

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
April 21, 2011
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 Minutes, March 17, 2011
- B. Executive Session, March 17, 2011

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 Adopt Board Resolution No 44 Expressing Appreciation to Ms. Clarissa Hosino, Resident Representative on the Hawaii Public Housing Authority's Board of Directors
- B. Motion: To Recognize the Kawailehua E Mohala O Na Pu'u Resident Association as a Duly Elected Resident Association
- C. Motion: To Adopt Resolution No. 45 Authorizing the Executive Director to Execute Loan Documents for a Capital Funds Loan in an Amount Up to Three Million Nine Hundred Thousand Dollars and to Execute any and all Contracts and Required Legal Documents Related to the Mixed Finance Redevelopment Project at Kuhio Park Terrace And Kuhio Homes

- D. Motion: To Adopt Board Resolution No. 46 To Rescind the February 18, 2010 Delegation of Authority to the Executive Director to Solely Undertake All Actions Necessary to Execute an Energy Services Agreement (ESA) with Ameresco; 2) To Authorize the Payment in Full of Approximately \$151,000 to Ameresco For the Completed Energy Audit Under Contract No. CMS 08-38, dated November 18, 2009; 3) To Authorize the Solicitation and Procurement of a Qualified Consultant to Assist HPHA in Implementing the Energy Conservation Measures Pursuant to the Energy Audit

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 Energy Service Agreement.

V. REPORTS

- A. Reports as Requested by the Board Chair at the Regular Monthly Board Meeting on March 17, 2011
1. Operations Task Force Report on Concerns at Kalakaua Homes
 2. Finance Task Force Report on Single Audit Findings and Evaluation of Material Weakness of Internal Controls
- B. Executive Director and Staff Reports: March/April 2011 Status Report
1. Accomplishments/Highlights for the month of March 2011
 2. Planned Activities – Highlights for the months of March/April 2011
 3. Trends/Issues/Potential Risks
Report on Impact of Federal Shut Down
 4. Program Reports
 - a. Property Management Branch
 - b. Construction Management Branch
 - c. Fiscal Management Office
 - d. Contract and Procurement Office

VI. FOR DISCUSSION

- A. For Discussion: Discussion with Michael S. Flores, U.S. Department of Housing and Urban Development on the Annual Contributions Contract, Corrective Action Order, and Physical Inspection Scores Issued by the Real Estate Assessment Center

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the Annual Contributions Contract, Corrective Action Order, and Physical Inspection Scores

- B. For Discussion: Update and Status of the Mixed Finance Redevelopment at Kuhio Park Terrace (KPT) and Kuhio Homes with the Michaels Development Company
- C. For Information: Report on Oversight of Asset Management Project (AMP) Managers and Progress on Resolution of Real Estate Assessment Center (REAC) Findings
- D. For Information: Report on Currently Pending Legislative Measures for the Fiscal Biennium (FY2011-2013) Impacting the Hawaii Public Housing Authority
- E. For Discussion: Update on the Pending Action Against the Board of Water Supply for Damages from the Rock Fall at Kalihi Valley Homes

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the pending action against the Board of Water Supply

Meals will be served to the board members and support staff as an integral part of the board meeting.

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

**MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, MARCH 17, 2011
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, March 17, 2011 at 9:00 a.m.

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

PRESENT: Chairperson Travis Thompson
Director Sam Aiona
Director Rene Berthiaume
Director Sherrilee Dodson
Director Roger Godfrey
Director Patricia McManaman
Director Matilda Yoshioka

Denise Wise	Executive Director
Sandra Ching	Deputy Attorney General

EXCUSED: Vice-Chair Eric Beaver
Director Clarissa Hosino
Director Carol Ignacio

STAFF PRESENT: Barbara Arashiro	Executive Assistant
Clarence Allen	Fiscal Officer
Shirley Befitel	Personnel Supervisor
Nicholas Birck	Housing Planner
Joanna Chaves	Acting Public Housing Supervisor
Becky Choi	Acting State Housing Development Administrator
Stephanie Fo	Property Management and Maintenance Services Branch Chief
Gianna Guitron	Resident Services Program Specialist
Diane Johns	Property Management Specialist
Kiriko Oishi	Compliance Officer
Phyllis Ono	Property Management Specialist
Rick Sogawa	Contract and Procurement Officer
Taryn Chikamori	Secretary to the Board

OTHERS:	Wils Choy	KMH LLC
	Desiree Kihano	Palolo Valley Homes resident
	Jenny Lemota	KMH LLC
	Roland Lum	Kalakaua Homes resident
	Lois McKeon	Kalakaua Homes resident
	David Moakley	Ameresco
	Roy Nakamura	Kalakaua Homes resident
	Monique Ocampo	Nanakuli Homes resident
	Bonnie Ok	Kalakaua Homes resident
	Nora Oliphant	Kalakaua Homes resident
	Marie Pedro	Waimanalo Homes resident
	Roy Sasaki	Kalakaua Homes resident
	June Talia	Kuhio Park Terrace resident
	Yoshi Yamaguchi	Kalakaua Homes resident

Proceedings:

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Dodson to approve the minutes of the regular Board of Directors Meeting held on February 17, 2011 and it was seconded by Director Yoshioka.

The minutes were unanimously approved.

Public Testimony:

Ms. Nora Oliphant, Kalakaua Homes resident, stated she was waiting to hear from management regarding the move. She has left messages and her calls have not been returned and she is confused as to what to do.

Mr. Roy Nakamura, Kalakaua Homes resident, stated the tenant above him is noisy at all hours and management hasn't satisfactorily addressed the issue.

Ms. Desiree Kihano, Palolo Valley Homes resident, stated that at a recently held tenant meeting a last minute change of location by management impacted the turnout. She also stated that there is an unauthorized person living on the property and management, to her knowledge, has not dealt with the situation.

Ms. Monique Ocampo, Nanakuli Homes resident and Resident Advisory Board (RAB) President, provided comment on the HPHA's 5-year and Annual Plan. The RAB was okay with the closing of the waitlist, but would like to see a provision that the waitlist be reviewed at least every two years. The RAB would also like to see site based application wait lists.

June Talia, Kuhio Park Terrace Homes resident, stated that she will be stepping down from the Kuhio Park Terrace (KPT) Resident Association Board and RAB and that she believed with the efforts underway at KPT it's time for a new generation to step in.

Mr. George DeMello, Lanakila resident, submitted written testimony and it was entered into the record.

For Action:

Motion: To Recognize the Resident Association from Hale Aloha O Puna as a Duly Elected Resident Council.

Director Dodson moved and Director Aiona seconded.

Staff reported that this is a new Tenant Association Board on the island of Hawaii and that all newly formed tenant associations must be recognized by the HPHA Board of Directors.

The Chair requested that staff send a letter of congratulations to the newly formed association on behalf of the Board.

The motion was unanimously carried.

Motion: To Adopt Board Resolution No. 43 Pursuant to Section 11 -200-8(a) Hawaii Revised Statutes for the Mixed Finance Redevelopment at Kuhio Park Terrace.

Director Dodson moved and Director Berthiaume seconded.

Staff reported that in 1989, the then, Hawaii Housing Authority (HHA) was granted the ability to declare a self exemption for an environmental assessment, for a project if it met certain parameters. The Hawaii Public Housing Authority (HPHA) is currently declaring an exemption for the KPT redevelopment project under section 11-200-8(a) exemption class #2:

“replacement or reconstruction of existing structures and facilities where the new structure will be located generally on the same site and will have substantially the same purpose, capacity, density, height and dimensions as the structure replaced.”

Staff explained that this was a matter of housekeeping and although not required it would be prudent to provide notice to the public, in the event there were any comments.

No further questions were asked.

The motion was unanimously carried.

Motion: To Accept the Audited Financial Statements and Single Audit of the Hawaii Public Housing Authority as presented for Fiscal Year Beginning July 1, 2009 Ending June 30, 2010, including a Qualified Opinion.

Director Aiona moved and Director Yoshioka seconded.

Staff introduced Mr. Wils Choy and Mrs. Jenny Lemota from KMH, LLC. KMH, LLC, is the auditing firm conducting the single audit and audit of the financial statements for the HPHA. They were present to explain the status of the FY 2009/2010 HPHA agency audit.

Mr. Choy reported that the HPHA is required to submit the audited financial statements and the single audit to the U.S. Department of Housing and Urban Development (HUD) by March 31, 2011. Mr. Choy explained that this year with respect to the audited financial statements, in order to meet the March 31, 2011 deadline that the financial statement will be issued with a qualified, limited scope opinion. The qualified opinion is due to the delay by the Department of Accounting and General Services (DAGS) in providing audited figures for the Other Post Employment Benefits (OPEB) and the ARS: Auction Rate Securities - Investment Pool Write Down accounts. The figures being provided are unaudited estimates, therefore, KMH is unable to opine on them. As a result, KMH will be issuing a qualified, limited scope opinion. This is also an issue for other State agencies.

The HPHA has concluded it would be prudent to meet the submission deadline rather than wait for the audited accounts from the State. Depending on the material nature of the final audited figures from the State the HPHA may resubmit the financial statements and single audit with adjustments to follow.

The Board asked Mr. Choy whether there had been improvement from the prior year and if in his observations he noted a better understanding by staff of the critical nature of the accounting function. Mr. Choy stated that this was the first time since KMH had been conducting the audits that the Executive Director understood and was able to identify the issues and what needed to be done. He also stated that the new Fiscal Officer understood what was required and was able to make the adjustments that were needed. He couched his comments by saying that these were very hopeful signs for the HPHA.

He also commented that most of the findings under the programmatic area of the audit were repeat findings. Due to transitions and staff changes, the findings had not been thoroughly addressed.

Mr. Choy stated that the financials were fine. Given the influx of capital dollars, that there was an auditable trail as the incoming dollars could be tracked to a project.

The Board questioned staff as to how the findings were being addressed. Staff responded that the findings were being categorized and the responsible parties for addressing the findings were identified and that action plans were being developed by the responsible parties to ensure that it was addressed with actionable dates.

Chairperson Thompson asked the Financial Task Force which includes Director Beaver, Chairperson Thompson, and Director Godfrey to meet and review the list and report back at the April Board meeting.

The motion was unanimously carried.

Motion: To Authorize the Executive Director to Undertake all Actions Necessary to Publish the HPHA's Audit and File the Audit to the U.S. Department of Housing and Urban Development and the Single Audit Clearing house Prior to the March 31, 2011 Deadline.

Director Aiona moved and Director Dodson seconded.

Chairperson Thompson asked that staff submit the audit on time to HUD.

The motion was unanimously carried.

Motion: To Authorize the Executive Director to Reissue the Audited Financial Statements and Single Audit of the Hawaii Public Housing Authority Upon Issuance of Final Figures for Other Post Employment Benefits and ARS: Auction Rate Securities - Investment Pool Write Down from the Department of Accounting and General Services, Subject to the Review of the Board's Finance Task Force.

Director Dodson moved and Director Aiona seconded.

Mr. Choy reaffirmed his earlier statements that the other post employment benefits (OPEB) adjustments from DAGS are delayed.

The motion was unanimously carried.

Chairperson Thompson called a recess at 10:13 a.m. and reconvened at 10:24 a.m.

Motion: To Adopt the Hawaii Public Housing Authority's Five Year and Annual Plan for Fiscal Years Beginning July 1, 2011 and to Authorize the Executive Director to Undertake All Actions Necessary to Complete the Submission to the U.S. Department of Housing and Urban Development.

Director Yoshioka moved and Director Aiona seconded.

Staff reported the PHA plan is due to HUD by April 15, 2011. The HPHA held public hearings in February; although, because of a scheduling conflict the HPHA has rescheduled the public hearing for Kona. Staff reported that due to confusion the Kona location was moved at the last minute. The HPHA believed that the notice given for the location change was not sufficient to provide stakeholders with the opportunity to comment. Therefore, the public hearing for Kona is rescheduled for April 12th.

Staff reported that there were three stakeholders who attended the Oahu public hearing and that there were no stakeholders who attended the Maui or Kauai hearings.

Board questioned staff on methods that could increase participation/attendance on these critical hearings. Staff responded that for next year, not only will the HPHA run the requisite hearing notice in the papers for the period time required, but they will also try and run the announcement a second time just prior to hearings. It has also been included in the rent inserts that go out to the tenants as well.

Director Dodson asked if the HPHA will be closing the waitlist and re-evaluating the list after two years. Staff reported that as written in the PHA plan the HPHA will close the waitlist. It may reopen the waitlist when the list meets a pre-determined threshold but the Board may make changes. The current waitlist for public housing has over 9,700 households. The waitlist may reopen using various criteria. For example, should the waitlist drop to below 1,500 it may reopen and/or it may reopen as a result of having certain unit types available. The waitlist is purged annually to update it, by virtue of the purging process; the HPHA scales the list every year.

Director Aiona requested that the plan be changed to say the HPHA will re-evaluate the waitlist at minimum every two years. This is in keeping with the RAB's comments.

The motion was unanimously carried.

Motion: To Authorize the Executive Director to Submit a Request to the Legislature for Operating Subsidy for the State Family Public Housing and State Elders Program.

Director Dodson moved and Director Aiona seconded.

Staff reported that the HPHA would like to ask the Legislature for subsidy for State Family public housing and the State Elders program. The HPHA will most likely not receive subsidy funds but would like to use this opportunity to educate the Legislature. This is in keeping with making the State owned units self-sufficient.

The motion was unanimously carried.

Motion: To go into executive session at 10:35 a.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the pre-determination settlement agreement.

Director Dodson moved and Director Yoshioka seconded.

Director McManaman recused herself from all proceeding regarding the Pierre, et al. v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority (HCRC No. RE-O-0852; HUD No. 09-10-0127-8) at 10:35 a.m. She left the room for the discussion.

The motion was unanimously carried with the recusal of Director McManaman.

The Board reconvened from Executive Session at 10:52 a.m.

Chairperson Thompson reported that the Board made a motion to discuss:

Motion: To Authorize the Executive Director to Execute a Pre-Determination Settlement in Pierre, et al. v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority (HCRC No. RE-O-0852; HUD No. 09-10-0127-8).

The motion was unanimously carried with the recusal of Director McManaman.

Board Task Force Report:

The Board discussed the REAC scores. Staff reported that a failing score is 60 and below. Staff also reported that all C – life threatening health and safety deficiencies were immediately rectified.

Staff reported that there is a big difference between the 2009 and 2010 scores because REAC and the HPHA feel that the 2009 scores were misrepresented. The recent sets of scores were actually conducted by REAC-HUD staff. Typically, REAC inspections are put on a bid list and approved contractors bid for the inspections. Based on the bid the contractor may be awarded the bid to conduct the REAC inspections. As a result of prior inspections the HPHA registered concern with the REAC-HUD staff. Therefore, the last set of REAC inspections were performed by HUD staff not contractors. The analyses by the HUD staff inspectors were that it was not possible to perform complete inspections based on the time it took them to complete the current inspections. They were surprised by the previous inspections and what those inspectors reported in the time it took to complete; therefore the discrepancy between last year's inspection and the current inspection. The properties could not have "nose-dived" in less than 12 months.

Board questioned staff as to the most common type of inspection issues. Staff responded that it is often smoke detectors and broken or missing cover plates. These are often tenant caused and fixed immediately. Anything identified as a health, safety, and welfare issue was repaired immediately.

Board questioned staff as to annual inspections conducted and whether or not some if not all should have been identified and rectified at that time. Staff responded that in fact annual inspections are conducted and when issues are noted they are repaired. However, staff also responded that at times there is a disconnect between staff in conducting the inspections and reporting the repairs. Staff is working with AMP managers to refine that process and ensure that repairs are reported and made.

Staff is devising several processes to address the REAC scores as fully as possible. There are several factors to consider and the roll out of the programs commences this month. It is anticipated by implementing quality control standards with follow-up that the inspections can be improved. However, there is a caveat in that some of the REAC findings included issues of spalling which are capital improvements that have been scheduled but given funding, may be scheduled in another 24 months, thereby possibly being a repeat in the upcoming REAC inspections.

Director Aiona asked that staff provide a report monthly on repair of the deficiencies.

Executive Director's Report:

Staff reported that the HPHA was required to expend 60% of the ARRA funds by March 1, 2011 and as of February the HPHA has expended 71% of the ARRA funds.

Staff reported that the HPHA received the 719 and 720 funds which need to be obligated by June 2011. These funds are from 2009 and 2010 but were just released by the Governor.

Director McManaman asked the HPHA to identify ways that the procurement process could be more streamlined and to work with the State Procurement Office (SPO) to identify ways to match the needs of the HPHA and its tenants, given the nature of our business.

The Board discussed the United Public Workers (UPW) and Hawaii Government Employee Association (HGEA) settlement agreement that basically lifted the furloughs for these represented employees and the compensatory time that was included in the settlement agreement. The fiscal impact was discussed by the Board.

Staff reported that a contractor for the Mayor Wright Homes (MWH) hot water gas-fired tankless back up systems was selected. Currently, the HPHA was awaiting all the submittals from the contractor. Once received and reviewed a Notice to Proceed (NTP) will be issued and project should be completed within 120 days.

Chairperson Thompson asked that Director Aiona, Director Berthiaume and Director Hosino be on a task force to look into the situation at Kalakaua Homes. Some of the issues are common areas, community room usage and management issues.

Chairperson Thompson also asked that Director Dodson and Director Aiona be on a New Board Members Orientation task force.

Chairperson Thompson announced that Director Hosino will be resigning from the Board; her last meeting will be June 2011.

Staff reported that the HPHA received no damage from the tsunami.

Discussion:

Discussion: Update and Status of the Mixed Finance Redevelopment at Kuhio Park Terrace (KPT) and Kuhio Homes with the Michaels Development Company.

Staff reported that the closing date for the KPT has been moved to April 14, 2011 because of the lenders. The master development agreement has still not been negotiated and HUD is still reviewing the evidentiaries. The HPHA is in the process of separating the KPT and Kuhio Homes files because Kuhio Homes will still be under the HPHA management.

Chairperson Thompson asked if the HPHA is looking for an owners representative. Staff reported the request for proposal (RFP) will be issued shortly.

Director McManaman reported that the Governor is going ahead with bonding of the KPT project.

Discussion: Currently Pending Legislative Measures for the Fiscal Biennium (FY2011-2013) Impacting the Hawaii Public Housing Authority.

The Board discussed HB 200-budget bill and was updated on other bills still in the legislature.

Motion: To go into executive session at 12:06 p.m. pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the energy performance contract.

Director Dodson moved and Director Aiona seconded.

The motion was unanimously carried.

The Board reconvened from Executive Session at 12:43 p.m.

Chairperson Thompson reported that the Board discussed the energy performance contract.

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn.

Director Dodson, moved to adjourn and Director Berthiaume seconded.

