the date of the retaining wall failure, CMS organized a meeting with the owner of Rain Forest Construction to notify him of the impending demand by HPHA to seek compensation for the damaged wall. The GC indicated they had already notified the Subcontractors insurance company and the insurance adjuster would be conducting the necessary inspections in the near future. CMS is preparing a demand letter for OED approval and execution.

- Computers (187) that were purchased in December 2006, as part of a mass roll out to all AMPs and COCC staff that use Emphasys, are now out of warranty. Some have begun to show up in ITO for repairs to power supply, motherboard, etc. Need to continuously replace computer inventory to prevent major failures and loss of data.
- In an attempt to expedite the elevator maintenance contract, to minimize the schedule slip reported at the last Board meeting, CMS met with the elevator consultant, Gordon Ernst. His initial assessment is that Okada Trucking may not have the personnel needed to expedite the schedule. Additional discussions are underway to determine possibility with the contractor.
- With 1 month remaining in fiscal year 2010, 99 families have been evicted as compared to 94 families evicted for fiscal year 2009.

### Potential Risks:

- At the KVH site, staff is cognizant that due to the proximity of Building 24 to the failed wall, there is a real potential for building settlement if the wall is not repaired expeditiously. Further loss of support of the soils in front of the building will make the situation worse. Although the failed slope has been covered with plastic to prevent saturation, heavy rain could cause surface runoff from other regions to enter the failed area which could cause the soils to erode further. Staff is pursuing this with the contractor so that repairs can be made quickly and not cause delays to the project. Worst case is project may be delayed by 4-6 weeks.
- Okada Trucking, the contractor awarded the elevator modernization project, may not have the capacity to expedite the project. Therefore the revised project schedule showing certain project delays of up to 24 months may be the schedule of present. This does not preclude any schedule gains that may occur during the project.
- 718 Capital Funds Program (CFP) is a grant that was awarded to HPHA for approximately \$12.5mm from HUD in 2006. Several projects were identified for use of the funds and they must be obligated by June 12, 2010. To date HPHA has obligated approximately 50% of the funds and there are two projects which may be problematic. The two projects are Kaahumanu Homes and KPT Tower B, both are re-roofing projects. Both these contracts are approximately \$2.2mm. Should these projects not be awarded and obligated by June 12, 2010 HPHA may be facing not only a de-obligation but also a penalty. The penalty is 1/12 the total grant amount per month until the issue is resolved. The monthly cost to HPHA is approximately \$1,039,767.50. Staff has confidence that HPHA can meet the date. Staff has already worked with the AGs office in coordinating contract reviews. The only delay may come from the awarded bidder if their documents are not turned around quickly.



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

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RECEIVED  
HAWAII PUBLIC  
HOUSING AUTHORITY

March 29, 2010

Ms. Barbara Arashiro  
Hawaii Public Housing Authority  
PO Box 17907  
Honolulu, HI 96817

Dear Ms. Arashiro:

The U.S. Congress has directed HUD to undertake research to ascertain the impact of various service and housing interventions in ending homelessness for families. Your community has been selected for participation in a new study supported by the U.S. Department of Housing and Urban Development in response to this congressional request. The goal of the study is to conduct a rigorous evaluation of the effectiveness of various housing and services interventions for homeless families in order to give policy makers, community planners, and local practitioners empirical evidence about the best way to address homelessness among families. This type of research evidence has not been available in the past and will be used to make sound decisions about how to prioritize the use of resources and structure local homeless assistance systems for families. HUD intends to provide participating Public Housing Agencies (PHA) an incentive fee of \$1,000 for each voucher that the PHA issues to a family enrolled in this study.

The study will compare four types of housing assistance and services in an experiment in 12 communities across the country to determine which interventions work best to promote housing stability, family preservation, child well-being, adult well-being, and self-sufficiency. HUD has contracted with a team of researchers led by Abt Associates Inc. to design and carry out this evaluation. To provide the strongest possible evidence of the effects of the housing and services interventions, the evaluation will use an experimental research design, with eligible families assigned at random to one of the four designated housing and services interventions.

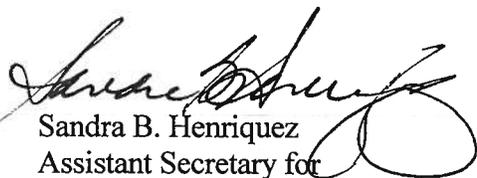
One of the study interventions, the *subsidy only* intervention, will provide a permanent housing subsidy in the form of a Housing Choice Voucher or other permanent housing subsidy to homeless families who volunteer to participate. Other interventions include transitional housing, rapid re-housing, and usual care. Each site will need to make an average of 65 permanent housing subsidies available for study participants.

The Abt Associates research team has been in contact with local homeless system (Continuum of Care) leaders in your community to discuss this evaluation, and they have expressed a high degree of interest in participating in the study if the permanent housing subsidies for the study can be secured. Participation in this study will not require any data collection, participant tracking, or special effort on your part. The research team will be responsible for all aspects of the evaluation including participant enrollment, random assignment, data collection, participant tracking, and analysis of outcomes, and they will work closely with local Continuum of Care leaders to conduct the study.

HUD's Office of Public and Indian Housing strongly endorses this study and encourages the Hawaii Public Housing Authority to participate in this study by committing the housing subsidies needed to test the effects of the *subsidy only* interventions. To comply with statutory and regulatory requirements, the participating Public Housing Agency (PHA) will need to amend its Administrative Plan in order to establish a preference for homeless families who are enrolled in this particular study and who have been randomly assigned to the *subsidy only* intervention. If this change is considered a significant amendment to the PHA's Annual Plan (as defined by the PHA) and the PHA is subject to Annual Plan submissions, the PHA's Annual Plan will also have to be amended in accordance with 24 CFR 903.21. If the PHA is a Moving To Work (MTW) agency, the PHA's Annual MTW Plan will need to be amended in accordance with its MTW agreement. Further, if the PHA waitlist is currently closed, the PHA would need to open the waitlist for this particular preference group. Questions regarding the administrative process of amending the PHA Administrative Plan should be directed to your HUD Field Office representative.

HUD is committed to working with housing agencies to address any concerns or issues that may arise from participation in this important study. A representative of the research team will be in contact with you shortly to discuss the study further. In the meantime, if you have any questions about this evaluation, you may also contact Anne Fletcher, the Government Technical Representative for this study at [anne.l.fletcher@hud.gov](mailto:anne.l.fletcher@hud.gov).