The motion was unanimously carried.

The meeting adjourned at 12:44 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:

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

APR 21 2011
Date

Approved by the HPHA Board of Directors at their Regular Meeting on
April 21, 2011

Matilda Yoshioka
Matilda Yoshioka
Director/Board Secretary

APR 21 2011
Date

FOR ACTION

MOTION: To Adopt Board Resolution No. 44 Expressing Appreciation to Ms. Clarissa Hosino, Resident Representative on the Hawaii Public Housing Authority's Board of Directors

I. FACTS

- A. Ms. Clarissa Hosino is the Resident Representative on the Hawaii Public Housing Authority's Board of Directors; and
- B. In her capacity as Board Member, Ms. Hosino was responsible to work for the families in public housing and the section 8 program and represent their interests at the Board of Directors meeting.

II. DISCUSSION

- A. Ms. Hosino has tendered her resignation from the Board of Directors effective April 30, 2011.

III. RECOMMENDATION

That the Board of Directors Adopt Board Resolution No. 44 Expressing Appreciation to Ms. Clarissa Hosino, Resident Representative on the Hawaii Public Housing Authority's Board of Directors

Prepared by: Barbara E. Arashiro, Executive Assistant 


Travis O. Thompson, Chair

RESOLUTION NO. 44

EXPRESSING APPRECIATION TO MS. CLARISSA HOSINO

WHEREAS, Ms. Clarissa Hosino is the Resident Representative on the Hawaii Public Housing Authority (HPHA) Board of Directors; and

WHEREAS, Ms. Hosino also served as an officer on the Resident Advisory Board (RAB) and her Resident Association for her community at Kalanihua;

WHEREAS, Ms. Hosino worked tirelessly to improve services and programs for the families in the HPHA's programs;

WHEREAS, Ms. Hosino maintained effective communication regarding the needs of low income families with the HPHA's Board of Directors, the Office of the Executive Director, the Hawaii State Legislature, and the U.S. Department of Housing and Urban Development; and

WHEREAS, Ms. Hosino has been instrumental in resolving tenant conflicts and assisting in improving working relationships between tenants and between tenants and their management staff; and

WHEREAS, in her role as a Board member, Ms. Hosino regularly attended meetings with various resident associations across the State and actively worked to encourage the formation of resident associations; and

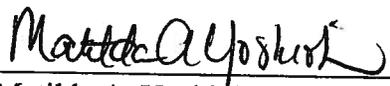
WHEREAS, the HPHA's Board of Directors hold Ms. Hosino in the highest personal regard.

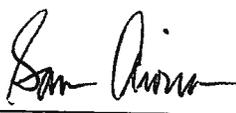
NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 44 Expressing Appreciation to Ms. Clarissa Hosino on this 21st day of April 2011;

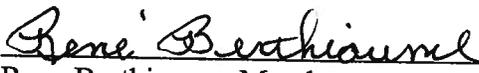
AND, BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Ms. Clarissa Hosino reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.

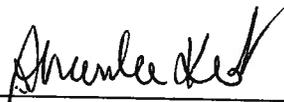

Travis O. Thompson, Chairperson

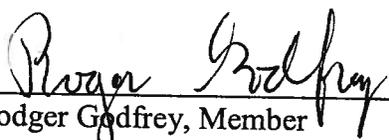

R. Eric H. Beaver, Vice Chair

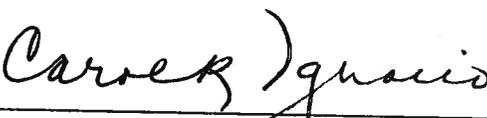

Matilda A. Yoshio, Secretary


Sam Aiona, Member


Rene Berthiaume, Member


Sherrilee K. Dodson, Member


Rodger Godfrey, Member


Carol R. Ignacio, Member


Patricia McManaman, Member


Debbie Shimizu, Member

April 21, 2011

FOR ACTION

MOTION: To Recognize the Kawailehua E Mohala O Na Pu'u Resident Association as a Duly Elected Resident Association Pursuant to Volume 24 CFR Part 964

I. FACTS

- A. Kawailehua is a twenty-five (25) unit federal public housing complex located in Koloa, Kauai. Pursuant to Board Resolution No. 31, Federal housing sites must comply with the policies for formal recognition by the HPHA Board of Directors.
- B. Public Housing Agencies have been mandated by Congress to comply with certain provisions under the Quality Housing and Work Responsibility Act of 1998. In addition, the U.S. Department of Housing and Urban Development has promulgated federal regulations governing resident councils and the election of a governing board of resident councils under volume 24 Code of Federal Regulations part 964.

II. DISCUSSION

- A. On November 5, 2009, the Kawailehua E Mohala O Na Pu'u Resident Association conducted their elections along with the AMP 38 Manager and staff who oversaw the elections. Mercy Labrador, Queen Lili'uokalani Children's Center was the independent 3rd party observer and verified that the process was fair and impartial.
- B. On December 2009, the Kawailehua E Mohala O Na Pu'u Resident Association held a tenant meeting to adopt the new association's by-laws. The by-laws were adopted by majority of members that attended the meetings.
- C. Since December 2009, the Kawailehua E Mohala O Na Pu'u Resident Association has been working with AMP 38 management to comply with federal requirements in volume 24 Code of Federal Regulations part 964 *Tenant Participation and Tenant Opportunities in Public Housing*.
- D. The Property Management and Maintenance Services Branch has reviewed all submitted documents in conjunction with volume 24 Code of Federal Regulations, Part 964.

013

Review of the documents indicates the following:

1. Kawailehua E Mohala O Na Pu'u Resident Association's By-Laws conformed to 24 CFR 964.
2. Officers of the Kawailehua E Mohala O Na Pu'u Resident Association elected board officers are:

President	Mr. Joseph Kaneholani
Vice President	Mr. Kale Makua
Secretary	Ms. Christy Fujimori
Treasurer	Ms. Tina Koslowski
Sgt. of Arms	Mr. Joseph Kanahale
3. All elected officers are deemed to be tenants in good standing, as reported by the AMP 38 management office.

E. The following documents are on file and available for review:

1. Certification of Election Results; and
2. Kawailehua E Mohala O Na Pu'u Resident Association By-Laws

III. RECOMMENDATION:

That the HPHA Board of Directors recognize the Kawailehua E Mohala O Na Pu'u Resident Association as a duly elected resident association pursuant to volume 24 CFR part 964.

Prepared by: Earl Nakaya, Program Specialist EN

Reviewed by: Stephanie Fo, PMMSB Chief SF

Adopted:



Travis O. Thompson
Chair

Certificate of Recognition

**Kawailehua E Mohala O Na Pu`u Resident Association
April 21, 2011**

Has met all the requirements of the U. S. Department of Housing and Urban Development under Volume 24 Code of Federal Regulations, "Tenant Participation and Tenant Opportunities in Public Housing" and is in conformance with the Hawaii Public Housing Authority, Board Resolution No. 31, and "Policy on Official Recognition of a Resident Association". Pursuant to their by-laws, Kawailehua E Mohala O Na Pu`u Resident Association has duly elected new officers as of December 22, 2010. Therefore, be it known that the Hawaii Public Housing Authority Board of Directors hereby acknowledge and recognize the newly elected Kawailehua E Mohala O Na Pu`u Resident Association officers as the representative resident council.



Travis O. Thompson
Chairman



Denise M. Wise
Executive Director

FOR ACTION

SUBJECT: To Adopt Resolution No. 45 Authorizing the Executive Director to Execute Loan Documents for a Capital Funds Loan in an Amount Up to Three Million Nine Hundred Thousand Dollars and to Execute any and all Contracts and Required Legal Documents Related to the Mixed Finance Redevelopment Project at Kuhio Park Terrace And Kuhio Homes

I. FACTS

A. Item forthcoming

Prepared by: Taryn Chikamori, Secretary to the Board *sv*

FOR ACTION

MOTION: ~~1) To Rescind the February 18, 2010 Delegation of Authority to the Executive Director to Solely Undertake All Actions Necessary to Execute an Energy Services Agreement (ESA) with Ameresco; 2) To Authorize the Payment in Full of Approximately \$151,000 to Ameresco for the Completed Energy Audit under Contract No. CMS 08-38, dated November 18, 2009; 3) To Authorize the Solicitation and Procurement of a Qualified Consultant to Assist the Hawaii Public Housing Authority in Implementing the Energy Conservation Measures Pursuant to the Energy Audit.~~

To Authorize the Solicitation and Procurement of a Qualified Consultant to Assit the Public Housing in Implementing the Energy Conservation Measures Pursuant to the Energy Audit

I. Facts

- A. On November 21, 2008, following authorized solicitation and procurement, HPHA executed a Contract, No. CMS 08-38, ("Contract") for approximately \$151,000 with Ameresco/Pacific Energy JV ("Ameresco") to conduct an Energy Audit of all federally funded housing projects, which included recommendations for energy conservation measures. (Attachment "1")
- B. On October 19, 2009, the HPHA Board accepted the Energy Audit Report and the recommended energy conservation measures in the Report and authorized then executive director, Chad Taniguchi, to initiate negotiations with Ameresco regarding the scope for a possible Energy Services Agreement ("ESA") to implement the recommended energy conservation measures.
- C. Under the terms of the Contract, the \$151,000 audit cost could either be: 1) folded into the cost of any ESA executed between HPHA and Ameresco; or 2) paid by HPHA if no ESA was finalized with Ameresco.
- D. Between October 19, 2009 and December 31, 2009, although discussions were held between the executive director, Department of Budget and Finance staff ("B&F"), Ameresco representatives, and the Department of the Attorney General, regarding an ESA arrangement and its financing, no ESA agreement or its financing was reached with Ameresco before the executive director's term of office expired on December 31, 2009.

- E. On February 18, 2010, the HPHA Board authorized the “Executive Director to proceed with the proposed energy conservation measures and to undertake all steps necessary to execute an energy services agreement with Ameresco.” (Attachment “2”). Barbara Arashiro, executive assistant, was Acting Executive Director at this time, and Denise Wise commenced as Executive Director on March 1, 2010.

II. Discussion

(Part of the discussion may be held in executive session, pursuant to section 91-4(a)(5), H.R.S., to discuss legal issues with the Board’s attorneys)

- A. Since March 1, 2010, circumstances have changed substantially which could affect the contemplated scope of work of any ESA, its financing, and any energy cost savings to HPHA, including the exclusion of Kuhio Park Terrace from the Energy Audit due to the proposed mixed-use modernization with Michaels Development Company; the exclusion of Mayor Wright Homes; and the State’s continued economic fragility.
- B. Any ESA and its financing is required to be approved by B&F and the Attorney General’s office under chapter 37D. H.R.S., and therefore, HPHA does not have unilateral authority to execute a final ESA.
- C. Because of the changed circumstances, it is recommended that HPHA retain a consultant to assist it in implementing any conservation measures, review proposals for any ESA, or draft the specifications for any ESA.
- D. In doing so, HPHA should pay Ameresco the \$151,000 under its Contract for the Energy Audit.

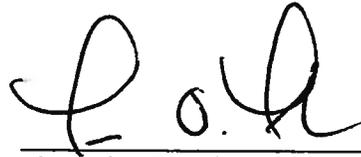
III. Recommendation

That the Hawaii Public Housing Authority Board of Directors:

- 1) Rescind the February 18, 2010 Delegation of Authority to the Executive Director to Solely Undertake All Actions Necessary to Execute an Energy Services Agreement (ESA) with Ameresco;
- 2) Authorize the Payment in Full of Approximately \$151,000 to Ameresco For the Completed Energy Audit Under Contract No. CMS 08-38, dated November 18, 2009; and

3) Authorize the Solicitation and Procurement of a Qualified Consultant to Assist the Hawaii Public Housing Authority in Implementing the Energy Conservation Measures Pursuant to the Energy Audit

Prepared by: Denise M. Wise, Executive Director 



Travis O. Thompson, Chair



STATE OF HAWAII

CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

This Contract, executed on the respective dates indicated below, is effective as of
NOV 21 2008, between Hawaii Public Housing Authority (HPHA),
State of Hawaii ("STATE"), by its Executive Assistant,
(hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")),
whose address is 1002 North School Street, Post Office Box 17907, Honolulu, Hawaii 96817
and Ameresco/Pacific Energy JV
("CONTRACTOR"), a Partnership
under the laws of the State of Hawaii, whose business address and federal
and state taxpayer identification numbers are as follows: 111 Speen Street, Suite 410 Framingham,
MA 01701 Tax ID #26-3110382

RECITALS

- A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.
B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.
C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").
D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.
E. Pursuant to Section 356D-4, HRS, the STATE is authorized to enter into this Contract.
F. Money is available to fund this Contract pursuant to:

(1) N/A
(Identify state sources)
or (2) Capital Fund Program
(Identify federal sources)
or both, in the following amounts: State \$ 0.00
Federal \$ 151,436.00

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

- 1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number CMS 2008-02 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), both of which, even if not physically attached to this Contract, are made a part of this Contract.
2. Compensation. The CONTRACTOR shall be compensated for goods supplied

020

or services performed, or _____, under this Contract in a total amount not to exceed
One Hundred Fifty One Thousand Four Hundred Thirty Six and No/100 _____ DOLLARS
(\$ 151,436.00), including approved costs incurred and taxes, at the time and in the manner set
forth in the RFP and CONTRACTOR'S Proposal.

3. Time of Performance. The services or goods required of the CONTRACTOR
under this Contract shall be performed and completed in accordance with the Time of Performance set
forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR is required to provide or is not required to
provide: a performance bond, a payment bond, a performance and payment bond in the
amount of _____ DOLLARS (\$ _____).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the
CONTRACTOR is attached to and made a part of this Contract.

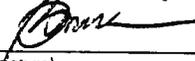
6. Other Terms and Conditions. The General Conditions and any Special
Conditions are attached to and made a part of this Contract. In the event of a conflict between the
General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a
conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including
all attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of
0.00 _____ DOLLARS
(\$ 0.00) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract
shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to
the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the
CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall
be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever
is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of
address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the
dates below, to be effective as of the date first above written.

STATE



(Signature)

Barbara E. Arashiro

(Print Name)

Executive Assistant

(Print Title)

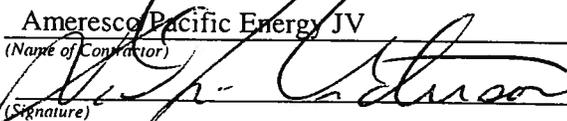
NOV 21 2008

(Date)

CONTRACTOR

Ameresco Pacific Energy JV

(Name of Contractor)



(Signature)

David J. Anderson

(Print Name)

Executive Vice President

(Print Title)

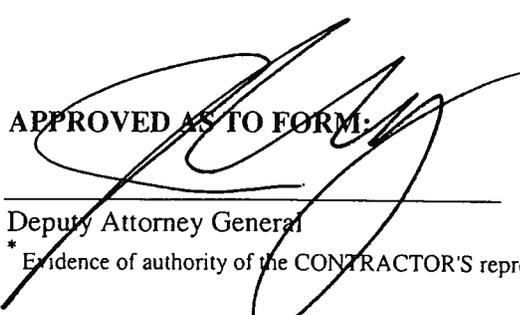
November 20, 2008

(Date)

CORPORATE SEAL

(If available)

APPROVED AS TO FORM:



Deputy Attorney General

* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



STATE OF HAWAII

CONTRACTOR'S ACKNOWLEDGMENT

STATE OF Massachusetts)
) SS.
Middlesex COUNTY OF _____)

On this 20th day of November, 2008 before me appeared
David J. Anderson and _____, to me
known, to be the person(s) described in and, who, being by me duly sworn, did say that he/she/they is/are
Executive Vice President and _____ of
Ameresco/Pacific Energy JV, the
CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said
instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said
instrument as the free act and deed of the CONTRACTOR.

(Notary Stamp or Seal)

(Signature)
David J. Anderson
(Print Name)

Notary Public, State of MA
My commission expires: October 11, 2013

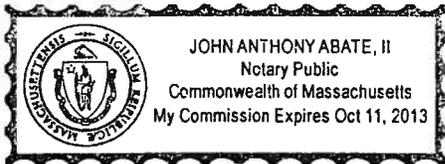
Doc. Date: NOVEMBER 20, 2008 # Pages: 43

Notary Name: JOHN ABATE Circuit

Doc. Description: HPHA JOB NO. 07-243-000-F

(Signature)
Notary Signature Date 11-20-08

NOTARY CERTIFICATION





STATE OF HAWAII

CONTRACTOR'S STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of Ameresco/Pacific Energy JV, CONTRACTOR, the undersigned does declare as follows:

- 1. CONTRACTOR [] is * [X] is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. CONTRACTOR has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. CONTRACTOR has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

CONTRACTOR understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

* Reminder to Agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACTOR

By [Signature] (Signature)

Print Name David J. Anderson

Print Title Executive Vice President

Name of Contractor Ameresco/Pacific Energy JV

Date November 20, 2008



STATE OF HAWAII

SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State wide), Hawaii

Job No.: HPHA Job No. 07-043-000-F

The HPHA desires to participate in a utility savings program as permitted pursuant to the regulations providing incentives for energy conservation, which appear in Parts 965 and 990 of title 24 of the CODE OF FEDERAL REGULATIONS, as amended, by the United States Department of Housing and Urban Development (“HUD”);

The CONTRACTOR and the HPHA agree that a utility savings program can only be accomplished by first performing an investment grade Energy Audit to determine the potential for utility savings, the approximate cost of the energy conservation measures necessary to achieve these savings, and a cash flow projection indicating the overall financial and programmatic effects of the utility savings program.

The CONTRACTOR will conduct an investment grade Energy Audit of the Facilities consisting of engineering analyses and written reports in conformance with the Scope of Work as set forth in section A.1 below. The analyses will validate utility-related billing and operating data and site and equipment conditions for the Facilities. The analyses will also include estimates of the installation costs and utility cost savings related to a proposed utility savings program.

A. SCOPE OF ENERGY AUDIT. The scope of the investment grade Energy Audit of the Facilities will be as follows:

1. The CONTRACTOR will examine the existing building envelope, mechanical, electrical, lighting, plumbing and control systems within the Facilities, in order to determine the potential for energy and water related improvements and associated consumption and cost savings. The CONTRACTOR shall be solely responsible to verify the building envelope, mechanical, electrical, lighting, plumbing, and control systems and shall not rely solely on building and equipment records provided by the HPHA. The CONTRACTOR will supplement its field examination by using HPHA-provided building and equipment records as described in Section A.2 below. The CONTRACTOR will begin to examine the Facilities as outlined below, within thirty (30) days of receipt of all of the utility consumption and cost data specified in Section A.2. The Scope of Work will be performed by the project and engineering staff identified in the Proposal or substitute personnel approved by the HPHA.