Sincerely,



Sandra B. Henriquez  
Assistant Secretary for  
Public and Indian Housing



Raphael W. Bostic  
Assistant Secretary for  
Policy Development and Research

cc: HUD Field Offices

Hawaii Public Housing Authority  
 Corrective Action Plan  
 Reporting Period:

Action	Due Date	Responsible Parties	Status
<b>1.0 Demonstrate that HPHA is capable of timely obligation and expenditure of Capital Funds</b>			
1.1 Obligate all ARRA funds by 3/1/10	3/15/10	Camacho/Sogawa/Buflo	CMS: All identified ARRA projects are in the final stages of approval. CMS is confident funds will be 100% obligated by the March 17, 2010 deadline CPO: ARRA funds obligated on 3/11/10
1.2 Obligate all CFP 718 by 9/1/10	9/1/10	Camacho/Sogawa	CMS: CMS and FMO are working closely to identify the construction projects likely to comply with the obligation deadline CPO: On target - obligation due date is 6/12/10
1.3 Obligated at least 50% of CFP 719 by 9/1/10	9/1/10	Camacho/Sogawa	CMS: CMS and FMO are working closely to identify the construction projects likely to comply with the obligation deadline
1.4 Timely completion and submittal of P&E reports to HUD on a monthly basis	By 5 <sup>th</sup> of each month	FMO	FMO: Done
1.5 Completion of environmental review requirements by the time the PHA Plan for FY 2010-2011 is approved by HUD	7/1/10 for next FY's PHA Plan	Camacho	CMS: CMS has entered into negotiations with Helber Hastert & Fee Planners to generate environmental reviews for all Federally Subsidized Public Housing projects for said fiscal year
1.6 Establishment of a system to track and repair type "C" units		Camacho/.Fo	CMS: CMS retains a log for Type C unit identification, however, a formal tracking system with a construction respond element has not been established PMMSB: PMMSB is tracking requests sent to CMS since 8/2009. PMMSB checks that the unit is properly coded in the ECS? Discussed with CMS the creation of a system that will include monitoring unit to completion, which funds are set aside for the unit and the projected completion date
1.7 Hiring of program manager to assist with capital projects	Dependent on RIFs	CMS, CPO, FMO	CMS: No progress
<b>2.0 Demonstrate that HPHA is planning for the effective use of Capital Fund Program activities</b>			

2.1	Completion and submittal of a well thought out 5-year plan for the use of CFP for next fiscal year. (HPHA will meet with HUD staff in late October to discuss the specifics on the PHA Plan.)	3/1/10	CMS, CPO, FMO, PMMSB, PEO	CPO: Capital planning meetings conducted on a monthly basis; facilitated by CMS FMO: Done
2.2	Submission of all required documents to HUD, including ER, P&E, PHA Plan tables, etc. on time		PMMSB, CMS, CPO, FMO	
<b>3.0 Demonstrate that HPHA is effectively managing its procurement activities</b>				
3.1	Establishment of a 3 year rolling annual procurement plan which tracks routine maintenance and service contracts		ALL	
3.2	Submission of contracts to HUD early enough to allow no less than 10 business days review. (This applies in particular to PMMSB contracts.)	Ongoing	CPO, PMMSB, CMS	
3.3	Implementation of training plan for HPHA staff		CPO, PERS	PERS: CPO/PERS continues to identify procurement training for staff
3.4	Submission of complete packets when requesting HUD approval to contract (e.g., cost estimate, fee proposal, cost analysis, documentation of budget authority, etc.)	Ongoing	CMS, PMMSB, CPO	CMS: CMS staff is utilizing a HUD supplied checklist to identify and track required documentation CPO: Being done
<b>4.0 Demonstrate that HPHA is responsibly administering its contracts and ensuring compliance with the terms of the contract</b>				
4.1	Establishment of a monitoring plan for all AMPs and implementation of site visit monitoring		PMMSB	PMMSB: Monitoring established October 2008. Monitoring reports are being completed on a monthly basis for all privately managed AMPs. It was determined that the AMPs who needed the most improvement would be monitored on a monthly basis
4.2	Resolution of findings in the REAC inspections, including implementation of corrective action plan from previous REAC inspections		PMMSB, CMS	PMMSB: PMMSB is still implementing CAP from 2009. Monitoring needs to be done to determine that AMPs are complying with 2009 CAP
4.3	Resolution of monitoring findings from PMMSB monitors conducting site	Monthly	PMMSB	

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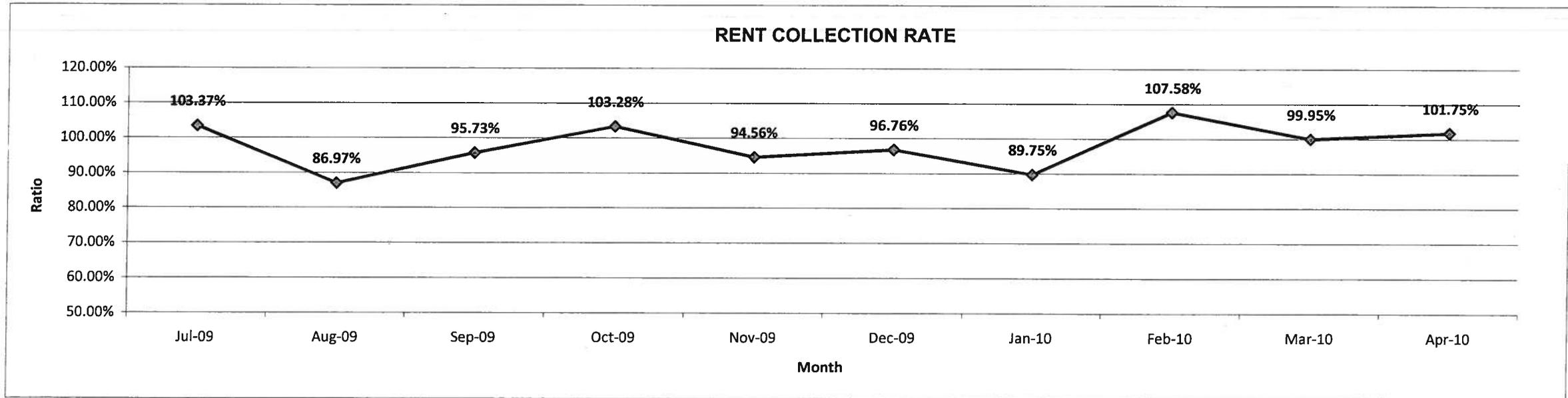
visits			
4.4 Improvement in occupancy and rent collections		PMMSB	PMMSB: Ongoing. PMMSB continues to tweak the procedures and refine the process. The referral procedure from Applications to the AMPs has changed. The waiting period for verifications was also changed to speed up the process
4.5 Revision of property management contract to include terms which require the contractor to forfeit its management fees for failure to perform	Before next RFP process	PMMSB, CPO	
4.6 Completion of the procedures manual, which includes procedures for monitoring AMP staff /contractors.		PMMSB	PMMSB: Manual material is complete. The manual has to be compiled and formatted. Once staff is brought on board, the manual will be completed
<b>5.0 Demonstrate that HPHA has appropriate internal fiscal controls in place and the ability to manage its financial functions</b>			
5.1 Hire a CFMA and/ or Fiscal Officer (audit recommendations)	Dependent on RIFs	D. Wise/S. Befitel	
5.2 Perform internal assessment of missing controls and develop checklists to ensure monthly routines are completed timely. (audit recommendation)	6/1/2010	C. Itliong	
5.3 Full functioning general ledger and production of monthly reconciliations this will enable: -reliable monthly financial statements -Assets properly capitalized Budget to Actual Comparisons	6/1/2010	C. Itliong	
5.4 Production of monthly closing schedules with assigned accountabilities	6/1/2010	C. Itliong	
5.5 FDS submitted timely and correctly	Ongoing	C. Itliong	
5.6 Convert all excel worksheets maintaining fixed assets to a properly classified and automated register utilizing the EmPHASys system.	6/1/2010	C. Itliong	
5.7 Issue monthly financial reports which are timely and accurate	Ongoing	C. Itliong	
5.8 Ensure Project Based Accounting is implemented with proper fee-for service-schedules	6/1/2010	C. Itliong	
5.9 Project based accounting be utilized for financial performance for all AMPs. This includes the allocation of costs from the COCC and proper	6/1/2010	C. Itliong	

classification of all expenses			
6.0	Monthly production of accurate financial statements for all AMPS	6/15/2010	C. Itliong
6.1	Improve management controls over the financial audits	As audits are completed	D. Wise FMO: No Progress
6.2	Complete the FY 2010 - 2011 budget process no later than 6 /1/2010	6/15/2010	FMO: Progressing
6.3	Manage activity in the PIC so that HPHA can upload information for calculation of the operating subsidy on a timely basis		PMMSB, FMO PMMSB: Reports are run on a week-to-week basis for recertification reporting
6.4	Produce timely financial statements		C. Itliong
<b>7.0 Demonstrate that HPHA has the hardware and network infrastructure in place to meet the needs of the staff</b>			
7.1	Continue to implement the upgrade of Emphasys Elite on a timely basis	Per contract dates	ITO, S8, PMMSB ITO: Still resolving minor issues with S8 & WL. Missing some automated letters, and WL data needs to be cleaned up. Phase two will not begin until after the large balance owed to Emphasys gets paid. Received training and attended meetings on the set up of the new Elite system
7.2	Maintain the computer network according to the ITO replacement plan	Ongoing replacement	ITO ITO: Still need to set up 11 of the new computers
7.3	Ensure that staff are adequately trained on the computer upgrades	Per contract terms	ITO, PERS ITO: For some reason, training for automated letters was not done in phase one. Emphasys has offered to do this training (remotely) for free in early April, but we need S8 staff to review each of the letters installed in the system first. Letters for the Applications staff still needs to be created before they can be trained

**FEDERAL PUBLIC HOUSING  
Rent Collection from July 2009 to April 2010**

	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>96.76%</b>

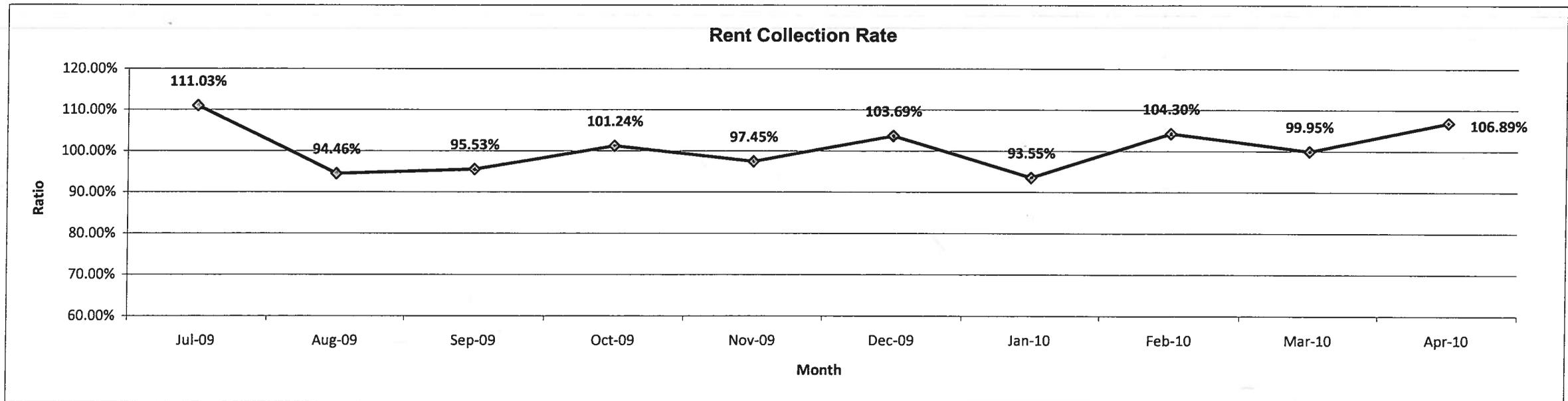
	Jan-10			Feb-10			Mar-10			Apr-10		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$116,704.72	\$100,450.20	86.07%	\$ 114,112.72	\$ 123,818.28	108.51%	\$ 111,742.56	\$ 116,961.95	104.67%	\$ 114,516.69	\$ 122,029.78	106.56%
Kauai	\$76,185.00	\$65,796.55	86.36%	\$ 79,317.00	\$ 78,818.84	99.37%	\$ 78,569.00	\$ 73,688.81	93.79%	\$ 75,812.00	\$ 74,505.00	98.28%
Maui	\$41,683.00	\$37,016.56	88.80%	\$ 39,286.00	\$ 40,224.33	102.39%	\$ 39,522.00	\$ 41,955.64	106.16%	\$ 42,734.00	\$ 43,717.38	102.30%
Oahu	\$1,121,888.75	\$1,014,179.21	90.40%	\$ 1,123,281.42	\$ 1,215,939.13	108.25%	\$ 1,120,869.72	\$ 1,117,474.18	99.70%	\$ 1,128,670.65	\$ 1,145,247.82	101.47%
<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>	<b>\$ 1,350,703.28</b>	<b>\$ 1,350,080.58</b>	<b>99.95%</b>	<b>\$ 1,361,733.34</b>	<b>\$ 1,385,499.98</b>	<b>101.75%</b>