The CONTRACTOR will inspect no less than ten percent (10%) of the dwelling units at the Facilities, and all of the Administrative, Maintenance, Laundry, and Community Buildings or spaces that are eligible for inclusion under 24 CFR 990. Based upon this inspection, the CONTRACTOR will compile and deliver to the HPHA a written description of the existing electrical, plumbing, HVAC and other energy and water consuming systems, as well as building shell systems. The CONTRACTOR'S on-site inspection will, at a minimum, include a review of the



STATE OF HAWAII

SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State wide), Hawaii

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existing equipment and systems, such as those listed below, to determine the potential for energy and water conservation measures (“ECMs”) at each Facility listed above.

- Heating, heat distribution systems, associated piping, and insulation;
- Cooling and cooling distribution systems and related equipment;
- Apartment temperature controls and other energy-related control systems;
- Ventilation systems, exhaust systems, and related equipment;
- Domestic hot and cold water systems;
- Electric motors, transmission and drive systems;
- Interior and exterior lighting;
- Apartment appliances; and
- Building shell systems, including insulation, windows and doors.

The CONTRACTOR will provide the following information for each Facility in its investment grade Energy Audit Report:

- For heating, cooling, and hot water equipment, equipment types (e.g., space heater, window AC, centralized), description of distribution systems, locations, approximate age, condition, efficiency, and available nameplate information;
- For apartment temperature controls and other energy-related control systems, types of existing controls (if any) and status of condition or use;
- For window systems, window types, condition, and U-value and shading factors;
- For envelope systems, such as walls, ceilings, and floors, data on assembly components and insulating values. Estimated natural infiltration rates and mechanical ventilation rates will be provided for all Facilities;
- For lighting, fixture types, lamp/ballast types, counts, wattage, voltage/current, and location;
- Description of ventilation systems and equipment;
- For potable water systems, information on the existing infrastructure and plumbing fixtures;
- Types of apartment appliances, including refrigerator makes, model numbers, and rated energy consumption;
- For utility delivery, tables listing utility type, account numbers, payment type (by agency or tenant), and current rate schedule.



STATE OF HAWAII SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State wide), Hawaii

Job No.: HPHA Job No. 07-043-000-F

The investment grade Energy Audit Report shall include, at a minimum, the following:

- Executive Summary;
 - Baseline Development;
 - Energy Conservation Measures;
 - Long Term Services;
 - Existing Site Conditions Reports; and
 - Attachments.
2. The CONTRACTOR will assess historic utility records, which will be provided by the HPHA and/or its utility providers (provided the HPHA provides consent to the CONTRACTOR to access such providers):

For the “HPHA-paid” utilities, the CONTRACTOR will analyze not less than three (3) years of HPHA-provided historic monthly meter and account information; will approximate monthly master-metered usage by major end use; and will normalize weather-sensitive data for degree days to create a workable “Base Line” of utility usage. The CONTRACTOR will provide an analysis of utility consumption patterns, trends, benchmarks for all end-uses. For the “tenant-paid” utilities, if applicable, the CONTRACTOR will analyze HPHA-provided utility data, to the extent available, to determine whether utility usage assigned in the current tenant allowances is consistent with sample tenant use, for incorporation within the Base Line.

3. The CONTRACTOR will conduct interviews with the HPHA's maintenance and management staff, residents, as well as local utility company personnel in an effort to acquire information on the operating characteristics of the existing equipment and systems, the HPHA's goals for system improvements, and approximate future utility service provision and rate schedules.
4. The CONTRACTOR will perform a utility rate analysis for verified pre- and estimated post-retrofit usage to identify impacts of conservation on delivered costs to the HPHA.
5. The CONTRACTOR will determine the feasibility of and develop recommendations for, a long-term, utility-saving program including the following comprehensive energy services for the HPHA's Facilities:
- a. the design, selection and installation of energy and water efficient equipment and systems;



STATE OF HAWAII SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State wide), Hawaii

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- b. maintenance and service obligations for the newly-installed systems and equipment for the term of any CONTRACTOR-proposed long-term program or contract;
- c. the maintenance or improvement of current levels of comfort and service conditions;
- d. the possibility of arranging project financing, and the matters involved in successfully securing same, including, but not limited to: approximate current total utility use and cost; approximate capital costs to install utility-saving equipment and systems; approximate annualized program costs, including debt service and service fees; gross projected utility consumption and cost savings; approximate utility demand-side management (“DSM”) funding available for work at the Facilities; and projected utility cost savings net of program costs. If applicable, the savings analyses will include the impact on the current tenant utility allowances provided by the HPHA.

6. The CONTRACTOR shall provide the following:

- a. Preliminary Energy Audit Report
 - Submit four (4) copies to the HPHA for review.
- b. Final Energy Audit Report
 - Four (4) “hard copies” of report.
 - Digital Files: One (1) CD in electronic format (suitable for printing) of report.
- c. A minimum of three oral presentations.

B. ENERGY SERVICES AGREEMENT. The HPHA and the CONTRACTOR will use the investment grade Energy Audit to consider the development of an Energy Services Agreement (“ESA”) under the terms of which, the CONTRACTOR would design, install, arrange financing and provide certain annual services, such as monitoring, equipment inspections, and resident education on the energy conservation measures and the equipment in a manner substantially similar to that included in the CONTRACTOR’s response to the HPHA’s RFP. Any ESA, if considered by the HPHA, will be by a separate written instrument. Nothing in this Contract will obligate the HPHA to enter into such an ESA. The ESA will also include a guarantee of savings, in such form and with such risk protections as are mutually agreed, resulting from the installation of said equipment which, at a minimum, will allow the HPHA to cover debt and annual program costs incurred as a result of the installation of said equipment.



STATE OF HAWAII

SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State wide), Hawaii

Job No.: HPHA Job No. 07-043-000-F

C. RESPONSIBILITIES

1. CONTRACTOR's Responsibilities

- a. The CONTRACTOR shall provide the HPHA with an investment grade Energy Audit consisting of engineering analyses and reports in conformance with Attachment S1 Scope of Work.
- b. All Additional Services not already expressly required by this Contract shall be agreed to through either a written addendum or supplemental contract to this Contract. ~~Additional Services are those services provided by the CONTRACTOR on the Project for the HPHA that are not defined in the Scope of Work or otherwise required to be performed by the CONTRACTOR under this Contract. They include major revisions in the Scope of Work due to causes beyond the control of the CONTRACTOR and not due to any errors, omissions, or failures on the part of the CONTRACTOR to carry out obligations otherwise set out in this Contract.~~
- c. The CONTRACTOR shall be responsible for the professional quality, technical accuracy, and coordination of all designs, drawings, specifications, and other services, furnished by the CONTRACTOR under this Contract. The HPHA's review, approval, acceptance of, or payment for the CONTRACTOR's services shall not be construed as a waiver of any rights under this Contract or of any cause of action for damages caused by CONTRACTOR's willful and negligent performance under this Contract. Furthermore, this Contract does not restrict or limit any rights or remedies otherwise afforded the HPHA or CONTRACTOR by law.
- d. The CONTRACTOR shall perform services that conform to all applicable Federal, State and local laws, codes, ordinances and regulations except as modified by any waivers which may be obtained with the approval of the HPHA. The CONTRACTOR, however, is obligated to notify the HPHA of all significant code or regulatory changes within sixty (60) days of their change, and such notification shall be required in order for the CONTRACTOR to be entitled to any additional compensation or reimbursement.



STATE OF HAWAII SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State wide), Hawaii

Job No.: HPHA Job No. 07-043-000-F

2. The HPHA's Responsibilities

- a. The HPHA shall provide information regarding requirements for the project, including a program that shall set forth the HPHA's objectives and schedule. The CONTRACTOR, however, shall be responsible to ascertain and know state or federal requirements and limitations placed on the Project.
- b. The HPHA shall designate a Contract Officer authorized to act on its behalf with respect to the design of the Project. The Contract Officer shall examine documents submitted by the CONTRACTOR and shall promptly render decisions pertaining to those documents so as to avoid unreasonably delaying the progress of the CONTRACTOR's work.
- c. The HPHA shall provide the CONTRACTOR the items listed below.
 - The HPHA shall furnish (or cause its utility supplier to furnish) to the CONTRACTOR, upon request, all available records and data concerning utility usage for the facilities including the following data for the most current thirty six (36) month fiscal period: utility records, occupancy information; descriptions and any changes in the structure of the facilities or their heating, domestic water, plumbing, cooling, lighting or other systems or utility requirements, building plans, where available; descriptions of all major utility consuming or utility saving equipment used in the facilities; and description of utility services available. The HPHA will also provide copies of any relevant HPHA modernization schedules for related capital improvements, utility allowance calculations, financial statements and other records necessary for the CONTRACTOR to complete the investment grade Energy Audit.
 - The HPHA shall provide the CONTRACTOR any available "as built" drawings of building or properties, architect surveys, test reports, and any other written information that it may have in its possession and that it might reasonably assume affects the work.
 - The HPHA shall provide the CONTRACTOR information it may have obtained on any waivers of local codes, ordinances, or regulations or standards affecting the design of the Project.



STATE OF HAWAII
SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State-wide), Hawaii

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- When expressly agreed to in writing by both the HPHA and the CONTRACTOR, the HPHA shall furnish the CONTRACTOR all necessary structural, mechanical, chemical or other laboratory tests, inspections and reports required for the Project.

D. CONTRACT

1. The CONTRACTOR shall not assign, subcontract, or transfer any services, obligations, or interest in this Contract without the prior written consent of the HPHA, such consent not to be unreasonably withheld conditioned or delayed. In addition, when such assignment is for financing the CONTRACTOR's performance under this Contract, such assignment of funds to be paid under this Contract shall be permitted upon the giving of notice to the HPHA.
2. Substitutions
 - a. The CONTRACTOR shall identify in writing its principals and professional level employees and shall not substitute or replace principals or professional level employees without the prior approval of the HPHA which shall not unreasonably be withheld.
 - b. The CONTRACTOR's personnel identified below are considered to be essential to the work effort. Prior to diverting or substituting any of the specified individuals, the CONTRACTOR shall notify the HPHA reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the contract. No diversion or substitution of such key personnel shall be made by the CONTRACTOR without the prior written consent of the HPHA.

Ameresco/Pacific Energy JV

- David J. Anderson, Executive Vice President
- Steve Morgan, Senior Advisor – Housing
- Tom Tsaros, Manager
- Larry Bravo, Senior Project Developer



STATE OF HAWAII

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- c. The CONTRACTOR will engage the services of sub-consultants as Audit personnel from the following company(ies), in accordance with the CONTRACTOR's Proposal which was previously submitted:

Energy Industries
2660 Waiwai Loop
Honolulu, HI 96819

If, the CONTRACTOR determines the need to include any additional sub-consultants for its audit tasks, any such individuals or entities will not be engaged without the prior written consent and approval of the HPHA.

3. The HPHA may give written notice to the CONTRACTOR to suspend work on the project or any part thereof. The HPHA shall not be obligated to consider a claim for additional compensation if the CONTRACTOR is given written notice to resume work within 120 calendar days, the CONTRACTOR shall be entitled to an equitable adjustment in compensation.
4. The CONTRACTOR will cause all applicable provisions of this Contract to be inserted in all its subcontracts.
5. In the event of a dispute arising under this Contract, the CONTRACTOR shall notify the HPHA promptly in writing and submit its claim in a timely manner. The HPHA shall respond to the claim in writing in a timely manner. The CONTRACTOR shall proceed with its work hereunder in compliance with the instructions of the HPHA, but such compliance shall not be a waiver of the CONTRACTOR's rights to make such a claim. Any dispute not resolved by this procedure may be determined by a court of competent jurisdiction or by consent of the HPHA and CONTRACTOR by other dispute resolution methods.
6. The HPHA may terminate this Contract for the HPHA's convenience or for failure of the CONTRACTOR to fulfill contract obligations. The HPHA shall terminate by delivering to the CONTRACTOR a Notice of Termination specifying the reason therefore and the effective date of termination. Upon receipt of such notice, the CONTRACTOR shall immediately discontinue all services affected and deliver to the HPHA all information, reports, papers, and other materials accumulated or generated in performing this Contract whether completed or in process. If the termination is for convenience of the HPHA, the HPHA shall be liable only for payment for accepted services rendered and costs that have been incurred and that are noncancellable through the effective date of termination. The HUD General Conditions limitations on



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continued use of the reports and materials without the CONTRACTOR's involvement, as set forth in the Special Conditions, shall apply.

7. Neither the HPHA's review, approval or acceptance of, nor payment for, the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the CONTRACTOR shall be and remain liable to the HPHA in accordance with the applicable law for all damages to the HPHA caused by the CONTRACTOR's negligent performance of any of the services furnished under this contract, except to the extent caused by or contributed to by the HPHA's gross negligence or willful misconduct or as may be otherwise limited by the terms as set forth herein.
8. Hazardous Materials. The HPHA recognizes that the CONTRACTOR shall have no responsibility under this Contract relating to (a) asbestos, materials containing asbestos, or the existence, use, detection, removal, containment or treatment thereof, (b), polychlorinated biphenyl (PCB), (c) lead-based paint, (d) oil, or (e) pollutants, hazardous wastes, hazardous materials, contaminants, or the dispersal, discharge, leakage, use, detection, removal, containment or treatment thereof. The materials and activities listed in the foregoing sentence are referred to herein as "Excluded Materials and Activities." Any services required by the presence of Excluded Materials or requiring Excluded Activities are not a part of the CONTRACTOR'S services under this Contract. If the CONTRACTOR becomes aware of or suspects the presence of Excluded Materials and Activities that may be disturbed by its actions, it shall immediately stop the services in the affected area and notify the HPHA. As between the CONTRACTOR and the HPHA, the HPHA shall be responsible at its sole expense for addressing the potential for or the presence of Excluded Materials and Activities in conformance with all applicable laws and addressing the impact of its disturbance before the CONTRACTOR continues with its Services, unless the CONTRACTOR had actual knowledge that Excluded Materials and Activities was present and acted in disregard of that knowledge, in which case (a) the CONTRACTOR shall be responsible at its sole expense for remediating the areas impacted by the disturbance of the Excluded Materials and Activities, and (b) the HPHA shall resume its responsibilities for the Excluded Materials and Activities after the CONTRACTOR's remediation has been completed.
9. Limitations
 - a. The services of the CONTRACTOR under this Contract are limited to furnishing cost-effective energy savings recommendations. In addition, the CONTRACTOR will provide, as appropriate, implementation guidelines for energy savings recommendations, which may include designs, drawings and/or specifications.



STATE OF HAWAII
SCOPE OF WORK

Project: Energy Performance Contract – Energy Audit (State-wide), Hawaii

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However, because the CONTRACTOR is not being engaged under this Contract to perform services in connection with the implementation of its recommendations, the CONTRACTOR will have no control over such implementation by the HPHA or any third party. Accordingly, the CONTRACTOR specifically and expressly disclaims all responsibility for the use of such documents by the HPHA or any third party.

- b. The CONTRACTOR will be available to provide engineering services to the HPHA in connection with the implementation of any or all of the energy savings recommendations made by the CONTRACTOR. Such services shall be in addition to the services provided by the CONTRACTOR hereunder, and the scope, terms and conditions of such services shall be subject to a future Contract or amendment hereto between the Parties.
- c. The CONTRACTOR'S evaluations of energy costs, costs of implementation of energy savings recommendations, energy savings, and calculations and analyses derived from those evaluations represent the CONTRACTOR'S best judgment as an experienced and qualified professional using sound engineering and accounting practices. It is recognized, however, that neither the HPHA nor the CONTRACTOR has control over the cost of energy, labor, materials or equipment, or contractors' methods of determining their prices, or over competitive bidding, market or negotiating conditions. Accordingly, the CONTRACTOR cannot and does not represent or guaranty that actual energy costs, implementation costs, or energy savings, if any, will not vary from the estimates and evaluations prepared by the CONTRACTOR and submitted to the HPHA.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

Project: Energy Performance Contract – Energy Audit (State-wide), Hawaii

Job No.: HPHA Job No. 07-043-000-F

1. The CONTRACTOR shall be compensated in a total amount not to exceed One Hundred Fifty One Thousand Four Hundred Thirty Six Dollars and No/100 (**\$ 151,436.00**)

The HPHA will pay to the CONTRACTOR, within thirty (30) days of receipt of the Energy Audit Report or in the event of an amendment thereto, such Amended Energy Audit Report, the firm fixed price fee (the “Energy Audit Fee”) of One Hundred Fifty One Thousand Four Hundred Thirty-Six and No/100 Dollars (\$151,436.00) for completion of the Energy Audit Report on the Facilities set forth in Attachment S1, unless the option described below is accepted by the HPHA.

At the option of the HPHA and consistent with the proposal submission of the CONTRACTOR, the entire Energy Audit Fee may be delayed for a period no longer than sixty (60) calendar days after submission of the Energy Audit Report or the Amendment thereto during which such time the Parties shall enter into an Energy Services Agreement. Upon execution of the Energy Service Agreement, the Energy Audit Fee shall be paid to the CONTRACTOR directly from the proceeds available from the project financing. Should the HPHA determine with the CONTRACTOR that an Energy Services Agreement will not be executed within sixty (60) calendar days of submission of the Energy Audit Report or the Supplemental Contract thereto, the Energy Audit Fee shall be due and payable to the CONTRACTOR as of such date.

Any work performed at the request of the HPHA mutually agreed to be beyond the scope of the Energy Audit Report will be performed under written change order and will be charged on a time and expense basis in accordance with the rates set forth below:

Schedule of Hourly Rates and Reimbursable Expenses
(Applies in the Event of Termination or Change Order)

Ameresco, Inc.

Vice President	\$165
Director	\$130
Sr. Project Manager	\$125
Sr. Professional Engineer	\$130
Energy Engineer	\$100
Project Financial Analyst	\$100
Administrative Assistant	\$ 65



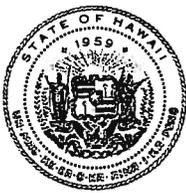
STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

Project: Energy Performance Contract – Energy Audit (State-wide), Hawaii

Job No.: HPHA Job No. 07-043-000-F

2. Section 103-10, Hawaii Revised Statutes (HRS) provides that the HPHA shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods or performance of the services to make payment. The date of the invoice shall be the latter of the two: 1) date of invoice or 2) postmark of original invoice received, by the HPHA via U.S. Postal Service or other method of delivery.
3. The CONTRACTOR shall submit written invoice, including one (1) original, for services rendered to the HPHA at Post Office Box 17907, Honolulu, HI 96817. The invoice shall reference the Contract number. Payment shall be in accordance with Section 103-10, HRS, upon certification by the HPHA that the CONTRACTOR has satisfactorily performed the services specified.