**STATE PUBLIC HOUSING**  
**Rent Collection from July 2009 to April 2010**

	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			Mar-10			Apr-10		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 8,716.00	\$ 8,408.62	96.47%	\$ 8,882.00	\$ 7,628.00	85.88%	\$ 8,153.00	\$ 7,563.00	92.76%	\$ 8,103.00	\$ 8,259.00	101.93%
Kauai	\$ 5,639.00	\$ 4,493.00	79.68%	\$ 5,297.00	\$ 4,164.11	78.61%	\$ 5,297.00	\$ 5,077.00	95.85%	\$ 5,198.00	\$ 4,418.00	84.99%
Maui	\$ 5,195.00	\$ 4,667.00	89.84%	\$ 5,379.00	\$ 7,157.00	133.05%	\$ 5,851.00	\$ 6,231.00	106.49%	\$ 5,777.00	\$ 5,390.00	93.30%
Oahu	\$ 229,851.00	\$ 215,748.79	93.86%	\$ 227,881.00	\$ 239,141.25	104.94%	\$ 227,169.00	\$ 227,468.38	100.13%	\$ 225,833.00	\$ 243,720.60	107.92%
<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>	<b>\$ 246,470.00</b>	<b>\$ 246,339.38</b>	<b>99.95%</b>	<b>\$ 244,911.00</b>	<b>\$ 261,787.60</b>	<b>106.89%</b>



**Federal LIPH  
ISLAND OVERVIEW REPORT  
April 2010**

OCCUPANCY *						FEDERAL WAIT LIST**							
Island	Total Available Units	Total Occupied Units	Occupancy Ratio	Vacant Units Rent Ready	Vacant Units Unable to Rent****					Families	Elderly	Transf. to LIPH Family	Transf. to LIPH Elderly
Hawaii	601	549	91.35%	3	49					1,289	58	8	2
Kauai	319	300	94.04%	0	19					220	74	0	0
Maui	196	143	72.96%	0	53					236	38	5	1
Oahu	4,119	3,903	94.76%	19	197					6,695	1,554	12	10
<b>Total</b>	<b>5,235</b>	<b>4,895</b>	<b>93.51%</b>	<b>22</b>	<b>318</b>					<b>8,270</b>	<b>1,702</b>	<b>25</b>	<b>13</b>

Island	NON VACATED DELINQUENCIES***				COLLECTION RATE		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	22	\$ 10,178.29	13	\$ 15,369.57	\$ 114,516.69	\$ 122,029.78	106.56%
Kauai	17	\$ 12,306.00	15	\$ 23,845.20	\$ 75,812.00	\$ 74,505.00	98.28%
Maui	10	\$ 2,792.00	6	\$ 2,074.57	\$ 42,734.00	\$ 43,717.38	102.30%
Oahu	151	\$ 68,989.48	79	\$ 146,572.76	\$ 1,128,670.65	\$ 1,145,247.82	101.47%
<b>Total</b>	<b>200</b>	<b>\$ 94,265.77</b>	<b>113</b>	<b>\$ 187,862.10</b>	<b>\$ 1,361,733.34</b>	<b>\$ 1,385,499.98</b>	<b>101.75%</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).

\*\*\*\* Includes Type C, Deprogrammed, Units under Mod

**Federal LIPH  
HPHA Project Overview Report  
April 2010**

AMP	Non Vacated Delinquencies*				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	14	8,043.81	3	703.98	\$ 144,597.00	142,858.51	98.80%
31P-KVH	19	8,901.05	7	11,099.25	\$ 83,118.00	74,350.59	89.45%
32P-MWH	14	7,393.55	8	16,381.79	\$ 106,371.13	106,702.55	100.31%
33P-Kam/Kaamanu	12	4,141.60	4	25,999.36	\$ 93,026.50	93,107.97	100.09%
34P-Kalakaua	1	90.66	0	0.00	\$ 130,527.00	143,170.22	109.69%
35P-Kalanihuaia	8	3,707.23	5	4,564.27	\$ 141,169.02	153,010.23	108.39%
37P-Hilo	9	2,951.94	6	3,498.45	\$ 62,856.69	70,994.23	112.95%
38P-Kauai	17	12,306.00	15	23,845.20	\$ 75,812.00	74,505.00	98.28%
39P-Maui	10	2,792.00	6	2,074.57	\$ 42,734.00	43,717.38	102.30%
40P-KPT	39	14,296.11	15	31,444.61	\$ 256,799.00	251,145.52	97.80%
43P-Kona	7	3,800.35	3	4,388.07	\$ 37,121.00	38,088.00	102.60%
44P-Leeward Oahu	24	8,937.34	20	28,606.17	\$ 38,466.00	42,979.01	111.73%
45P-Windward Oahu	8	7,920.83	6	13,590.00	\$ 71,138.00	69,442.08	97.62%
46P-Kamuela	6	3,426.00	4	7,483.05	\$ 14,539.00	12,947.55	89.05%
49P-Central Oahu	3	654.30	3	2,743.00	\$ 40,176.00	40,643.90	101.16%
50P-Palolo	9	4,903.00	8	11,440.33	\$ 23,283.00	27,837.24	119.56%
<b>Total</b>	<b>200</b>	<b>\$ 94,265.77</b>	<b>113</b>	<b>\$ 187,862.10</b>	<b>\$ 1,361,733.34</b>	<b>\$ 1,385,499.98</b>	<b>101.75%</b>

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

**State Low Income Public Housing  
ISLAND OVERVIEW REPORT  
April 2010**

Island	OCCUPANCY*					STATE WAITING LIST**			
	Total Available Units	Total Occupied Units	Occupancy Ratio	Vacant Units Rent Ready	Vacant Units Unable to Rent****	Family	Elderly	Transfer to LIPH Family	Transfer to LIPH Elderly
Hawaii	56	25	44.64%	2	29	1,263	0	0	0
Kauai	26	24	92.31%	0	2	109	0	0	0
Maui	32	28	87.50%	0	4	31	0	0	0
Oahu	750	715	95.33%	13	22	5,690	489	0	5
<b>Total</b>	<b>864</b>	<b>792</b>	<b>91.67%</b>	<b>15</b>	<b>57</b>	<b>7,011</b>	<b>489</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	2	\$ 870.00	8	\$ 15,585.17	\$ 8,103.00	\$ 8,259.00	101.93%
Kauai	2	\$ 1,764.00	2	\$ 3,453.46	\$ 5,198.00	\$ 4,418.00	84.99%
Maui	2	\$ 544.00	17	\$ 10,782.37	\$ 5,777.00	\$ 5,390.00	93.30%
Oahu	17	\$ 13,402.71	53	\$ 278,388.02	\$ 225,833.00	\$ 243,720.60	107.92%
<b>Total</b>	<b>23</b>	<b>\$ 16,580.71</b>	<b>80</b>	<b>\$ 308,209.02</b>	<b>\$ 244,911.00</b>	<b>\$ 261,787.60</b>	<b>106.89%</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).