STATE OF HAWAII

TIME OF PERFORMANCE

Project: Energy Performance Contract – Energy Audit (State-wide), Hawaii

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The CONTRACTOR will prepare an Energy Audit Report (the “Energy Audit Report”) which will identify (without specifications and drawings) the existing site conditions related to utility use; the results of the historic utility records analyses; measured data and inventories; costs, savings, and paybacks for retrofits identified in Attachment S1 - Section (1) – SCOPE of Energy Audit; and recommendations for utility-related improvements to the Facilities. Such Energy Audit Report will also describe the services that the CONTRACTOR will provide to the HPHA under an Energy Services Agreement, along with a proposed project cashflow analysis.

The CONTRACTOR shall commence services on the date specified by the HPHA in the Notice to Proceed letter. The completion date shall be the completion date as specified by the HPHA in the Notice to Proceed letter.

The CONTRACTOR’s schedule for preparing, delivering and obtaining the HPHA’s approval for Basic Services shall be as follows:

- Preliminary Energy Audit Report within **one hundred twenty (120)** calendar days from the date specified on the Notice to Proceed.
- The HPHA will have **thirty (30)** calendar days from the date of receipt of the Preliminary Energy Audit Report to review and comment upon the Report
- Final Energy Audit Report within **thirty (30)** calendar days from the date of receipt of comments and written approval by the HPHA of Preliminary Energy Audit Report.

The HPHA reserves the right to extend the time of performance.

1. The CONTRACTOR shall provide a written justification for the extension, including the amount of time requested and the reasons supporting the extension.
2. If the extension is based on the HPHA's request for additional work, the CONTRACTOR must verify in writing that he is able to perform the additional work as provided for in Attachment S1, Scope of Services.
3. The HPHA must confirm that funds are available, allotted, and received to cover the costs of any additional work.



STATE OF HAWAII

CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE

1. By Heads of Departments or Agencies as Delegated by the Director of the Department of Human Resources Development (“DHRD”).*

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

(Signature)

Chad K. Taniguchi

(Print Name)

Executive Director

(Print Title)

(Date)

NOV 21 2008

* This part of the form may be used by all department heads and others to whom the Director of DHRD has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. NOTE: Authority to certify exemptions under §§76-16(b)(2), 76-16(b)(12), and 76-16(b)(15), HRS, has not been delegated; only the Director of DHRD may certify §§76-16(b)(2), 76-16(b)(12), and 76-16(b)(15) exemptions.

2. By the Director of DHRD, State of Hawaii.

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

(Signature)

(Date)

(Print Name)

(Print Title, if designee of the Director of DHRD)



STATE OF HAWAII
SPECIAL CONDITIONS

Project: Energy Performance Contract – Energy Audit (State-wide), Hawaii

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1.0 INSURANCE

The CONTRACTOR shall carry Commercial or Comprehensive General Liability Insurance, Professional Liability Insurance (for a period extending two years past the date of completion of the Energy Audit), and such other insurance as are required by law, all in minimum amounts as set forth below. The CONTRACTOR shall furnish the HPHA certificates of insurance and they shall state that a thirty (30) day notice of prior cancellation or change will be provided to the HPHA. Additionally, the HPHA shall be an additional insured on all Commercial or Comprehensive General Liability policies.

<u>Coverage</u>	<u>Limit</u>
General Liability Insurance (occurrence form)	Bodily Injury and Property Damage (combined single limit): \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate Personal Injury: \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate.
Automobile Insurance covering all owned, non-owned and hired automobiles.	Bodily Injury: \$1,000,000.00 per person and \$1,000,000.00 per occurrence. Property Damage: \$1,000,000.00 per accident.

<u>Coverage</u>	<u>Limit</u>
Workers Compensation (statutory limit as required by laws of the State of Hawaii)	Insurance to include Employer’s Liability. Both such coverages shall apply to all employees of the CONTRACTOR and (in case any sub-Contractor fails to provide adequate similar protection for all his employees) to all employees of sub-Contractor.

Professional Liability (Errors and Omissions)	\$1,000,000 per claim \$2,000,000 annual aggregate
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If the Self-Insured Retention (SIR) or Deductible (Errors and Omissions) exceeds \$25,000, the State of Hawaii reserves the right, but not the obligation, to review and request a copy of the CONTRACTOR’s most recent annual report or audited financial statement.



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- a. The State of Hawaii, the HPHA, its elected and appointed officials, officers and employees shall be named as additional insured. The CONTRACTOR agrees to provide the HPHA before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this Contract have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the HPHA during the entire term of this Contract. Upon request by the HPHA, the CONTRACTOR shall furnish a copy of the policy or policies.
- b. Failure of the CONTRACTOR to provide and keep in force such insurance shall be regarded as material default under this Contract, entitling the HPHA to exercise any or all of the remedies provided in this Contract for default of the CONTRACTOR.
- c. The procuring of such required policy or policies of insurance shall not be construed to limit the CONTRACTOR's liability hereunder or to fulfill the indemnification provisions and requirements of this Contract. Notwithstanding said policy or policies of insurance, the CONTRACTOR shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Contract, subject to the provisions and limitations as set forth herein.
- d. The insurer shall notify the HPHA in writing of any cancellation or change in provisions thirty (30) calendar days prior to the effective date of such cancellation or change, except the event of nonpayment in which case such notice shall be ten (10) days.

2.0 Contract Documents

It is understood and agreed that the following documents, and any amendments or addenda thereto, comprise the Contract between the parties and are fully a part of this Contract governing the work to be performed by the CONTRACTOR for HPHA Job No. 07-043-000-F: (1) CONTRACTOR's accepted proposal dated July 3, 2008; (2) Request for Proposal No. CMS 2008-02 and all addendums; (3) State General Conditions (AG-008 Rev. 8/29/2008); (4) Special Conditions (AG-015 Rev. 11/15/2005); and (5) this Contract. These documents are collectively referred to as the "Contract Documents".

3.0 General Conditions Order of Precedence

The CONTRACTOR shall furnish in strict accordance with the Contract Documents all labor and other means necessary to provide an investment grade Energy Audit for all the



STATE OF HAWAII
SPECIAL CONDITIONS

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Federally funded public housing complexes in the State of Hawaii as set forth in Attachment S1 of the Contract documents. If there is a conflict between the CONTRACTOR's accepted proposal and this Contract, the Contract shall prevail.

4.0 Additional Requirements

- a. Contract Provisions Required by Federal Law or Owner Contract with the U.S. Department of Housing and Urban Development (HUD).
- b. Contract Adjustments. Notwithstanding any other term or condition of this Contract, any settlement or equitable adjustment due to termination, suspension or delays by the HPHA shall be negotiated based on the cost principles stated at 48 CFR Subpart 31.2 and conform to the Contract pricing provisions of 24CFR 85.36 (f).
- c. Additional Services. The HPHA shall perform a cost or price analysis as required by 24 CFR 85.36 (f) prior to the issuance of a Contract modification/amendment for Additional Services. Such Additional Services shall be within the general scope of services covered by this Agreement. The CONTRACTOR shall provide supporting cost information in sufficient detail to permit the HPHA to perform the required cost or price analysis.
- d. Restrictive Drawings and Specifications. In accordance with 24 CFR 85.36(c)(3)(i) and contract agreements between the HPHA and HUD, the CONTRACTOR shall not require the use of materials, products, or services that unduly restrict competition.
- e. Design Certification. Where the HPHA is required by federal regulations to provide HUD a CONTRACTOR certification regarding the design of the Projects (24 CFR 968.235), the CONTRACTOR shall provide such a certification to the HPHA.
- f. Retention and Inspection of Records. Pursuant to 24 CFR 85.26(i)(10) and (11), access shall be given by the CONTRACTOR to the HPHA, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to that specific Contract for the purpose of making an audit, examination, excerpts, and transcriptions. All required records shall be retained for three years after the HPHA or CONTRACTOR and other subgrantees make final payments and all other pending matters are closed.
- g. Copyrights and Rights in Data. HUD has no regulations pertaining to copyrights or rights in data as provided in 24 CFR 85.36. HUD requirements, Article 45 of the General



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Conditions to the Contract for Construction (form HUD-5370) requires that contractors pay all royalties and license fees. All drawings and specifications prepared by the CONTRACTOR pursuant to this contract will identify any applicable patents to enable the general contractor to fulfill the requirements of the construction contract.

- h. Conflicts of Interest. Based in part on federal regulations(24 CFR 85.36(b)) and Contract agreement between the HPHA and HUD, no employee, officer, or agent of the HPHA (HUD grantee) shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (1) The employee, officer or agent,
- (2) Any member of his or her immediate family,
- (3) His or her partner, or
- (4) An organization that employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, or parties to sub-agreements. Grantees and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents or by Contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest. Neither the HPHA nor any of its contractors or their subcontractors shall enter into any Contract, subcontract, or agreement, in connection with any Project or any property included or planned to be included in any Project, in which any member, officer, or employee of the HPHA, or any member of the governing body of the locality in which the Project is situated, or any member of the governing body of the locality in which the HPHA was activated, or in any other public official of such locality or localities who exercises any responsibilities or functions with respect to the Project during his/her tenure or for one year thereafter has any interest, direct or indirect. If any such present or former member, officer, or employee of the HPHA, or any such governing body member or such other public official of such locality or localities involuntarily acquires or had acquired prior to the beginning of his/her tenure any such interest, and if such interest is immediately disclosed to the HPHA and such disclosure is entered upon the minutes of the HPHA, the HPHA,



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with the prior approval of the Government, may waive the prohibition contained in this subsection: Provided, that any such present member, officer, or employee of the HPHA shall not participate in any action by the HPHA relating to such contract, subcontract, or arrangement. No member, officer, or employee of the HPHA, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the HPHA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

- i. Disputes. In part because of HUD regulations (24 CFR 85.36(i)(1)), this CONTRACTOR Contract, unless it is a small purchase contract, has administrative, contractual, or legal remedies for instances where the CONTRACTOR violates or breaches CONTRACT terms, and provide for such sanctions and penalties as may be appropriate.
- j. Termination. In part because of HUD regulations (24 CFR 85.36(i)(2)), this CONTRACTOR Contract, unless it is for an amount of \$10,000 or less, has requirements regarding termination by the HPHA when for cause or convenience. These include the manner by which the termination will be effected and basis for settlement.
- k. Interest of Members of Congress. Because of Contract agreement between the HPHA and HUD, no member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Contract or to any benefit to arise from it.
- l. Limitation of Payments to Influence Certain Federal Transaction. The Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions Act, Section 1352 of Title 31 U.S.C., provides in part that no appropriated funds may be expended by recipient of a federal contract, grant, loan, or cooperative agreement to pay any person, including the CONTRACTOR, for influencing or attempting to influence an officer or employee of Congress in connection with any of the following covered Federal actions: the awarding of any federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.



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m. Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

- (1) The work to be performed under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (2) The parties to this Contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- (3) The CONTRACTOR agrees to send to each labor organization or representative of workers with which the CONTRACTOR has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the CONTRACTOR'S commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (4) The CONTRACTOR agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The CONTRACTOR will not subcontract with any subcontractor where the CONTRACTOR has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- (5) The CONTRACTOR will certify that any vacant employment positions, including training positions, that are filled (1) after the CONTRACTOR is selected but before



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the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the CONTRACTOR'S obligations under 24CFR part 135.

- (6) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted Contracts.
- n. Clean Air and Water. (Applicable to contracts in excess of \$100,000). Because of 24 CFR 85.36(i)(12) and Federal law, the CONTRACTOR shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 1857h-4 transferred to 42 USC § 7607, section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40CFR part 15), on all contracts, subcontracts, and subgrants of amounts in excess of \$100,000.
- o. Energy Efficiency. Pursuant to Federal regulations (24C.F.R 85.36(i)(13)) and Federal law, except when working on an Indian housing authority Project on an Indian reservation, the CONTRACTOR shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163 codified at 42 U.S.C.A. § 6321 et. seq.).
- p. Prevailing Wages. In accordance with Section 12 of the U.S. Housing Act of 1937 (42 U.S.C. 1437j) the CONTRACTOR shall pay not less than the wages prevailing in the locality, as determined by or adopted (subsequent to a determination under applicable State or local law) by the Secretary of HUD, to all architects, technical engineers, draftsmen, and technicians.
- q. Non-applicability of Fair Housing Requirements in Indian Housing Authority Contracts. Pursuant to 24 CFR section 905.115(b) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), which prohibits discrimination on the basis of race, color or national origin in federally assisted programs, and the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, handicap, or familial status in the sale or rental of housing do not apply to Indian Housing Authorities established by exercise of a Tribe's powers of self-government.



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- r. Prohibition Against Liens. The CONTRACTOR is prohibited from placing a lien on the HPHA's property. This prohibition shall be placed in all CONTRACTOR subcontracts.

5.0 Modifications to AG-008 General Conditions

The following paragraphs in AG-008, General Conditions of the Energy Performance Contract shall be modified:

- a. Section 10 – STATE'S Right of Offset: Delete "or any other contracts".
- b. Section 26 – Ownership Rights and Copyright: Replace this paragraph with "All drawings, specifications, studies and other materials prepared under this contract shall be the property of the STATE and at the termination or completion of the CONTRACTOR'S services shall be promptly delivered to the STATE. The CONTRACTOR shall have no claim for further employment or additional compensation as a result of exercise by the STATE of its full rights or ownership. It is understood, however, that the CONTRACTOR does not represent such data to be suitable for re-use on any other project or for any other purpose. If the STATE reuses the subject data without the CONTRACTOR'S written verification, such reuse will be at the sole risk of the STATE without liability to the CONTRACTOR."

6.0 Modifications to AG-004 Contract For Goods or Services

The following paragraphs in AG-004, Contract for Goods or Services of the Energy Performance Contract shall be modified:

- a. Section 8 – Notices: Replace this paragraph with "All notices, certificates, acknowledgments or other written communications (hereinafter referred to as "Notices") required to be given under this Contract shall be in writing and shall be deemed to have been given and properly delivered if duly mailed by certified or registered United States first class mail to the other party at its address indicated in the Contract, or to such other address as either party may, by written notice, designate to the other as evidenced by a signed receipt indicating delivery. Additionally, notices sent by other nationally recognized means (i.e., facsimile, overnight delivery, courier, and the like) are acceptable subject to written confirmation of both the transmission and receipt of the notice."

GENERAL CONDITIONS

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GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
 - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

- g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.
- i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.

3. Personnel Requirements.

- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
- b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

- (1) The Assignee assumes all of the CONTRACTOR'S obligations;
- (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
- (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the

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Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

- c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.
7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
 8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
 9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
 10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
 11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
 12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
 - a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified period

not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

- (1) Cancel the stop performance order; or
- (2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

- (1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and
- (2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

- c. Compensation. Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR'S rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.
- d. Excuse for nonperformance or delayed performance. The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR'S progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.
- e. Erroneous termination for default. If, after notice of termination of the CONTRACTOR'S right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.
- f. Additional rights and remedies. The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. Termination for Convenience.

- a. Termination. The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.
- b. CONTRACTOR'S obligations. The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE'S approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR'S right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.
- c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

- (1) Any completed goods or work product; and
- (2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

- (1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.
- (2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.
- (3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:
 - (A) Contract prices for goods or services accepted under the Contract;
 - (B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
 - (C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);
 - (D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of

supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

- (4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

- a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:
- (1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:
- (A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;
- (B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or
- (C) Within such further time as may be allowed by the Agency procurement officer in writing.
- (2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;
- (3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and
- (4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.
- b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.
- c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:

- a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

- b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.
- c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor's Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

- a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.
- b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.
- c. Prompt payment.
 - (1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and
 - (2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.
- d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.

19. Modifications of Contract.

- a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.
- b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.
- c. Agency procurement officer. By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

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- (A) Changes in the work within the scope of the Contract; and
- (B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

- d. Adjustments of price or time for performance. If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.
- e. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.
- f. Claims not barred. In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.
- g. CPO approval. If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least \$25,000.00 or ten per cent (10%) of the initial contract price, whichever increase is higher, must receive the prior approval of the CPO.
- h. Tax clearance. The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.
- i. Sole source contracts. Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. Change Order. The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

- (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;
- (2) Method of delivery; or
- (3) Place of delivery.

- a. Adjustments of price or time for performance. If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

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- b. Time period for claim. Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.
- c. Claim barred after final payment. No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.
- d. Other claims not barred. In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. Price Adjustment.

- a. Price adjustment. Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:
 - (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
 - (2) By unit prices specified in the Contract or subsequently agreed upon;
 - (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;
 - (4) In such other manner as the parties may mutually agree; or
 - (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.
- b. Submission of cost or pricing data. The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. Variation in Quantity for Definite Quantity Contracts. Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. Changes in Cost-Reimbursement Contract. If this Contract is a cost-reimbursement contract, the following provisions shall apply:

- a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:
 - (1) Description of performance (Attachment 1);
 - (2) Time of performance (i.e., hours of the day, days of the week, etc.);
 - (3) Place of performance of services;

- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;
 - (5) Method of shipment or packing of supplies; or
 - (6) Place of delivery.
- b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.
 - c. The CONTRACTOR must assert the CONTRACTOR'S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.
 - d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.
 - e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.

24. Confidentiality of Material.

- a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.
- b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR'S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.

28. Audit of Books and Records of the CONTRACTOR. The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

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- a. The cost or pricing data, and
 - b. A state contract, including subcontracts, other than a firm fixed-price contract.
29. Cost or Pricing Data. Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over \$100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. Audit of Cost or Pricing Data. When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.
31. Records Retention. The CONTRACTOR and any subcontractors shall maintain the books and records that relate to the Contract and any cost or pricing data for three (3) years from the date of final payment under the Contract.
32. Antitrust Claims. The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.
33. Patented Articles. The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.
34. Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.
35. Compliance with Laws. The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR'S performance of this Contract.
36. Conflict Between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. Entire Contract. This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.
38. Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
39. Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE'S rights or the CONTRACTOR'S obligations under the procurement rules or statutes.
40. Pollution Control. If during the performance of this Contract, the CONTRACTOR encounters a "release" or a "threatened release" of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.
41. Campaign Contributions. The CONTRACTOR is hereby notified of the applicability of 11-205.5, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.
42. Confidentiality of Personal Information.
- a. Definitions.
- "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:
- (1) Social security number;
 - (2) Driver's license number or Hawaii identification card number; or
 - (3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.
- Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
- "Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.
- b. Confidentiality of Material.
- (1) All material given to or made available to the CONTRACTOR by the STATE by virtue of

this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

- (2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.
- (3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.
- (4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.
- (5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.
- (6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

- (1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.
- (2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:
 - (A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;
 - (B) Access to the personal information will be allowed only as necessary to perform the Contract; and
 - (C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:

- (1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or
- (2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

- (1) Upon any termination of this Contract, CONTRACTOR shall pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.
- (2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records, that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall not be disclosed without the prior written approval of the STATE. After the three (3) year retention period has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS.