\*\*\*\*Includes Deprogrammed, Type C and units under MOD

**State LIPH  
PROJECT OVERVIEW REPORT  
April 2010**

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	5	\$ 4,324.70	14	\$ 136,728.14	\$ 19,367.00	19,415.65	100.25%
2202-Puahala Homes	10	\$ 8,042.01	24	\$ 136,234.96	\$ 41,559.00	39,763.45	95.68%
2204-Kawailehua	2	\$ 1,764.00	2	\$ 3,453.46	\$ 5,198.00	4,418.00	84.99%
2205-Kahale Mua	2	\$ 544.00	17	\$ 10,782.37	\$ 5,777.00	5,390.00	93.30%
2206-Lokahi	0	\$ -	2	\$ 12,591.50	\$ 5,396.00	5,386.00	99.81%
2207-Ke Kumu Elua	2	\$ 870.00	6	\$ 2,993.67	\$ 2,707.00	2,873.00	106.13%
2401-Hale Po'ai	0	\$ -	5	\$ 2,284.00	\$ 57,546.00	63,794.00	110.86%
2402-La'iola	1	\$ 632.00	8	\$ 2,934.52	\$ 32,941.00	36,262.00	110.08%
2403-Kamalu-Ho'olulu	1	\$ 404.00	2	\$ 206.40	\$ 63,298.00	71,948.50	113.67%
2404-Halia Hale	0	\$ -	0	\$ -	\$ 11,122.00	12,537.00	112.72%
<b>Total</b>	<b>23</b>	<b>\$ 16,580.71</b>	<b>80</b>	<b>\$ 308,209.02</b>	<b>\$ 244,911.00</b>	<b>\$ 261,787.60</b>	<b>106.89%</b>

\* Occupancy also counts Scheduled for Modernization Units.

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## HEARINGS OFFICE- STATEWIDE FEDERAL EVICTION REFERRALS

	REFERRALS			RESULT OF EVICTION REFERRAL					
	TOTAL	REASON FOR REFERRAL		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
		Rent	Other						
FY 2008	145	108	37	56	39	18	5	37	108
FY 2009	232	194	38	94	63	5	11	59	173

### Fiscal Year 2010

MONTH	REFERRALS			RESULT OF EVICTION REFERRAL					
	TOTAL	REASON FOR REFERRAL		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
		Rent	Other						
July 09	27	24	3	8	7	0	0	12	15
Aug 09	22	18	4	8	11	0	1	2	20
Sept 09	37	35	2	19	11	1	0	6	31
Oct 09	32	26	6	15	8	1	2	6	26
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
Mar10	23	19	4	5	11	0	1	6	17
Apr10	14	11	3	7	3	0	1	3	11
<b>TOTALS</b>	<b>232</b>	<b>195</b>	<b>37</b>	<b>99</b>	<b>72</b>	<b>4</b>	<b>6</b>	<b>51</b>	<b>181</b>

### Total # of Cases Heard for the Month of April 2010: 14 (Oahu & Neighbor Island)

Decisions Rendered:      Rent Violations      Other Violations

Eviction	6	1
Evict w/cond	2	1
10-day cure	0	0
Dismissal	0	1
Continued	3	
<b>TOTAL</b>	<b>11</b>	<b>3</b>

Delinquent balances for rent cases ordered evicted for month of April 2010:

AMP 32 Mayor Wright	\$7,800.44
AMP 40 Kuhio Park Terrace	\$6,081.25
AMP 45 Koolau Village	\$18,068.45
<b>Total:</b>	<b>\$31,950.14</b>

**Contract & Procurement Office  
Monthly Status Report for April 2010**

Solicitations Issued in April 2010:

Solicitation No.	Title	Due Date
RFP-PMB-2010-10	Furnish Property Management, Maintenance and Resident Services for Asset Management Project 44 (Leeward Coast) on the Island of Oahu	June 1, 2010

Contracts Executed in April 2010:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CMS 10-13	Okada Trucking Co., Ltd. Modernization and Maintenance of 17 Elevators at Various Public Housing Site on the Island of Oahu 180 days from Notice to Proceed		\$3,475,202.80
PMB 07-03-SA02	Hawaii Affordable Properties, Inc Property Management, Maintenance and Resident Services for Asset Management Project 43 (Kona) – 12 month extension May 1, 2010 to April 30, 2011	\$587,496.00	\$2,415,072.00

**Hawaii Public Housing Authority (HPHA)  
Personnel Office  
Aggregated Staffing Report as of May 3, 2010**

Total **Civil Service** vacant positions - 42

Total **Exempt** vacant positions – 22

Total **Vacant** positions – 64

Positions in recruitment: Civil Service - 6  
Exempt - 1

Total positions in recruitment: 7

Number of positions **Abolished** = August 31, 2009 to April 30, 2010 - 31

Total **full-time positions** hiring deferred due to cost savings – 48

Total **Tenant Aide** vacant positions - 14

**DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
May 3, 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%	1	1
		1	2	3	1	2	66.67%	1	1
Compliance Office		0	3	3	2	1	33.33%	0	1
		0	3	3	2	1	33.33%	0	1
Housing Information Office		0	2	2	1	1	50.00%	0	1
		0	2	2	1	1	50.00%	0	1
Hearings Office		1	2	3	3	0	0.00%	0	0
		1	2	3	3	0	0.00%	0	0
Fiscal Management Office	FM Office	4	0	4	2	2	50.00%	1	1
	Acctg Sec	8	0	8	8	0	0.00%	0	0
	Pay & Disb	4	0	4	3	1	25.00%	0	1
	Budget	1	1	2	1	1	50.00%	0	1
	Asset Mgt	1	0	1	0	1	100.00%	0	1
		18	1	19	14	5	26.32%	1	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 I	2	7	9	4	5	55.56%	0	5
	CMS 2	5	2	7	5	2	28.57%	1	1
	DSS	1	2	3	2	1	33.33%	0	1
	13	11	24	15	9	37.50%	1	8	
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%	1	0
	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%	1	6

**DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
May 3, 2010**

Branch	Section	Total Full Time Positions			Occupied	Vacant	% Vacant	Active Recruitment	
		Civil Svc	Exempt	Total				Yes	No
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	2	8.70%	0	2
	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	26	2	7.41%	0	2
	Kalanihuaia - AMP 35	26	0	26	23	4	15.38%	0	4
	Hilo - AMP 37	14	0	14	13	1	7.14%	0	1
	Kauai - AMP 38	16	0	16	8	7	43.75%	3	4
	Maui - AMP 39	12	0	12	11	1	8.33%	0	1
			206	15	221	187	36	16.29%	3
<b>TOTAL</b>		<b>278</b>	<b>50</b>	<b>328</b>	<b>266</b>	<b>64</b>	<b>19.51%</b>	<b>7</b>	<b>57</b>

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of May 3, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	CURRENT 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>COMPLIANCE OFFICE</b>						
<b>COMPLIANCE OFFICE</b>						
100917	EX	N	T	Housing Compliance & Evaluation Spclt	SRNA	Employee retired COB: 04/30/10.
<b>FISCAL MANAGEMENT OFFICE</b>						
41041	CS	N	P	Fiscal Officer I	SR26	Pending DHRD Recruitment Announcement.
98903K	CS	N	P	Office Assistant III	SR08	No action; cost savings.
100923	EX	N	P	Budget Resources Specialist	SRNA	Request to fill in review by manager.
96908K	CS	N	P	Office Assistant III	SR08	No action; cost savings.
7994	CS	N	P	Account Clerk V	SR15	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.
103024	EX	N	T	Contract Administrator	SRNA	Pending Gov's approval.
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	SR24	No action; cost savings.
100886	EX	W	T	Housing Development Specialist I	SRNA	State funded unable to fill.
8421	CS	N	P	Building Construction Inspector II	SR19	No action; cost savings.
10887	CS	N	P	Engineer V	SR26	Internal Vacancy Announcement; closing date of 5/13/10.
<b>INFORMATION TECHNOLOGY OFFICE</b>						
106429	CS	N	T	Information Technology Specialist IV	SR22	No action; cost savings.
<b>PLANNING AND EVALUATION OFFICE</b>						

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of May 3, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	CURRENT Position Title	SR	Status
107934	EX	N	T	Housing Planner	SRNA	Interviews scheduled the week of 5/10/10.
98902K	CS	N	P	Office Assistant III	SR08	No action; cost savings.
<b>PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH</b>						
8751	CS	N	P	Public Hsg Supervisor VI	SR26	No action; cost savings.
96904K	EX	N	T	Hsg Maintenance Manager	SRNA	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>PMMSB - 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	No action; cost savings.
<b>PMMSB - 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	SR16	No action; cost savings.
101137	TA	N	T	Janitor II	SRNA	No action; cost savings.
<b>PMMSB - 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>PMMSB - 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	No action; cost savings.
101127	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
<b>PMMSB - ASSET MANAGEMENT PROJECT 35 (MU 5)</b>						

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of May 3, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	CURRENT Position Title	SR	Status
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.
41539	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>PMMSB - ASSET MANAGEMENT PROJECT 37 (MU 7)</b>						
15721	CS	N	P	Building Maint Worker I	BC09	No action; cost savings.
<b>PMMSB - ASSET MANAGEMENT PROJECT 38 (MU 8)</b>						
41349	CS	N	P	Public Housing Supervisor IV	SR22	Pending DHS RIF.
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	Internal Vacancy Announcement; closing date of 5/20/10.
17576	CS	N	P	Bldg Maint Wkr I	BC09	No action; cost savings.
10541	CS	N	P	Bldg Maint Helper	BC05	Internal Vacancy Announcement; closing date of 5/20/10.
43948	CS	N	P	General Laborer I	BC02	Internal Vacancy Announcement; closing date of 5/20/10.
102242	TA	N	T	General Laborer I	SRNA	No action; cost savings.
<b>PMMSB - 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.
105750	TA	N	T	General Laborer I	SRNA	No action; cost savings.
<b>PMMSB - PRIVATE MANAGEMENT CONTRACTS SECTION (PMCS)</b>						
100986	EX	N	T	Property Management Coordinator II	SRNA	Request to fill in review by manager.
102048	EX	W	P	Property Management Specialist	SRNA	No action; cost savings.
117841	EX	N	T	Property Management Specialist	SRNA	Request to fill in review by manager.
107932	EX	N	T	Property Management Coordinator I	SRNA	No action; cost savings.
<b>PMMSB - RESIDENT SERVICES SECTION</b>						

**HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES**  
As of May 3, 2010

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	CURRENT Position Title	SR	Status
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.
105632	EX	N	T	Resident Services Pgm Specialist	SRNA	No action; cost savings.
103030	EX	N	T	Program Speclst & 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>S8SPB - INSPECTION SECTION</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>S8SPB - RENT SUBSIDY SECTION</b>						
41280	CS	N	P	Public Hsg Supervisor V	SR24	Internal Vacancy Announcement; closing date of 5/20/10.
<b>S8SPB - RENT SUBSIDY SECTION 1</b>						
9647	CS	N	P	Public Hsg Spclt II	SR18	No action; cost savings.
42526	CS	N	T	Public Hsg Spclt II	SR18	No action; cost savings.
<b>S8SPB - 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.

## COMPLIANCE BRANCH

April, 2010, Report

### I. Accomplishments

- A. Resolved approximately 15 tenant RARs;
- B. Improved turnaround time of RARs;
- C. Larsen v. HPHA: Continuing conformance with settlement agreement and resolution of disputes with Civil Rights Commission;
- D. Obtained and assisted in two (2) day Department of Human Services fair housing, § 504 reasonable accommodation, and discrimination training;
- E. Reviewed § 8 Renewal & rent comparability study requirements;
- F. Assisted with office's due diligence obligations for Wilikina and Banyan Street property sales;
- G. Improved training opportunities;
- H. Obtained Small Purchases and Overview of Procurement Practices training;;
- I. Registered for Request for Proposals training for May;
- J. Obtained better understanding of asset management obligations;
- K. Completed due diligence requirements for Banyan Street property; and
- L. Obtained better understanding of property management requirements.

### II. Goals

- A. Search for procurement training from SPO every week;
- B. Become fluent in ARRA reporting obligations;
- C. Obtain better understanding of property & asset management obligations;
- D. Improve communication & training of property managers;
- E. Comply with all Larsen v. HPHA settlement obligations; and
- F. Completely satisfy due diligence requirements and requests for Wilikina.