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/20/08

PRODUCER HUB International New England 600 Longwater Drive Norwell, MA 02061 781 792-3200	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Ameresco/Pacific Energy JV 111 Speen Street, Suite 410 Framingham, MA 01701	INSURER A: Arch Insurance Co	
	INSURER B: Wausau Insurance Companies	
	INSURER C: Underwriters at Lloyds, London	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRC	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	EPO002959800	10/01/08	10/01/09	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$1,000,000
						MED EXP (Any one person)	\$10,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$3,000,000
						PRODUCTS - COMP/OP AGG	\$3,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	CAB0025959900	10/01/08	10/01/09	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WCKZ91449905018	07/19/08	07/19/09	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
						E.L. EACH ACCIDENT	\$1,000,000
						E.L. DISEASE - EA EMPLOYEE	\$1,000,000
						E.L. DISEASE - POLICY LIMIT	\$1,000,000
C		OTHER Professional	ANE107726208	10/01/08	10/01/09	\$1,000,000 per claim \$2,000,000 Aggregate	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Job No.: HPHA Job No. 07-043-000-F
 State of Hawaii is included as an additional insured as respects General Liability when required by contract.

CERTIFICATE HOLDER

State of Hawaii
 Department of Human Services
 Hawaii Public Housing Authority
 1002 North School Street
 P.O. Box 17907
 Honolulu, HI 96817

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 60 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Erin Shapiro

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

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AMERESCO/PACIFIC ENERGY JV

Consent of Sole General Manager to Action without Meeting

The undersigned, being the sole general manager of Ameresco/Pacific Energy JV, a Hawaii general partnership (the "*Partnership*"), does hereby adopt the following resolutions by signing its written consent thereto:

RESOLVED, that the following persons be, and they hereby are, appointed as officers of the Partnership to serve as such until their successors shall have been duly appointed and qualified, and who, as of this date, are all of the officers of the Partnership:

George P. Sakellaris	President
Andrew B. Spence	Treasurer and Vice President
David J. Corrsin	Executive Vice President and Secretary
David J. Anderson	Executive Vice President
Joseph P. DeManche	Executive Vice President
Paul M. Dello Iacono	Assistant Secretary and Vice President
Kathleen DevlinRuggiero	Assistant Secretary and Vice President

FURTHER RESOLVED, that any individual at the time holding the position of President, Executive Vice President or Vice President, be, and each of them hereby is, authorized to execute on behalf of the Partnership any bid, proposal or contract for all those discussed in the contract documents be performed by the Partnership, and to execute any bond required by any such bid, proposal or contract with the Hawaii Public Housing Authority.

FURTHER RESOLVED, that any actions previously taken by any officer of the Partnership in connection with the foregoing resolutions are approved and ratified in all respects and that the officers of the Partnership be, and each of them acting singly hereby is, authorized in the name and on behalf of the Partnership to execute and deliver such other agreements, documents and instruments as may be necessary or desirable in connection with the transactions contemplated by the foregoing resolutions, such agreements, documents and instruments to be in the form that the officer or officers executing the same may, in his or their discretion, deem appropriate, and that the officers of the Partnership be, and each of them acting singly hereby is, authorized to take all such further action as may be necessary or desirable to carry out the foregoing resolutions and the transactions contemplated thereby.

[signature page follows]

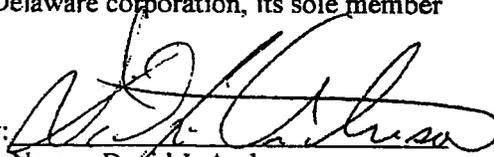
IN WITNESS WHEREOF, the undersigned has executed this written consent as of the 26th day of March, 2008.

AMERESCO/PACIFIC ENERGY JV,
a Hawaii general partnership

By: **AMERESCO HAWAII, LLC,**
a Delaware limited liability company,
its sole general manager

By: **AMERESCO, INC.,**
a Delaware corporation, its sole member

By:


Name: David J. Anderson

Title: Executive Vice President



STATE OF HAWAII
 DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
 FORM LIR#27 APPLICATION FOR
 CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-1(2), HAR

1. APPLICANT INFORMATION: (Please Type or Print Clearly)

*Applicant's Business Name Ameresco/Pacific Energy JV			
Address 111 Speen Street, Suite 410		City Frammingham	State MA
DBA/Trade Name		Zip 01701	Code 01701

* Business name must be the same name submitted with the applicant's bid or proposal.

2. IDENTIFICATION NUMBER(S): (Complete Applicable ID Numbers)

State Department of Labor Unemployment Insurance ID#	Federal Employer ID# (FEIN) 26 - 3110382
--	---

3. EMPLOYERS: If you have a State Department of Labor Unemployment Insurance ID#, please skip question 3 only:

Do you currently have employee(s) working in the State of Hawaii? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Do you plan to have employee(s) work in the State of Hawaii? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	---

SEE INSTRUCTION SHEET FOR FILING INSTRUCTIONS. Failure to provide above required information on this application will result in a denial of this request. Unsigned applications will not be processed.

4. SIGNATURE:

Signature <i>David J. Anderson</i>	Date 10/06/08	Telephone No. (508) 661-2200	Fax No. (508) 661-2202
Print Name David J. Anderson	PRINT TITLE: Corporate Officer, General Partner or Member, Individual (Sole Proprietor), Trustee, Executor General Partner		
Email Address danderson@amesesco.com			

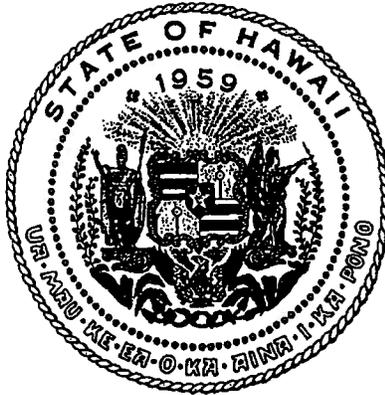
NOTE: If this application is stamped "PENDING", another LIR#27 must be submitted when employees are performing services in the State to determine compliance with the State of Hawaii labor laws. Approval constitutes a certificate of compliance with labor laws based on information available to the Department as of the approval date.

THIS APPLICATION BECOMES THE CERTIFICATE UPON APPROVAL.
 Facsimiles and copies of this approval form are proof of compliance.

FOR OFFICE USE ONLY		Department of Labor and Industrial Relations Approval Stamp	
DLIR Log No. 85081	Date Received 10/6/08	NOT APPLICABLE <i>James S. Rowland</i> Administrator mc 10/7/08 Initials Date	

This certificate is valid for SIX (6) MONTHS from the approval date.

Visit our Website at www.hawaii.gov/labor for ALL interactive and downloadable forms.



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

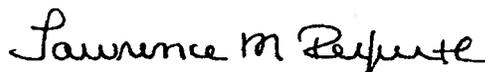
I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

AMERESCO/PACIFIC ENERGY JV

is a general partnership that was organized on 08/14/2006 ; and was registered in this Department on 08/25/2006, in accordance with the requirements of Chapter 425, Hawaii Revised Statutes; and that the said partnership is in good standing.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: October 06, 2008



Director of Commerce and Consumer Affairs



STATE OF HAWAII — DEPARTMENT OF TAXATION
TAX CLEARANCE APPLICATION
PLEASE TYPE OR PRINT CLEARLY

1. APPLICANT INFORMATION: (PLEASE PRINT CLEARLY)

Applicant's Name Ameresco/Pacific Energy JV
Address 111 Speen Street, Suite 410
City/State/Zip Code Framingham, MA 01701
DBA/Trade Name NA

2. TAX IDENTIFICATION NUMBER(S): (Complete applicable ID numbers)

HAWAII TAX ID # W
FEDERAL EMPLOYER ID # (FEIN) 26.3110382
SOCIAL SECURITY #(SSN) _____

3. APPLICANT IS A/AN: (CHECK ONLY ONE BOX)

- CORPORATION
- S CORPORATION
- TAX EXEMPT ORGANIZATION
- INDIVIDUAL
- PARTNERSHIP
- ESTATE
- TRUST
- LIMITED LIABILITY COMPANY
- LIMITED LIABILITY PARTNERSHIP
- Single Member LLC disregarded as separate from owner; enter owner's FEIN/SSN
- Subsidiary Corporation; enter parent corporation's name and FEIN

4. THE TAX CLEARANCE IS REQUIRED FOR:

- CITY, COUNTY, OR STATE GOVERNMENT CONTRACT IN HAWAII *
- LIQUOR LICENSE *
- REAL ESTATE LICENSE
- CONTRACTOR LICENSE
- BULK SALES**
- FINANCIAL CLOSING
- PROGRESS PAYMENT
- PERSONAL
- HAWAII STATE RESIDENCY
- FEDERAL CONTRACT
- LOAN
- SUBCONTRACT
- OTHER _____

* IRS APPROVAL STAMP IS ONLY REQUIRED FOR PURPOSES INDICATED BY AN ASTERISK.
** ATTACH FORM G-8A, REPORT OF BULK SALE OR TRANSFER

5. NO. OF CERTIFIED COPIES REQUESTED: 2

6. SIGNATURE:

Andrew B. Spence
PRINT NAME
[Signature]
SIGNATURE

General Partner
PRINT TITLE: Corporate Officer, General Partner or Member, Individual (Sole Proprietor), Trustee, Executor
10/03/08 (508) 661-2200 (508) 661-2202
DATE TELEPHONE FAX

FOR OFFICE USE ONLY

BUSINESS START DATE IN HAWAII
IF APPLICABLE
/ /

HAWAII RETURNS FILED
IF APPLICABLE
20__ 20__ 20__

STATE APPROVAL STAMP

APPROVED

[Signature]

OCT 07 2008

per *[Signature]*

Department of Taxation

IRS APPROVAL STAMP - VICE
INTERNAL

API-HOVEL

AA-00379

OCT 14 2008

[Signature]

CERTIFIED COPY STAMP

POWER OF ATTORNEY. If submitted by someone other than a Corporate Officer, General Partner or Member, Individual (Sole Proprietor), Trustee, or Executor, a power of attorney (State of Hawaii, Department of Taxation, Form N-848) must be submitted with this application. If a Tax Clearance is required from the Internal Revenue Service, IRS Form 8821, or IRS Form 2848 is also required. Applications submitted without proper authorization will be sent to the address of record with the taxing authority. **UNSIGNED APPLICATIONS WILL NOT BE PROCESSED.**
PLEASE TYPE OR PRINT CLEARLY — THE FRONT PAGE OF THIS APPLICATION BECOMES THE CERTIFICATE UPON APPROVAL.
SEE PAGE 2 ON REVERSE & SEPARATE INSTRUCTIONS. Failure to provide required information on page 2 of this application or as required in the separate instructions to this application will result in a denial of the Tax Clearance request.

Board Task Force: Kalakaua Homes Concerns
April 13, 2011

Attendees: Sam Aiona, Rene Berthiaume, Clarissa Hosino, Denise Wise, Barbara Arashiro, Stephanie Fo

I. Issues

- Need to resolve the conflict between the AMP Management staff and the Resident Association.
- Need to be able to clearly identify the issues that we need to address.
- Need to understand whether this is an AMP-wide problem or just a few unhappy tenants.

II. Discussion

1. Clarissa has met with Roy Nakamura, Jean Peters, Nora Oliphant, Sandy on several occasions to discuss their concerns. They agreed that as long as the AMP staff will address their issues on a timely basis, the tenants would try to let go of past problems and move forward.
2. Task Force and HPHA agreed that the issue regarding Meals and Wheels' use of the community hall is an old issue. This issue was resolved and is considered closed.
3. Task Force discussed that HPHA needs to stop allowing Laura Santiago's problems to interfere with our residents. Meals and Wheels needs to address their issues with their staff and not allow the other tenants to get involved with those issues.
4. Requests for the use of the community room seem to be met with resistance. We should address the lack of an improved and less onerous procedure to use the community room. There shouldn't be a problem if the tenants are trying to coordinate a project-wide event for all tenants.
5. Management issues – It appears that the AMP not being responsive on operational issues (i.e., not updating leases on time or not providing a copy of the lease to the tenant on time, not conducting recertification on time, etc.).
6. Discussed whether the resident association is a duly elected association. PMMSB will review the process and if there is a duly elected association, HPHA should meet with the Association to settle these issues. There was only one tenant who accepted the nomination to the resident association.

7. Discussed the need for improved communication with the tenants and resident association. Sometimes just improving communication will help to reduce some of the animosity and/or anxiety regarding their requests.

III. Resolution

1. Send letters to the nominees to encourage them to run for office. Work with the community to reopen nominations for the resident association and have an active resident association.
2. Task Force will have a meeting with the residents regarding their issues. Tentatively set for 4/20/11 at 4:00 pm. Task Force will offer for HPHA to bring in a mediator to address issues between the Kalakaua Homes residents and AMP Management staff. Task Force will encourage the community to form a resident association, so that the tenants will have someone to represent them in communication with the AMP Management.

Executive Director's March/April 2011 Board Status Report

Accomplishments:

Agency-Wide:

- Software vendor, Emphasys Computer Solutions, came to the HPHA to meet with key staff to discuss the progress of the system conversion of the Emphasys Flex software system to the windows based Emphasys Elite system. The Section 8 staff began the conversion process approximately 1 year ago and there have been difficulties. Prior to rolling out the conversion to FMO and the rest of the agency, meeting with vendor was held to discuss the continuation of the conversion. Worked through solutions and additional on-site training to be provided.
- KPT: Michael's held a job fair and reported over 75 participants. They were recruiting for groundskeepers, maintenance, office assistance and other positions. This was a specific recruitment to ensure that employment and other economic opportunities, are directed to public housing residents and other low-income persons when available, pursuant to Section 3 requirements.
- Continue to meet with legislators on pending legislation.

Compliance Office:

- Established procedures for the collection of data relating to Limited English Proficient encounters and expenditures for compliance with language access laws and distributed to managers and branch chiefs on the procedures
- Worked on new form and streamlined procedures for reasonable accommodation requests
- Distributed new fair housing and non-discrimination flyers to branch chiefs and property managers for posting

Construction Management Branch: (pages 85-91)

Large Capacity Cesspools:

- Received DOH's Approval to Operate (ATO) for all systems in Kauai (31 Individual Wastewater Systems (IWS) for Kekaha and 4 IWS for Kalaheo, except for the 3 systems in Kilauea. All LCCs at Kilauea have been closed and IWS connected, waiting on DOH ATO.)
- Hale Ho`olulu in Kilauea now connected to the newly installed IWS systems but still awaiting DOH ATO; receipt of approval expected after backfilling of the cesspools are complete.
- Modified consultant contract to include the preparation of work plan due to soil contamination in Kilauea, was approved. The DOH letter was received on 4/4/2011 requiring HPHA to "submit a detailed work plan (WP) for the testing of exposed, excavated and stockpiled soil generated from the septic tank systems." Failure to comply may subject HPHA to penalties

Mayor Wright Homes:

- Nine (9) buildings were retrofitted with 31 tankless gas-powered water heaters. 186 dwelling units (DU), out of the total 364 DUs at MWH, have hot water due to the installation of gas powered tankless water heaters. This includes the retrofits done before March 22, 2011
- 66 of the remaining tanks arrived and all tanks needed for the retrofit are now in Hawaii

ARRA:

- At end of March 2011 ARRA projects funds expended was at 85.49% with a projected completion date of all ARRA projects and funds expended as of September 2011. Deadline for all ARRA projects and funds expended is March 2012

Fiscal Office:

- Submitted single audit to REAC on March 30th
- FDS Submission was completed and sent to REAC
- Meeting with AMPs and branches to review 2012 budget and instructions

ITO:

- Coordinated an onsite visit with Emphasys management on March 22-24 to discuss the continued implementation of their Elite software designed specifically for public housing agencies. Larry Huckle, General Manager, and Deborah Dunham, Sr. Client Solutions Coordinator, were on hand to address questions and demonstrate their Elite software modules.
- It was also mutually agreed that the scope of the contract will be modified to accommodate getting the financial modules implemented for FMO before the end of this fiscal year. Low Income Public Housing (LIPH) was originally slated to be next.

Planning and Evaluation Office:

- Worked with OED to submit and present testimony to various House and Senate committees regarding pending bills
- Coordinated public meeting at Kupuna Home O'Waiialua with Rep. Riviere's Office and Property Mgmt. staff
- Conducted meeting in Kailua-Kona for Annual PHA Plan
- Submitted PHA Annual Plan to HUD
- Coordinated and had meeting with Representative Jo Jordon and representatives from OHA to clarify the HPHA's compliance with Act 176

Property Management: (page 79-84)

- As of March 31, 2011, rent collections for HPHA State properties was 95.37% (an increase from 91.46% in February) and the total tenant occupancy rate was 95.37% (a slight increase over 95.13% in February)

- As of March 31, 2011, rent collections for HPHA Federal properties were 97.95% (a decrease from 102.25% in February) and the total tenant occupancy rate was 91.68% (a slight decrease from 91.91% in February)
- Met with Mayor Wright tenants to discuss hot water interim solution, lighting and security
- Monitoring and developing work plans with AMPs that had failed REAC scores to track corrections and improvements
- Met with AMP 43 (Kona) residents

Personnel:

Recruitment:

- Interviews held, results/ start date/job offers pending:
 - State Housing Branch Administrator (Construction Branch). Selection made and pending start date.
 - Public Housing Supervisor V/Section 8 (applicant declined 4/8/11). Re-advertise n April/May 2010.
 - Information Technology Specialist (pending start date)
 - Secretary IV (Office of the Executive Director) start date 4/7/11
 - Public Housing Supervisors IV (AMP 31, 32, 34). Completed interviews and pending recommendation.
 - Housing Inspector III (Section 8 Branch). Selection made and pending start date.
 - Building Maintenance Worker I (AMP 37). Completed interviews and pending recommendation.

Training:

- Staff attended the following trainings:
 1. Limited English Proficiency
 2. Small Purchases
 3. Worst Mistake in Government Contracting w/Richard Lieberman
 4. Professional Services
 5. In's and Out's of Conducting a Self-evaluation for Local Government
 6. The power and Influence of Accessible Communication
 7. Competitive Sealed Proposals Workshop
 8. 2010 ADA Standards Training
 9. Contract Administration
 10. Webinar Contract Administration
 11. Price & Vendor Lists/Cooperative
 12. Review of English Grammar
 13. Blood Borne Pathogens
 14. Pre-Retirement Workshop
 15. Standard First Aide
 16. Performance Appraisal System (PAS)

Planned Activities for March/April:

Compliance Office:

- Finalize and distribute the IOM regarding VAWA provisions to all managers;
- Coordinate the creation of a language access working group to discuss what needs to be done to craft and implement language access policy;
- Meet with Legal Aid Society of Hawaii to continue the interactive process for outstanding reasonable accommodation requests and discrimination complaints;
- Implement and follow through with new procedures for streamlined intake and processing of reasonable accommodation requests, prepare, and distribute an IOM to managers regarding updated procedures and forms

Construction Management Branch:

Large Capacity Cesspools

- Environmental consultant will prepare a detailed Work Plan to be approved by DOH that will provide oversight to soil management at Kilauea.
- Final walk-through for Kekaha in Kauai scheduled for 4/19/2011

Mayor Wright Homes:

- For the week of April 11 to 15, the following buildings will be retrofitted: 22, 9, 10 and 13. The retrofit sequence will follow the schedule prepared by the Contractor, unless other tanks are severely compromised that require immediate action.
- InSynergy Engineering submitted a Fee Proposal that addresses the long term solution to the aging solar panels and water tanks. The Fee Proposal consists of three options:
 - 1) follow original design with centralized system started by previous consultant;
 - 2) Assess value of current equipment and replace/repair system;
 - 3) Design a new layout with de-centralized system.

All options will include re-using gas heaters that are now being installed. The option approach will assist the HPHA in determining the best value and performance with a planning horizon of 2-4 years to determine capital plan for MWH property.

Elevator Modernization:

- HPHA FMO confirmed with DAGS that should the elevator modernization contract be cancelled, the CIP funds will lapse – even in the case of a contractor not performing. Therefore only recourse is to go through the Bonding Company to demand performance.

Contract and Procurement Office: (pages 99-101)

Solicitation(s):

- Issue Invitation-for-Bids to Furnish Laundry Concession Services at Hookipa Kahaluu, Kaneohe Apartments and Kauhale Ohana Under Asset Management 45 on the Island of Oahu.

- Issue Invitation-for-Bids to Furnish Security Services at Kalakaua Homes, Paoakalani and Makua Alii Under Asset Management 34 on the Island of Oahu.
- Issue Request-for-Proposals to Furnish Integrated Pest Management Services at Kuhio Park Terrace – Low Rise and Kuhio Homes Under Asset Management Project 40 on the Island of Oahu.

Contract(s)

- Execute contract to Issue Section 8 Project Based Housing Choice Vouchers to a Qualified Firm or Organization in Honolulu, Hawaii
- Award contract to Conduct an Assessment of the Hawaii Public Housing Authority's Compliance with the Fair Housing Amendments Act of 1988, the Americans with Disabilities Act (Section 504), Violence Against Women Act (VAWA) Section 515-3, Hawaii Revised Statutes, and Related State and Federal Laws in its Federal and State Public Housing Programs and its Non-Dwelling Facilities.

Property Management:

- Tenant Monitor program – Training is currently being identified and procured.
- Property Management Manual – Will be finished within 3 months
- Asset Management requirements review – Ongoing task
- Orientation for Applicants – Instrument is complete. Implementation after PHA plan is approved
- Evaluate recommendations of Technical Assistance providers and develop action plans for implementation with AMP managers
- Preparing PHAS and PIC submission to HUD for required reporting and subsidy calculation.
- Continuing to monitor AMPs for REAC score improvement

Fiscal Office: (page 92-98)

- Emphasys Training ongoing
- Application for the filling of 2 vacant accountant positions ongoing
- First cut of the 2012 Agency-wide Budget completed
- Filling vacant positions so that adequate staff are available for conversion to Elite, 2010 audit wrap up, preparation for 2011 audit and a timely budget process.
- Fixed asset reconciliation
- Provide AMPs with balance sheets.
- Begin preparation on a monthly basis for the 2011 audit

Hearings:

- Coordinating training for all Hearing Board members with the Deputy AG. To include AMP managers. Topics to include:
 - Reasonable Accommodations
 - Eviction Rulings
 - Language Access
 - Violence Against Women Act (VAWA)

First time this training has ever been offered.

ITO:

- ITO will work with Emphasys to set up direct access to online help for Section 8 users. Section 8 managers will be permitted to open up their own support tickets for faster service.
- Extend Elite contract, and begin implementation of financial modules.

Personnel:

Recruitment:

- Open competitive recruitment(DHRD NEOGOV)for the following positions:
- Public Housing Supervisor VI
- Public Housing Supervisor V (Section 8 Branch)
- Public Housing Supervisor IV (AMP 38)
- Personnel Clerk IV
- General Construction and Maintenance Supervisor (AMP 34)

Position Classification:

- Review HPHA exempt positions and identify positions to convert to Civil Service.
- Annual position extensions from 6/30/11 – 6/30/13.

Planning and Evaluation Office:

- Working with PMMSB and Compliance Office developing medical marijuana policy
- Beginning HAR revision processes for PMMSB
- Continuing to draft and submit testimony on various bills and resolutions before the House and Senate committees in relation to the HPHA and housing issues.
- Continue to review application forms for changes to capture data on COFA clients served.

Trends/Issues:

- DHS Personnel Office has been assisting HPHA Personnel Office in the recruitment activities on a daily basis such as internal recruitment, open competitive recruitment request and selection/recommendation. This is due to short staff at HPHA personnel office.
- Asset Management Projects (AMPs) started recruitment in February 1, 2011. To date, statewide AMPs have 24 positions as on-going recruitment. Recruitment training was provided to managers and support staff last month for Oahu AMPs. The delay in developing selection instrument may impact the recruitment activities and the inability to fill positions timely.
- Lack of staff continues to affect the CPO's ability to track, manage, and execute contracts on a timely basis. Offer to declined by new hire.

Potential Risks:

Large Capacity Cesspools:

- HPHA has been put on notice by the DOH that there are high levels of toxic chemicals and metals contaminating the soil at Kilauea requiring a mitigation plan to be submitted to DOH
- Kealakehe should have been hooked up and operating since March 2009 per the CA/FO. HPHA had been waiting on the County to install the main sewer which was completed last year. Now that the County lines are in, HPHA must connect to the main and backfill ASAP or be subject to a fine from the EPA.

Elevator Modernization:

- Elevators are advanced in age and in need of modernization. As further delays are experienced, the likelihood of elevator failures increases. Many of the elevators at the Federal projects serve the elderly population.

Received a note and envelope with a mail routing slip indicating that an individual had been tampering with our computer system. Sent a picture of the note to ICSD to see if they could assist. ICSD forwarded it to their contacts, and we were advised to place the contents in a zip lock bag (even though it had already been handled by many). FBI special agent G. Phillips picked up the bagged note and envelope on Tuesday, March 15. Apparently, multiple notes were sent out regarding the same individual, so there was some interest. There was no evidence of a security breach

**Federal LIPH
HPHA Island Overview Report
April 2011**

Island	Occupancy *							LIPH and Elderly Waiting List**				
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	601	535	62	89.02%	5	1	4	Average Income	21	0.20%	8.71	4.10
Kauai	319	287	32	89.97%	0	0	0	Low Income (80%)	27	0.26%	3.21	1.92
Maui	196	136	59	69.39%	11	6	1	Very Low Inc. (50%)	312	3.04%	3.01	1.98
Oahu	4,122	3,844	240	93.26%	17	5	38	Extremely Low Inc. (30%)	9,906	96.49%	2.56	1.77
Total	5,238	4,802	393	91.68%	33	12	43		10,266	100.00%	2.59	1.78

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	42	\$ 21,441.51	13	\$ 18,633.00	\$ 123,938.00	\$ 116,949.67	94.36%
Kauai	39	\$ 34,580.27	24	\$ 80,533.93	\$ 83,159.00	\$ 76,059.50	91.46%
Maui	10	\$ 1,590.49	1	\$ 147.00	\$ 38,867.00	\$ 43,430.34	111.74%
Oahu	349	\$ 197,705.78	116	\$ 176,498.60	\$ 1,119,526.49	\$ 1,101,023.44	98.35%
Total	440	\$ 255,318.05	154	\$ 275,812.53	\$ 1,365,490.49	\$ 1,337,462.95	97.95%

* Occupancy also counts Scheduled for Modernization Units.

** Please notice WL Income Limits assumes 2010 HUD Family Income Limit for Hawaii.

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

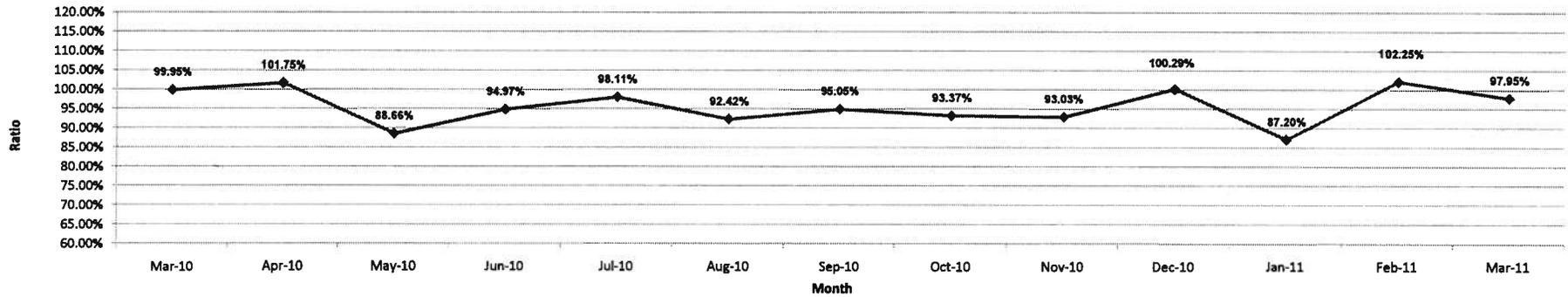
FEDERAL PUBLIC HOUSING

Rent Collection from March 2010 to March 2011

	Mar-10			Apr-10			May-10			Jun-10			Jul-10			Aug-10		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 111,742.56	\$ 116,961.95	104.67%	\$ 114,516.69	\$ 122,029.78	106.56%	\$ 113,063.10	\$ 106,671.27	94.35%	\$ 112,822.92	\$ 108,468.00	96.14%	\$ 110,298.00	\$ 117,841.39	106.84%	\$ 123,375.00	\$ 112,668.72	91.32%
Kauai	\$ 78,569.00	\$ 73,688.81	93.79%	\$ 75,812.00	\$ 74,505.00	98.28%	\$ 77,802.00	\$ 64,010.35	82.27%	\$ 78,374.00	\$ 70,438.19	89.87%	\$ 80,235.00	\$ 72,583.50	90.46%	\$ 86,709.00	\$ 77,298.86	89.15%
Mauai	\$ 39,522.00	\$ 41,955.64	106.16%	\$ 42,734.00	\$ 43,717.38	102.30%	\$ 42,283.00	\$ 35,857.47	84.80%	\$ 41,116.00	\$ 38,664.05	94.04%	\$ 42,270.00	\$ 40,957.84	96.90%	\$ 42,014.00	\$ 41,489.94	98.75%
Oahu	\$ 1,120,869.72	\$ 1,117,474.18	99.70%	\$ 1,128,670.65	\$ 1,145,247.82	101.47%	\$ 1,119,480.19	\$ 992,672.38	88.67%	\$ 1,121,497.78	\$ 1,068,095.60	95.24%	\$ 1,106,181.86	\$ 1,082,262.20	97.84%	\$ 1,129,754.08	\$ 1,045,640.94	92.55%
Total	\$ 1,360,703.28	\$ 1,350,080.58	99.95%	\$ 1,361,733.34	\$ 1,385,499.58	101.75%	\$ 1,292,828.29	\$ 1,199,211.47	88.86%	\$ 1,263,810.70	\$ 1,285,685.84	94.97%	\$ 1,238,884.86	\$ 1,313,644.83	98.11%	\$ 1,361,852.06	\$ 1,277,096.46	92.42%

	Sep-10			Oct-10			Nov-10			Dec-10			Jan-11			Feb-11			Mar-11		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio									
Hawaii	\$ 121,855.00	\$ 118,088.25	96.91%	\$ 120,443.00	\$ 111,022.68	92.18%	\$ 118,608.00	\$ 118,589.01	99.98%	\$ 119,818.00	\$ 121,417.37	101.33%	\$ 120,161.00	\$ 106,426.15	88.57%	\$ 118,550.70	\$ 137,139.87	115.68%	\$ 123,938.00	\$ 116,949.67	94.36%
Kauai	\$ 87,909.00	\$ 83,078.18	94.50%	\$ 87,799.00	\$ 75,384.51	85.86%	\$ 86,778.00	\$ 78,276.56	90.20%	\$ 86,291.00	\$ 80,138.98	92.87%	\$ 83,914.00	\$ 68,105.59	81.16%	\$ 83,547.00	\$ 82,100.90	98.27%	\$ 83,159.00	\$ 76,059.50	91.46%
Mauai	\$ 41,934.00	\$ 41,471.17	98.90%	\$ 39,537.00	\$ 36,257.17	91.70%	\$ 40,455.00	\$ 39,564.88	97.80%	\$ 40,468.00	\$ 39,643.97	97.96%	\$ 39,164.00	\$ 36,337.62	92.78%	\$ 40,207.00	\$ 38,945.99	96.86%	\$ 38,867.00	\$ 43,430.34	111.74%
Oahu	\$ 1,140,552.59	\$ 1,080,710.77	94.75%	\$ 1,129,657.95	\$ 1,063,431.20	94.14%	\$ 1,136,947.46	\$ 1,049,993.07	92.35%	\$ 1,130,424.71	\$ 1,139,769.79	100.83%	\$ 1,128,883.46	\$ 985,566.46	87.30%	\$ 1,122,198.47	\$ 1,137,018.64	101.32%	\$ 1,119,526.49	\$ 1,101,023.44	98.35%
Total	\$ 1,362,250.59	\$ 1,323,348.37	95.05%	\$ 1,377,436.95	\$ 1,286,085.68	93.37%	\$ 1,362,786.46	\$ 1,286,423.52	93.03%	\$ 1,377,001.71	\$ 1,380,970.11	100.29%	\$ 1,372,122.46	\$ 1,196,436.82	87.20%	\$ 1,364,503.17	\$ 1,365,205.40	100.25%	\$ 1,365,480.49	\$ 1,337,462.95	97.95%

Rent Collection Rate



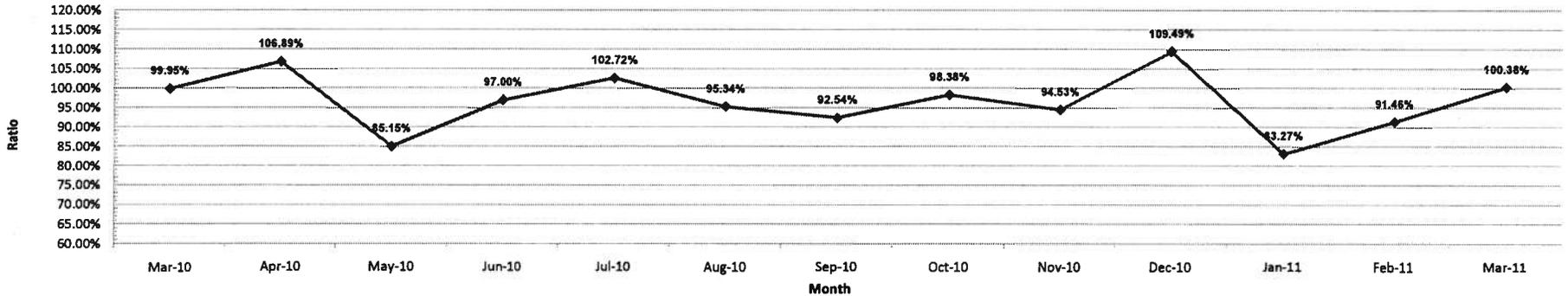
STATE PUBLIC HOUSING

Rent Collection from March 2010 to March 2011

	Mar-10			Apr-10			May-10			Jun-10			Jul-10			Aug-10		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 8,153.00	\$ 7,563.00	92.76%	\$ 8,103.00	\$ 8,259.00	101.93%	\$ 8,678.00	\$ 8,289.30	95.52%	\$ 8,745.00	\$ 7,718.66	88.26%	\$ 8,850.00	\$ 7,272.17	82.17%	\$ 8,817.00	\$ 7,512.28	85.20%
Kauai	\$ 5,297.00	\$ 5,077.00	95.85%	\$ 5,198.00	\$ 4,418.00	84.99%	\$ 5,599.00	\$ 3,679.00	65.71%	\$ 5,594.00	\$ 4,927.00	88.08%	\$ 5,795.00	\$ 5,779.00	99.72%	\$ 5,795.00	\$ 4,190.00	72.30%
Mauai	\$ 5,851.00	\$ 6,231.00	106.49%	\$ 5,777.00	\$ 5,390.00	93.30%	\$ 5,993.00	\$ 4,659.00	77.74%	\$ 5,488.00	\$ 5,405.00	98.49%	\$ 5,453.00	\$ 5,337.00	97.87%	\$ 5,365.00	\$ 4,990.84	93.03%
Oahu	\$ 227,169.00	\$ 227,468.38	100.13%	\$ 225,833.00	\$ 243,720.60	107.92%	\$ 224,782.00	\$ 192,029.45	85.43%	\$ 224,870.00	\$ 219,304.48	97.53%	\$ 226,317.00	\$ 234,719.62	103.71%	\$ 226,190.00	\$ 218,001.22	96.38%
Total	\$ 246,470.00	\$ 246,339.38	99.99%	\$ 244,911.00	\$ 261,787.60	106.89%	\$ 245,052.00	\$ 208,656.75	85.15%	\$ 244,897.00	\$ 237,355.14	97.00%	\$ 246,415.00	\$ 253,107.79	102.72%	\$ 246,167.00	\$ 234,694.34	95.34%