'10 APR 21 P12:45

LILLIAN B. KOLLER, ESQ  
DIRECTOR

HENRY OLIVA  
Deputy Director

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES

1390 Miller Street  
Honolulu, Hawaii 96813

April 19, 2010

Denise Wise  
Executive Director  
1002 N. School Street  
Honolulu, HI 96817

Re: Status of Fourteen Units at Puahala Homes Utilized as Transitional Shelter for Homeless Families

Dear Denise:

Utu Langi of Hawaii Helping the Hungry Have Hope (H5) met with me today to discuss the transition plan for the transitional families at Puahala Homes. Fourteen units at Puahala Homes were temporarily allocated for transitional housing on July 1, 2008, wherein one unit was used by a resident manager and as the base of operations for the case managers. We plan to have all of the families transitioned from Puahala Homes by June 1, 2010, after which the remaining units will be cleaned for return to HPHA.

Nineteen homeless families have called Puahala home since July 1, 2008. Seven of the families have transitioned to permanent housing and two families were asked to leave for noncompliance with their program agreement. At this 21.5 month juncture, ten families remain, since no additional families have been placed at Puahala since January 2010, in anticipation of returning the units to public housing. All of the remaining families participate in programs to enhance their self sufficiency, responsibly pay their program fees, and work toward transitioning by July 1, 2010. The HPHA Board of Directors will be provided with an actual destination for each of the remaining families at the May board meeting.

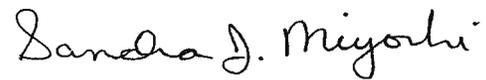
Most of the families have been at Puahala transitional for less than a year, so they are not near the top of HPHA's wait list. One larger family needs a three-bedroom unit that takes longer in gaining placement due to the high demand and scarcity of larger units. Several are still trying to increase their income in a depressed economy. Three families are prevented from increasing their earning power in the near term due to severe disability of the head of household. Most will transition to other emergency and transitional housing slots where they will continue to develop life skills that enhance their ability to attain and sustain permanent housing. All residents have been preparing for the transition by applying

Denise Wise  
April 19, 2010  
Page 2

to permanent and transitional housing slots. No family will be left without a housing or shelter destination.

The Homeless Programs Branch is extremely grateful for the support of the HPHA Board in providing this opportunity to assist homeless families. The families gained a great deal from the programs and the community integration achieved through the neighborhood watch programs and community clean-up days. The service-rich environment within the Puhala community restored self esteem, taught responsibility, and imbued in the families hope for the future.

Sincerely,



Sandra J. Miyoshi

Copy: Travis Thompson  
Henry Oliva

**Hawaii Public Housing Authority  
Corrective Action Plan  
Reporting Period:**

Action	Due Date	Responsible Parties	Status
<b>1.0 Demonstrate that HPHA is capable of timely obligation and expenditure of Capital Funds</b>			
1.1 Obligate all ARRA funds by 3/1/10	3/15/10	Camacho/Sogawa/Buflou	CMS: All identified ARRA projects are in the final stages of approval. CMS is confident funds will be 100% obligated by the March 17, 2010 deadline CPO: ARRA funds obligated on 3/11/10
1.2 Obligate all CFP 718 by 9/1/10	9/1/10	Camacho/Sogawa	CMS: CMS and FMO are working closely to identify the construction projects likely to comply with the obligation deadline CPO: On target - obligation due date is 6/12/10
1.3 Obligated at least 50% of CFP 719 by 9/1/10	9/1/10	Camacho/Sogawa	CMS: CMS and FMO are working closely to identify the construction projects likely to comply with the obligation deadline
1.4 Timely completion and submittal of P&E reports to HUD on a monthly basis	By 5 <sup>th</sup> of each month	FMO	FMO: Done
1.5 Completion of environmental review requirements by the time the PHA Plan for FY 2010-2011 is approved by HUD	7/1/10 for next FY's PHA Plan	Camacho	CMS: CMS has entered into negotiations with Helber Hastert & Fee Planners to generate environmental reviews for all Federally Subsidized Public Housing projects for said fiscal year
1.6 Establishment of a system to track and repair type "C" units		Camacho/.Fo	CMS: CMS retains a log for Type C unit identification, however, a formal tracking system with a construction respond element has not been established PMMSB: PMMSB is tracking requests sent to CMS since 8/2009. PMMSB checks that the unit is properly coded in the ECS? Discussed with CMS the creation of a system that will include monitoring unit to completion, which funds are set aside for the unit and the projected completion date
1.7 Hiring of program manager to assist with capital projects	Dependent on RIFs	CMS, CPO, FMO	CMS: No progress
<b>2.0 Demonstrate that HPHA is planning for the effective use of Capital Fund Program activities</b>			

2.1	Completion and submittal of a well thought out 5-year plan for the use of CFP for next fiscal year. (HPHA will meet with HUD staff in late October to discuss the specifics on the PHA Plan.)	3/1/10	CMS, CPO, FMO, PMMSB, PEO	CPO: Capital planning meetings conducted on a monthly basis; facilitated by CMS FMO: Done
2.2	Submission of all required documents to HUD, including ER, P&E, PHA Plan tables, etc. on time		PMMSB, CMS, CPO, FMO	
<b>3.0 Demonstrate that HPHA is effectively managing its procurement activities</b>				
3.1	Establishment of a 3 year rolling annual procurement plan which tracks routine maintenance and service contracts		ALL	
3.2	Submission of contracts to HUD early enough to allow no less than 10 business days review. (This applies in particular to PMMSB contracts.)	Ongoing	CPO, PMMSB, CMS	
3.3	Implementation of training plan for HPHA staff		CPO, PERS	PERS: CPO/PERS continues to identify procurement training for staff
3.4	Submission of complete packets when requesting HUD approval to contract (e.g., cost estimate, fee proposal, cost analysis, documentation of budget authority, etc.)	Ongoing	CMS, PMMSB, CPO	CMS: CMS staff is utilizing a HUD supplied checklist to identify and track required documentation CPO: Being done
<b>4.0 Demonstrate that HPHA is responsibly administering its contracts and ensuring compliance with the terms of the contract</b>				
4.1	Establishment of a monitoring plan for all AMPs and implementation of site visit monitoring		PMMSB	PMMSB: Monitoring established October 2008. Monitoring reports are being completed on a monthly basis for all privately managed AMPs. It was determined that the AMPs who needed the most improvement would be monitored on a monthly basis
4.2	Resolution of findings in the REAC inspections, including implementation of corrective action plan from previous REAC inspections		PMMSB, CMS	PMMSB: PMMSB is still implementing CAP from 2009. Monitoring needs to be done to determine that AMPs are complying with 2009 CAP
4.3	Resolution of monitoring findings from PMMSB monitors conducting site	Monthly	PMMSB	

visits			
4.4 Improvement in occupancy and rent collections		PMMSB	PMMSB: Ongoing. PMMSB continues to tweak the procedures and refine the process. The referral procedure from Applications to the AMPs has changed. The waiting period for verifications was also changed to speed up the process
4.5 Revision of property management contract to include terms which require the contractor to forfeit its management fees for failure to perform	Before next RFP process	PMMSB, CPO	
4.6 Completion of the procedures manual, which includes procedures for monitoring AMP staff /contractors.		PMMSB	PMMSB: Manual material is complete. The manual has to be compiled and formatted. Once staff is brought on board, the manual will be completed
<b>5.0 Demonstrate that HPHA has appropriate internal fiscal controls</b>			
5.1 Hire a CFMA and/ or Fiscal Officer (audit recommendations)	Dependent on RIFs	D. Wise/S. Befitel	
5.2 Perform internal assessment of missing controls and develop checklists to ensure monthly routines are completed timely. (audit recommendation)	6/1/2010	C. Itliong	
5.4 Production of monthly closing schedules with assigned accountabilities	6/1/2010	C. Itliong	
5.5 Implement audit routine to ensure effectiveness, including the timely review and approvals by appropriate personnel.			
<b>6.0 Demonstrate that HPHA can consistently produce accurate and timely financial reports and statements</b>			
6.1 Produce timely financial statements	6/15/2010	C. Itliong	
6.2 Monthly production of accurate financial statements for all AMPS	6/15/2010	C. Itliong	
6.3 Manage activity in the PIC so that HPHA can upload information for calculation of the operating subsidy on a timely basis	Ongoing	C. Itliong	FMO: Progressing
6.4 Full functioning general ledger and production of monthly reconciliations this will enable: -reliable monthly financial statements -Assets properly capitalized -Budget to Actual Comparisons	6/1/2010	C. Itliong	PMMSB: Reports are run on a week-to-week basis for recertification reporting
6.5 FDS submitted timely and correctly		C. Itliong	

<b>7.0 Demonstrate proper use of accounting standards and methods</b>			
7.1	Ensure Project Based Accounting is implemented with proper fee-for service-schedules	6/1/2010	C. Itliong
7.2	Project based accounting to be utilized for financial performance for all AMPs. This includes the allocation of costs from the COCC and proper classification of all expenses		
7.3	Convert all excel worksheets maintaining fixed assets to a properly classified and automated register utilizing the EmPHASys system.	6/1/2010	C. Itliong
7.4	Utilize the accrual method of accounting appropriately on accounts		
7.5	Transfer and classify assets properly		
<b>8.0 Demonstrate that HPHA has the hardware and network infrastructure in place to meet the needs of the staff</b>			
8.1	Continue to implement the upgrade of Emphasys Elite on a timely basis		
8.2	Maintain the computer network according to the ITO replacement plan	Per contract dates	ITO, S8, PMMSB  ITO: Still resolving minor issues with S8 & WL. Missing some automated letters, and WL data needs to be cleaned up. Phase two will not begin until after the large balance owed to Emphasys gets paid. Received training and attended meetings on the set up of the new Elite system
8.3	Ensure that staff are adequately trained on the computer upgrades	Ongoing replacement	ITO  ITO: Still need to set up 11 of the new computers
		Per contract terms	ITO, PERS  ITO: For some reason, training for automated letters was not done in phase one. Emphasys has offered to do this training (remotely) for free in early April, but we need S8 staff to review each of the letters installed in the system first. Letters for the Applications staff still needs to be created before they can be trained

**KPT TOWERS****SUMMARY OF SOURCES AND USES:****SOURCES**

TAX EXEMPT PERMANENT		36,848,000
FEDERAL LIHTC EQUITY @	0.75	30,324,204
STATE TAX CREDITS @	0.25	3,069,312
CITY GAP FUNDING		-
HPHA 2ND MORTGAGE LOAN (SELLERS NOTE)		43,541,057
OTHER: FEE REBATE		98,228
GAP/(SURPLUS)		(0)
<b>TOTAL SOURCES</b>		<b>113,880,801</b>

**USES**

<b>ACQUISITION</b>		<b>46,704,000</b>
HARD COSTS		38,920,000
HARD COST CONTINGENCY		3,892,000
DEMOLITION		250,000
<b>SUBTOTAL: HARD COSTS</b>		<b>43,062,000</b>
ARCHITECT/ENGINEER		2,395,200
PHASE 1 STUDY		20,000
SOIL BORINGS & ANALYSIS		20,000
SURVEYS		30,000
EA/EIA		483,000
APPRAISAL		5,000
MARKET STUDIES		5,000
LEGAL		235,000
COST CERTIFICATION/ ACCOUNTING		30,000
REAL ESTATE TAXES		-
PROPERTY INSURANCE		371,142
TITLE/ RECORDING		100,000
BOND ISSUER FEES		1,370,575
CONSTRUCTION INTEREST		9,805,000
TAX CREDIT STATE FEES		250,000
RELOCATION		556,000
FURNISHINGS		475,000
SOFT COST CONTINGENCY		-
<b>SUBTOTAL: SOFT COSTS</b>		<b>16,150,917</b>
AFFORDABILITY (ACC) RESERVE		1,835,808
ESCROWS		287,384
<b>SUBTOTAL: RESERVES AND ESCROWS</b>		<b>2,123,192</b>
<b>SUBTOTAL: HARD AND SOFT</b>		<b>108,040,109</b>
DEVELOPERS FEES (RETAINED)		5,840,692
<b>TOTAL DEVELOPMENT (PARTNERSHIP) COSTS</b>		<b>113,880,801</b>

**HAWAII PUBLIC HOUSING AUTHORITY  
STATE OF HAWAII**

In the Matter of	)	Case No. GR-10-006
	)	
HOSINO, Louis and Clarissa	)	DECISION
	)	
Appeal of Request for Reasonable Accommodation Denial	)	

**DECISION**

**Introduction**

On Thursday, May 6, 2010 at 1002 North School Street, Building "A" Conference Room Honolulu, Hawaii a grievance hearing was held. Present at the hearing were presiding Grievance Officer, Wanda Camara: Tenant, Ms. Clarissa Hosino, Ms. Gail Lee, AMP 35 Manager, Ms. Cynthia Yoshida, Deputy Manager; HPHA Compliance Officer, Steve Chang and Earl Nakaya HPHA – PMMSB Grievance Coordinator.

The hearing was held at the request of tenant, dated, March 3, 2010, to appeal the Request for Reasonable Accommodation Denial by HPHA.

**Jurisdiction**

Pursuant to Hawaii Administrative Rules 17-2020, Grievance Hearings Officer Wanda Camara is authorized to hear and determine by evidence whether the Tenant has violated any part of the Rental Agreement or whether the grievance issues brought up by the tenant have been addressed.

Having considered the documented and oral evidence and testimony of the parties and witnesses herein, the Grievance Hearing Officer makes the following Finding of Fact and Decision.