	Sep-10			Oct-10			Nov-10			Dec-10			Jan-11			Feb-11			Mar-11		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$ 9,045.00	\$ 9,438.00	104.34%	\$ 9,941.00	\$ 9,159.12	92.13%	\$ 9,528.76	\$ 8,883.15	93.22%	\$ 9,146.00	\$ 7,517.70	82.20%	\$ 9,443.00	\$ 8,858.38	93.81%	\$ 9,585.00	\$ 11,907.70	124.23%	\$ 11,813.00	\$ 10,679.30	90.40%
Kauai	\$ 5,828.00	\$ 5,327.00	91.40%	\$ 5,580.00	\$ 5,643.00	101.13%	\$ 5,498.00	\$ 4,278.00	77.81%	\$ 5,598.00	\$ 4,876.00	87.10%	\$ 5,598.00	\$ 4,564.80	81.54%	\$ 5,327.00	\$ 6,287.00	118.02%	\$ 5,368.00	\$ 4,365.00	81.69%
Mauai	\$ 5,268.00	\$ 4,506.00	85.54%	\$ 5,286.00	\$ 4,309.00	81.52%	\$ 6,089.00	\$ 5,866.00	96.34%	\$ 5,999.00	\$ 4,646.00	77.45%	\$ 5,643.00	\$ 5,313.00	94.15%	\$ 5,474.00	\$ 5,139.00	93.88%	\$ 5,640.00	\$ 5,570.00	98.76%
Oahu	\$ 227,459.00	\$ 209,854.08	92.26%	\$ 227,374.00	\$ 225,048.63	98.98%	\$ 227,636.00	\$ 216,122.73	94.94%	\$ 228,626.00	\$ 256,002.35	111.97%	\$ 228,770.00	\$ 188,978.95	82.61%	\$ 230,412.00	\$ 206,035.83	89.42%	\$ 229,468.00	\$ 232,605.36	101.37%
Total	\$ 247,600.00	\$ 229,125.08	92.54%	\$ 248,181.00	\$ 244,159.75	98.36%	\$ 248,751.76	\$ 235,149.88	94.53%	\$ 249,369.00	\$ 273,042.05	109.49%	\$ 249,454.00	\$ 207,715.13	83.27%	\$ 250,798.00	\$ 229,369.53	91.46%	\$ 252,269.00	\$ 253,239.66	100.38%

Rent Collection Rate



**State LIPH
HPHA Project Overview Report
April 2011**

Project	Occupancy *						
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Transfers	Units Rent Ready
2201-Hauiki	46	45	1	97.83%	0	0	0
2202-Puahala Homes	128	117	9	91.41%	1	0	2
2204-Kawailehua	26	25	1	96.15%	0	0	0
2205-Kahale Mua	32	27	5	84.38%	1	0	0
2206-Lokahi	30	25	2	83.33%	2	0	3
2207-Ke Kumu Elua	26	17	5	65.38%	1	0	4
2401-Hale Po'ai	206	204	2	99.03%	2	0	0
2402-La'iola	108	106	1	98.15%	3	1	1
2403-Kamalu-Ho'olulu	220	218	0	99.09%	5	1	2
2404-Halia Hale	41	39	1	95.12%	0	0	1
Total	863	823	27	95.37%	15	2	13

Project	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	6	\$ 5,097.14	14	\$ 148,377.41	\$ 18,488.00	\$ 19,786.20	107.02%
2202-Puahala Homes	14	\$ 15,655.00	25	\$ 104,896.51	\$ 45,546.00	\$ 41,928.16	92.06%
2204-Kawailehua	1	\$ 1,551.00	2	\$ 9,154.46	\$ 5,368.00	\$ 4,385.00	81.69%
2205-Kahale Mua	5	\$ 1,911.00	18	\$ 13,799.53	\$ 5,640.00	\$ 5,570.00	98.76%
2206-Lokahi	4	\$ 1,501.00	2	\$ 12,591.50	\$ 7,732.00	\$ 6,925.00	89.56%
2207-Ke Kumu Elua	2	\$ 1,653.00	6	\$ 1,611.67	\$ 4,081.00	\$ 3,754.30	91.99%
2401-Hale Po'ai	0	\$ -	5	\$ 2,284.00	\$ 56,297.00	\$ 59,132.00	105.04%
2402-La'iola	0	\$ -	7	\$ 1,986.52	\$ 34,613.00	\$ 35,561.00	102.74%
2403-Kamalu-Ho'olulu	2	\$ 927.00	1	\$ 4.40	\$ 63,378.00	\$ 65,052.00	102.64%
2404-Halia Hale	34	\$ 28,295.14	bunt - Over 90 days	\$ 80.00	\$ 11,146.00	\$ 11,146.00	100.00%
Total	68	\$ 56,590.28	80	\$ 294,786.00	\$ 252,289.00	\$ 253,239.66	100.38%

* Occupancy also counts Scheduled for Modernization Units.

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

**State LIPH
HPHA Island Overview Report
April 2011**

Island	Occupancy*							LIPH and Elderly Waiting List**				
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	56	42	7	75.00%	3	0	7	Average Income	17	0.22%	8.44	4.39
Kauai	26	25	1	96.15%	0	0	0	Low Income (80%)	13	0.17%	2.46	1.46
Maui	32	27	5	84.38%	1	0	0	Very Low Inc. (50%)	174	2.24%	3.03	1.96
Oahu	749	729	14	97.33%	11	2	6	Extremely Low Inc. (30%)	7,570	97.38%	2.43	1.66
Total	863	823	27	95.37%	15	2	13		7,774	100.00%	2.46	1.68

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	6	\$ 3,154.00	8	\$ 14,203.17	\$ 11,813.00	\$ 10,679.30	90.40%
Kauai	1	\$ 1,551.00	2	\$ 9,154.46	\$ 5,368.00	\$ 4,385.00	81.69%
Maui	5	\$ 1,911.00	18	\$ 13,799.53	\$ 5,640.00	\$ 5,570.00	98.76%
Oahu	22	\$ 21,679.14	52	\$ 257,548.84	\$ 229,468.00	\$ 232,605.36	101.37%
Total	34	\$ 28,295.14	80	\$ 294,706.00	\$ 252,289.00	\$ 253,239.66	100.38%

* Occupancy also counts Scheduled for Modernization Units.

** Please notice WL Income Limits assumes 2010 HUD Family Income Limit for Hawaii.

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

**Federal LIPH
HPHA Project Overview Report
April 2011**

AMP	Occupancy*						
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Transfers	Units Rent Ready
30P-Aiea	362	345	17	95.30%	0	0	0
31P-KVH	373	315	51	84.45%	2	2	7
32P-MWH	363	346	14	95.32%	1	0	3
33P-Kam/Kaamanu	371	364	3	98.11%	1	1	4
34P-Kalakaua	581	559	20	96.21%	2	0	2
35P-Kalanihiua	587	563	23	95.91%	8	0	1
37P-Hilo	300	257	40	85.67%	1	0	3
38P-Kauai	319	287	32	89.97%	0	0	0
39P-Maui	196	136	59	69.39%	11	6	1
40P-KPT	738	686	41	92.95%	0	0	11
43P-Kona	200	193	6	96.50%	4	1	1
44P-Leeward Oahu	258	228	24	88.37%	0	0	6
45P-Windward Oahu	225	217	7	96.44%	3	2	1
46P-Kamuela	101	85	16	84.16%	0	0	0
49P-Central Oahu	149	115	34	77.18%	0	0	0
50P-Palolo	115	106	6	92.17%	0	0	3
Total	5,238	4,802	393	91.68%	33	12	43

AMP	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	32	21,236.96	5	11,743.00	\$ 137,216.00	132,183.83	96.33%
31P-KVH	22	14,735.24	10	14,102.16	\$ 90,587.00	90,612.41	100.03%
32P-MWH	22	11,623.79	9	20,074.41	\$ 108,323.27	109,673.79	101.25%
33P-Kam/Kaamanu	40	18,567.22	15	29,106.53	\$ 93,407.22	92,944.05	99.50%
34P-Kalakaua	9	5,302.02	4	6,770.36	\$ 133,279.04	137,051.57	102.83%
35P-Kalanihiua	22	9,114.09	5	5,055.27	\$ 138,868.65	145,581.07	104.83%
37P-Hilo	19	7,585.51	3	11,058.00	\$ 66,108.00	64,958.82	98.26%
38P-Kauai	39	34,580.27	24	80,533.93	\$ 83,159.00	76,059.50	91.46%
39P-Maui	10	1,590.49	1	147.00	\$ 38,867.00	43,430.34	111.74%
40P-KPT	121	62,600.28	19	17,107.48	\$ 245,001.00	223,396.69	91.18%
43P-Kona	15	12,448.00	7	6,443.00	\$ 41,126.00	35,312.85	85.87%
44P-Leeward Oahu	42	30,171.11	33	53,152.55	\$ 50,415.00	48,318.97	95.84%
45P-Windward Oahu	17	8,857.42	7	2,208.90	\$ 62,196.00	64,802.50	104.19%
46P-Kamuela	8	1,408.00	3	1,132.00	\$ 16,704.00	16,678.00	99.84%
49P-Central Oahu	13	8,769.79	3	1,683.00	\$ 34,899.00	32,479.00	93.07%
50P-Palolo	9	6,727.86	6	15,494.94	\$ 25,334.31	23,979.56	94.65%
Total	440	\$ 255,318.05	154	\$ 275,812.53	\$ 1,365,490.49	\$ 1,337,462.95	97.95%

* Occupancy also counts Scheduled for Modernization Units.

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

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STATUS REPORT ON LARGE CAPACITY CESSPOOL CONVERSIONS, HPHA
(prepared 12/01/2010)

Group 2--All @ Big Island		# CP:	Status as of April 11, 2011	CD*
1	KAIMALINO TMK 3-7-4-017-029	Kailua-Kona 6	IWS-ATO Nos. 42659, 42660, 42661, 42662, 42663 dated 12/6/10 on file Out of the 6 cesspools, 5 converted to seepage pits and 1 was backfilled and abandoned. The UIC DOH renewal permit for the seepage pits are now being processed. DOH UIC Permit--UH 1706 (covers backfilling and seepage pits)	10/09
2	KEALAKEHE HOUSING TMK 3-7-4-017-058	Kailua-Kona 17	Ready to connect to sewer main; after connection, 17 cesspools will be backfilled. Okahara & Associates (OA) fee proposal approved; now preparing contract documents to initiate design work. Design work from previous contract already available for bidding.	OPEN
3	LA'ILANI	Kailua-Kona 66	HHFDC	NA
4	HAWAII MONTESSORI	Kailua-Kona 2	HHFDC	NA
5	JACK HALL	Kailua-Kona 13	HHFDC	NA
Total		104 CP-- Cesspools	CD*-Completion date of Contractor's Scope of Work	

Group 1 @ Big Island		# CP:	Status as of April 11, 2011	CD*
6	NOELANI I TMK 3-6-5-009-025	Kamuela 3	IWS ATO # 41011, 41013, 40114 dated 9/22/10 on file; DOH-UIC application filed 11/01/10 Awaiting DOH approval of DOH UIC permit.	6/08
7	NOELANI II TMK 3-6-5-009-026	Kamuela 7	IWS ATO #41996 to 42000 (5 septic tanks) dated 9/22/10 on file; UIC permit app. for 6 pits submitted on 11/1/11. OA preparing backfill closure report for 1 abandoned cesspool.	6/08
8	HALE ALOHA O PUNA (I) TMK 3-1-6-143-035	Keeau 6	IWS ATO# 42856, 42860, 42861, 42862, 42863, 42864 & 42865 dated 8/4/10 on file UIC #2825 for backfilling accepted on 11/18/2010; UIC UH-2826 for 3 pits accepted 12/8/10	12/09
9	HALE HOOKIPA (E) TMK 3-8-1-002-049	Kealahou 10	IWS ATO #43221 & 43223 on file; OA still working on #43220 & 43222; 6 LCCs abandoned-4 need backfill rpts, 2 need UIC permits, 4 LCCs converted to seep.pits	11/08
10	NANI OLU (E) TMK 3-8-002-047,048	Kealahou 9 CP	IWS ATO# 43252 to 43260 (9 systems) dated 6/10 on file(iws -8 @ 1250 gal; 1 @ 2000 gal) UIC permit No. UH-2793 for wells 1 thru 9 approved 2/24/2011	11/08
11	NANI O PUNA TMK 3-1-5-002-02	Pahoa 4	OA preparing IWS Construction Reports; IWS ATOs already issued by DOH According to HHFDC, this is their property	11/09
12	HALAULA TC	Kapaau 3	All done/Initiated process of transferring to DOE; need to resend HPHA letter to DLNR	01/09
13	KA'U TC	Pahala 2	All done/Initiated process of transferring to DOE; need to resend HPHA letter to DLNR	01/09
14	WAIMEA TC	Kamuela 1	All done/Initiated process of transferring to DOE; need to resend HPHA letter to DLNR	6/08
15	HONOKAA TC	Honokaa 1	All done/Initiated process of transferring to DOE; need to resend HPHA letter to DLNR	11/08

45 UIC -- Underground Injection Control; IWS-- Individual Wastewater System

STATUS REPORT ON LARGE CAPACITY CESSPOOL CONVERSIONS, HPHA

(prepared 12/01/2010)

Group 1 @ Kauai		# CP:	Status as of April 1, 2011	
16	HALE HOOLULU (E) TMK: 4-5-2-003-056	Kilauea 2	IWS 41589, 41590 & 41591 connected to sewer line on 4/6/2011; ATOs to be filed 2 cesspools for be backfilled; UIC-UK 2774 to be rescinded	6/11
17	KALAHEO TMK: 4-2-3-120-030	Kalaheo 5	IWS ATO 41585, 41586, 41587, 41588 dated 3/8/2011 on file UIC Permit No. UK-2737 for 4 seepage pits; annual report due April 2011	6/11
18	KEKAHA HA'AHEO TMK: 4-1-3-008-020 & 026	Kekaha 72	IWS ATO # 41598 to 41628 dated 3/2011 for 31 septic tanks on file awaiting approvals of 77 backfill reports for 77 cesspools. (bid docs show 103 cp--26 not found)	6/11
79 (AECOM Pacific Inc. is Consultant of Record for Kauai projects)				

Group 1 @ Maui		# CP:	Status as of 4/11/11	
19	HANA 'B' TC	Hana 1	All done/Initiated process of transferring to DOE; need to resend HPHA letter to DLNR	09/09
20	WAKIU 'A - E' TC	Hana 2	All done/Initiated process of transferring to DOE; need to resend HPHA letter to DLNR	09/09
3 (AECOM Pacific Inc. is Consultant of Record for Maui projects)				
Total for Group 1		127		

Others originally not identified in CA/FO			Status as of 4/11/11	
a	Lokahi Housing TMK 3-2-4-052-020	N.A. 8	11 septic tanks (IWS) total; 3 of the 11 need to be replaced; 4 cesspools to be backfilled Okahara design contract being processed; bid docs to be released soon after contract approval; this is not part of CA/FO	01/10
b	Hale Hauoli Housing TMK 3-4-5-010-078	N.A. 7 CP	Connection to sewer main only possible in August 2011; 7 cesspools to be backfilled Okahara design contract being processed; const. can proceed when sewer main is ready	(1)
c	Pahala Elderly Housing TMK 3-9-6-017-037	Pahala 5	IWS ATO# 18081 to 18085 (5 tanks) approved 12/2009 on file UIC Permit No. UH-2657 for wells 1 through 3; (ask OA for the other 2)	12/09
(1) dry sewer pipes installed 11/08				

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 3/31/2011

Note: All dates and costs are subject to change

MODERNIZATION (REBUILDING) OF HPHA ELEVATORS													
Name	Housing Type	Elevator No.	Year Elevator Installed	Age of Elevators in Years	Number of Units	Number of Floors	Modernizations Planned		Construction Cost	Funding Source	Design Start	Construction Start	Estimated Construction Completion
							Major	Minor					
Kuhio Park Terrace A Phase 2	Family	3	1981	27	271	16	3		\$3,970,469	FY08 Elevator CIP	Sep-07	Jul-09	Completed 5/2010
Phase 3		1	1964	44							Sep-07	Nov-09	Completed 11/2010
Phase 1		2	1964	44							Sep-07	May-10	Completed 4/2011
Kuhio Park Terrace B Phase 1	Family	4	1964	44	298	16	3				Sep-07	Jul-09	completed, 5/10
Phase 2		5	1964	44							Sep-07	Nov-09	completed, 12/14/10
Phase 3		6	1981	27							Sep-07	May-10	Dec-11
Kalakaua Home Phase 1	Elderly	1	1983	25	221	10	2				\$460,733	FY09 Elevator CIP	Aug-08
		2	1983	25					Aug-08	7/26/2011			10/17/2011
Makua Alii Phase 1	Elderly	1	1967	41	211	20	2		\$460,733	FY09 Elevator CIP	Aug-08	May-11	Sep-11
		2	1967	41							Aug-08	6/28/2011	8/29/2011
Kalanihua Phase 2	Elderly	1	1968	40	151	15	2		\$471,204	FY09 Elevator CIP	Aug-08	8/30/2011	12/12/2011
		2	1968	40							Aug-08	12/13/2011	2/20/2012
Poakalani Phase 2	Elderly	1	1970	38	151	17	2		\$445,026	FY09 Elevator CIP	Aug-08	10/18/2011	1/23/2012
		2	1970	38							Aug-08	1/24/2012	4/2/2012
Pumehana Phase 3	Elderly	1	1972	36	139	21	2		\$465,968	FY09 Elevator CIP	Aug-08	2/21/2012	5/28/2012
		2	1972	36							Aug-08	5/29/2012	7/30/2012
Punchbowl Homes Phase 3	Elderly	1	1961	47	144	7	2		\$371,728	FY09 Elevator CIP	Aug-08	4/3/2012	6/25/2012
		2	1961	47							Aug-08	6/26/2012	8/27/2012

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Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 3/31/2011

Note: All dates and costs are subject to change

MODERNIZATION (REBUILDING) OF HPHA ELEVATORS														
Name	Housing Type	Elevator No.	Year Elevator Installed	Age of Elevators in Years	Number of Units	Number of Floors	Modernizations Planned		Construction Cost	Funding Source	Design Start	Construction Start	Estimated Construction Completion	
							Major	Minor						
Makamae Phase 4	Elderly	1	1971	37	124	4	2		\$261,780	FY09 Elevator CIP	Aug-08	8/28/2012	10/29/2012	
		2	1971	37							Aug-08	10/30/2012	12/24/2012	
Wilikina Apts Phase 4	Family	1	1977	31	119	9	2		\$424,712	FY09 Elevator CIP	Aug-08	7/31/2012	10/22/2012	
		2	1977	31							Aug-08	10/23/2012	1/17/2013	
Salt Lake Apts	Family	1	1970	38	28	8	1		\$1,000,000	B-08-401-K				
Hale Poai	Elderly	1	1989	19	206	7		2	\$320,000					
		2	1989	19										
Halia Hale	Elderly	1	1995	13	41	5		1	\$255,000					
Laiola	Elderly	1	1991	17	108	6		2	\$220,000					
		2	1991	17										
Kulaokahua	Homeless	1	1992	16	30	3		1	\$60,000	Full Modernization not required, only installation of safety related items. Funding dependent on bids for major modernization listed above.				
Ho'olulu Elderly	Elderly	1	1994	14	112	7		2	\$245,000					
		2	1994	14										
Kamalu Elderly	Elderly	1	1993	15	109	7		2	\$240,000					
		2	1993	15										
Banyan St Manor	Family	1	1977	31	55	3								
	TOTAL	34			2,518	181	23	10	\$9,672,353					
Average age of elevators				31										

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**AMERICAN RECOVERY AND REINVESTMENT ACT
PROJECT STATUS REPORT
April 1, 2011**

PROJECT	CONTRACT AMOUNT	ADVERTISE - INVITATION FOR BID	BID OPENING	APPROVAL GRANTED BY HUD	CONTRACT EXECUTED	NOTICE TO PROCEED	PRE-CONSTRUCTION CONFERENCE	CONSTRUCTION START DATE	CONSTRUCTION COMPLETION
Hale Hauoli	\$ 1,834,890	11/17/2009	12/29/2009	2/9/2010	2/23/2010	9/7/2010	3/18/2010	10/4/2010	4/25/2011
Kahekili Terrace	\$ 5,220,136	1/11/2010	2/4/2010	2/23/2010	3/11/2010	6/28/2010	4/20/2010	6/28/2010	4/29/2011
Kaimalino & Kealakehe	\$ 1,915,750	6/15/2009	7/16/2009	1/7/2010	1/7/2010	2/1/2010	1/28/2010	2/1/2010	11/29/2010
Kalakaua	\$ 780,553	1/12/2010	2/9/2010	2/26/2010	3/11/2010	5/20/2010	3/22/2010	6/1/2010	9/28/2010
Kalanihuia	\$ 196,865	12/4/2009	1/7/2010	2/26/2010	3/11/2010	4/19/2010	4/1/2010	4/19/2010	10/14/2010
Kalihi Valley Homes	\$ 1,567,032	5/19/2009	7/12/2009	8/13/2009	9/12/2009	10/26/2009	9/18/2009	10/26/2009	3/1/2011
Makani Kai Hale I & II	\$ 1,629,228	1/11/2010	2/4/2010	2/25/2010	3/4/2010	6/4/2010	4/20/2010	6/4/2010	5/31/2011
Makua Alii	\$ 2,090,130	12/18/2009	1/12/2010	2/16/2010	3/11/2010	4/26/2010	4/21/2010	4/26/2010	9/18/2011
Makua Alii Construction Management	\$ 409,171	N/A	N/A	2/9/2010	3/9/2010	N/A	N/A	N/A	N/A
Sub-Total	\$ 15,643,755								
Administration	\$ 601,688	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sub-Total	\$ 601,688								
TOTAL	\$ 16,245,443								

NOTE: 60% Expenditure deadline is March 17, 2011.
100% Expenditure deadline is March 17, 2012.

**AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
EXPENDITURE REPORT**

Current Date: 4/14/2011 10:25

Project	Contract No.	NTP Issued	Contract Amount	Reporting Year 1				Reporting Year 2		Total	% Complete
				Q1	Q2	Q3	Q4	Q1	Q2		
				Oct-Dec 09	Jan-Mar 10	Apr-Jun 10	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11		
Makua Alii - Construction Mgt. Service (SSFM International, Inc.)	CMS 08-39-SA02	N/A	\$409,171.00				\$55,290.00	\$82,935.00	\$68,615.72	\$206,840.72	50.55%
Kalihi Valley Homes - Site & Dwelling Improvements, Phase 4A (Rainforest G Construction, LLC)	CMS 09-15-CO01	10/26/2009	\$1,563,593.00			\$525,000.00	\$1,024,966.00	\$4,949.00	\$8,677.10	\$1,563,592.10	100.00%
Kaimalino & Kealakehe - Reroofing & Misc. Repairs (Coastal Construction, Inc.)	CMS 10-01	2/1/2010	\$1,915,750.00			\$547,988.92	\$915,892.18	\$314,970.15	\$136,898.75	\$1,915,750.00	100.00%
Hale Hauoli - Reroof & Renovation (Isemoto Contracting Co., Ltd.)	CMS 10-07	9/7/2010	\$1,798,597.00						\$370,068.04	\$370,068.04	20.58%
Makani Kai Hale I & II - Physical Improvements (Artistic Builders Corporation)	CMS 10-08	6/4/2010	\$1,629,267.00				\$97,806.05	\$914,441.75	\$430,200.96	\$1,442,448.76	88.53%
Makua Alii - Reroof and Structural Repairs (Hi-Tec Roofing, Inc.)	CMS 10-09	4/26/2010	\$2,090,130.00				\$590,989.39	\$684,994.43	\$559,087.69	\$1,835,071.51	87.80%
Kalakaua Homes - Reroofing (Tory's Roofing & Waterproofing, Inc.)	CMS 10-10	5/20/2010	\$780,553.00					\$700,813.82		\$700,813.82	89.78%
Kahekili Terrace - Physical Improvements (F&H Construction)	CMS 10-11	6/28/2010	\$5,259,289.00					\$2,388,927.77	\$514,302.01	\$2,903,229.78	55.20%
Kalanihua - Reroof & Elevator Lobby Improvements (ABC Design Center)	CMS 10-12	4/19/2010	\$196,865.00				\$20,330.00	\$167,412.30	\$9,122.55	\$196,864.85	100.00%
Administration	N/A	N/A	\$602,228.00		\$601,688.00					\$601,688.00	99.91%
Total Amount:			\$16,245,443.00	\$0.00	\$601,688.00	\$1,072,988.92	\$2,705,273.62	\$5,259,444.22	\$2,096,972.82	\$11,736,367.58	72.24%
Budget Balance:				\$16,245,443.00	\$15,643,755.00	\$14,570,766.08	\$11,865,492.46	\$6,606,048.24	\$4,509,075.42		
Percentage Expended:				0.00%	3.70%	6.60%	16.65%	32.37%	12.91%		

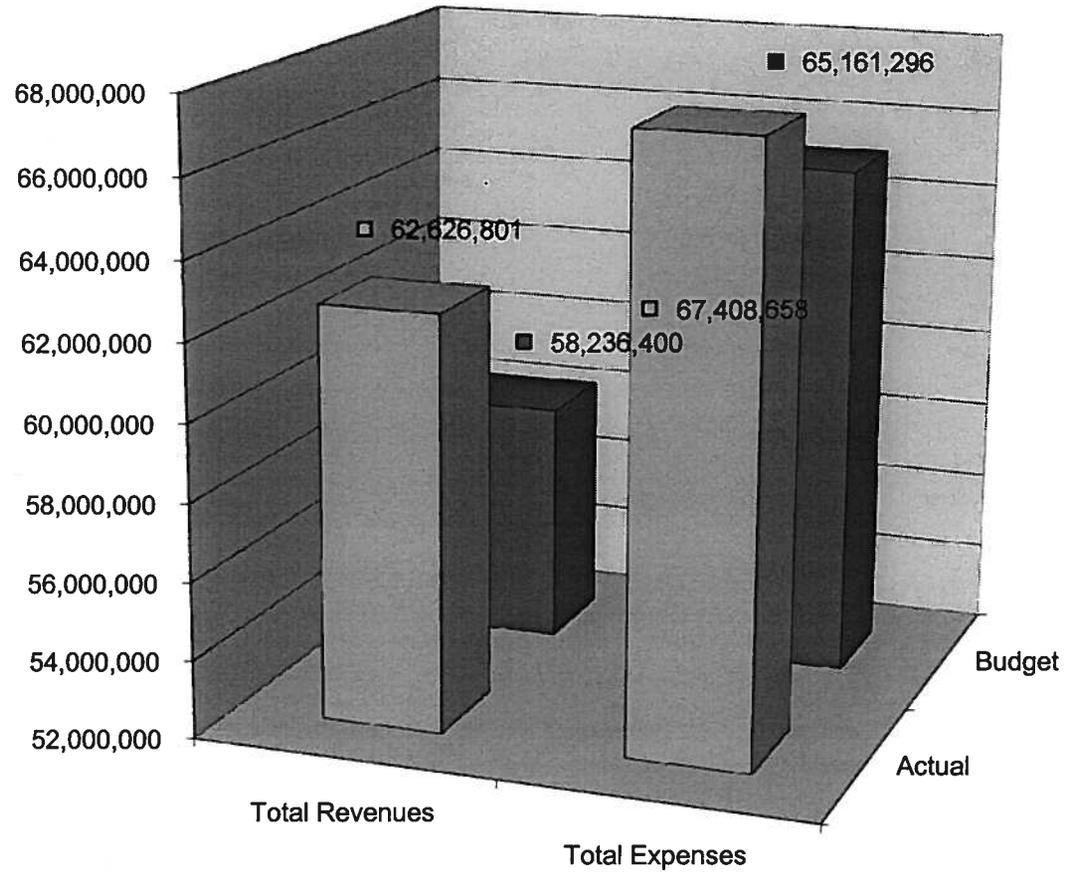
NOTE: HPHA must expend at least 60% of all ARRA Funds no later than March 17, 2011. The expenditure rate of 72.24% is actual expenditures made based on eLOCCS input and check cut by FMO as of March 31, 2011.

ARRA ACTUAL/PROJECTED WORK-IN-PLACE DETAIL

	Actual	Projected	Total	Makua Alii (Const.Mgt.)	KVH	Kaimalino/ Kealakehe	Hale Hauoli	Makani Kai Hale	Makua Alii (Const.)	Kalakaua	Kahekili Terrace	Kalanihua	Administration
MAR '10	801,688.00		801,688.00		200,000.00								601,688.00
APR	589,557.04		589,557.04		325,000.00	264,557.04							
MAY	630,992.76		630,992.76		270,283.55	283,431.88			77,277.33				
JUN	1,058,697.88		1,058,697.88		225,000.00	523,091.07		102,953.74	61,749.07		125,574.00	20,330.00	
JUL	888,528.75		888,528.75	27,645.00	300,456.00	179,703.63			277,997.82		102,726.30		
AUG	1,221,298.67		1,221,298.67	27,645.00	229,682.45	213,097.48		230,000.00	173,965.17	182,012.77	164,895.80		
SEPT	1,436,175.98		1,436,175.98	27,645.00	4,493.00	158,461.24		291,947.17	212,603.45	337,332.17	236,281.65	167,412.30	
OCT	1,090,632.75		1,090,632.75	27,645.00		121,897.00		176,575.00	7,068.00		757,447.75		
NOV	2,100,096.16		2,100,096.16	27,645.00		34,612.30		264,047.00	465,322.98	181,468.88	1,127,000.00		
DEC	1,557,385.95		1,557,385.95	27,645.00		126,898.00	319,397.36	233,915.85	228,421.00	79,738.74	541,370.00		
JAN '11	600,494.38		600,494.38	27,645.00	8,678.00	10,000.36	32,751.14	218,927.27	197,381.00		416,772.62		-311,661.01
FEB	673,039.05		673,039.05	27,645.00	3,439.38			110,861.87	133,283.00		388,686.80	9,123.00	
MAR	1,240,145.00		1,240,145.00	27,645.00			437,500.00		125,000.00		650,000.00		
APR		1,244,975.76	1,244,975.76	27,645.00			437,500.00		129,830.76		650,000.00		
MAY		512,807.87	512,807.87	27,645.00			290,000.00		19,060.00		176,102.87		
JUN		521,496.00	521,496.00	27,645.00			472,851.00		21,000.00				
JUL		27,645.00	27,645.00	27,645.00									
AUG		27,645.00	27,645.00	27,645.00									
SEPT		22,141.00	22,141.00	22,141.00									
	\$13,888,732	\$2,356,711	\$16,245,443	409,171.00	1,567,032.38	1,915,750.00	1,989,999.50	1,629,227.90	2,129,959.58	780,552.56	5,336,857.79	196,865.30	290,026.99

Total Value of Work In Place to Date	\$12,648,587	\$221,160	\$1,567,032	\$1,915,750	\$789,649	\$1,629,228	\$1,960,069	\$780,553	\$4,510,755	\$196,865
% Work In Place to Date	77.86%	54.05%	100.00%	100.00%	39.68%	100.00%	92.02%	100.00%	84.52%	100.00%
60% amount needed	\$ 9,747,266	\$ 245,503	\$ 940,219	\$ 1,149,450	\$ 1,194,000	\$ 977,537	\$ 1,277,976	\$ 468,332	\$ 3,202,115	\$ 118,119
Total Value When 60% Complete	\$9,817,668	\$248,805	\$1,020,284	\$1,250,784	\$352,149	\$801,476	\$1,624,508	\$519,345	\$2,662,099	\$187,742

HPHA February 28, 2011 Actual VS Budget



	Total Revenues	Total Expenses
Actual	62,626,801	67,408,658
Budget	58,236,400	65,161,296

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 024, 181, 265, 318, 337
FOR PERIOD ENDING FEBRUARY 28, 2011
AGENCY TOTAL

ASSETS

CASH		\$	16,273,540
A/R - HUD OTHER PROJECTS	\$	143,246	
A/R - OTHER GOVERNMENT		1,429	
ACCOUNTS RECEIVABLE - MISC		4,854,953	
A/R - TENANT		4,504,621	
ACCRUED INTEREST RECEIVABLE		647,124	
DEPOSIT RECEIVABLES		9,668	
ALLOWANCE FOR DOUBTFUL ACCOUNTS - DWELLING RENTS		<u>(3,824,526)</u>	6,336,515
PREPAID INSURANCE			1,925,718
INVENTORIES			<u>934,882</u>
TOTAL CURRENT ASSETS			<u>25,470,654</u>
INTERPROGRAM DUE FROM			22,603,867
LAND		21,439,261	
EXCESS LAND		12,066	
BUILDINGS		74,051,713	
20 YEARS PROPERTY		174,774,319	
40 YEAR PROPERTY		221,727,761	
1405 INDIRECT		3,940,297	
1450 SITE IMPROVEMENT		3,252,094	
RENTAL UNIT BUILDING		20,117,679	
1470 NONDWELLING		132,826	
FURNITURE, EQUIPMENT, MACHINERY-DWELLINGS		5,239,194	
FURNITURE, EQUIPMENT, MACHINERY-ADMIN		706,973	
MOTOR VEHICLE \$5000 & OVER-ADM		491,608	
ADMIN COMMUNITY AREA		226,831	
ADMIN - AUTOMATIVE EQUIPMENT		863,448	
CONSTRUCTION IN PROCESS		364,884	
ACCUMULATED DEPRECIATION		<u>(297,692,886)</u>	229,648,067
NOTES, LOANS & MORTGAGES RECEIVABLE-NON CURRENT			426,100
DUE TO FUND 181			<u>6,332</u>
TOTAL ASSETS			<u>\$ 278,155,020</u>

LIABILITIES

INTERFUND PAYABLE		\$	318
A/P < 90 DAYS	\$	(5,508)	
A/P VENDORS AND CONTRACTORS < 90 DAYS		102,327	
A/P TENANT REFUND LIABILITY		<u>15,573</u>	112,392
ACCRUED PAYROLL		537,103	
ACCRUED VAC/COMPENSATED ABSENCES		534,856	

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 024, 181, 265, 318, 337
FOR PERIOD ENDING FEBRUARY 28, 2011
AGENCY TOTAL

ACCRUED W/C COMP	301,261	
ACCRUED PILOT LIABILITY	<u>159,349</u>	1,532,569
ACCOUNTS PAYABLE TO HUD		8
TENANT SECURITY DEPOSITS		855,092
TENANT PET DEPOSITS		<u>1,380</u>
TOTAL CURRENT LIABILITIES		<u>2,501,759</u>
DEFERRED REVENUES		196,025
OTHER CURRENT LIAB / RETENTION		204,145
STALEDATED CHECKS		7,932
ACCRUED LIABILITIES-OTHER		576,739
INTER-PROGRAM - DUE TO		8,003,072
NONCURRENT LIABILITIES-OTHER		136,581
ACCRUED COMPENSATED ABSENCES-NON CURRENT		1,322,131
ACCRUED PENSION AND OPEB LIABILITY		5,090,957

FUND EQUITY

CAPITAL ASSETS, NET OF RELATED DEBT	86,269	
RESTRICTED NET ASSETS	3,029,617	
UNRESTRICTED NET ASSETS	261,781,650	
NET INCOME YTD	<u>(4,781,857)</u>	260,115,678

TOTAL FUND EQUITY

TOTAL LIABILITIES AND EQUITY

\$ 278,155,020

* Subject to year-end 2010 Audit adjustments.

HAWAII PUBLIC HOUSING AUTHORITY
AGENCY TOTAL
ACTUAL VS BUDGET COMPARISON
For The Eight Months Ending February 28, 2011
(Amounts in Full Dollars)

MONTH OF FEBRUARY			
Actual	Budget	Variance	
		Amount	%
\$ 1,563,825	\$ 1,556,894	\$ 6,931	-
5,157,553	5,159,035	(1,482)	-
598,268	-	598,268	-
-	-	-	-
-	209,850	(209,850)	(1.00)
464,736	353,771	110,965	0.31
7,784,382	7,279,550	504,832	0.07
822,889	1,271,176	448,287	0.35
-	4,080	4,080	1.00
338,052	256,903	(81,149)	(0.32)
23,013	51,636	28,623	0.55
3,780,085	3,617,175	(162,910)	(0.05)
-	38,520	38,520	1.00
1,180,232	1,032,208	(148,024)	(0.14)
997,106	1,263,879	266,773	0.21
49,578	200,286	150,708	0.75
96,337	90,004	(6,333)	(0.07)
6,630,245	319,295	(6,310,950)	(19.77)
13,917,537	8,145,162	(5,772,375)	(0.71)
\$ (6,133,155)	\$ (865,612)	\$ (5,267,543)	(6.09)

\$ (6,133,155)	\$ (865,612)	\$ (5,267,543)	(6.09)
6,425,613		6,425,613	-
12,427	241,280	(228,853)	(0.95)
\$ 304,885	\$ (624,332)	\$ 929,217	1.49

* Depreciation Expense has been updated through February 2011.

** No Depreciation is reflected in the 2011 budget.

REVENUES

Dewelling Rental Income
HUD Operating Subsidies
COCC Fee Income
General Fund
Grant Income
Other Income

Total Revenues

EXPENSES

Administrative
Asset Management Fees
Management Fees
Bookkeeping Fees
Housing Assistance Payments
Tenant Services
Utilities
Maintenance
Protective Services
Insurance
General Expenses

Total Expenses

Net Income(Loss)

CASH BASIS:

Net Income(loss) per Above
Add back non cash items:
Depreciation Expense
Bad Debt Expense

TOTAL CASH BASIS

YEAR TO DATE ENDING FEBRUARY 28,										
Actual	Budget	Variance		Prior Year	Variance					
		Amount	%		Amount	%				
\$ 12,470,721	\$ 12,455,152	\$ 15,569	-	\$ 12,300,076	\$ 170,646	0.01				
43,578,982	41,272,280	2,306,702	0.06	45,515,964	(1,936,982)	(0.04)				
2,880,789	-	2,880,789	-	2,382,593	498,196	0.21				
730,985	-	730,985	-	742,233	(11,249)	(0.02)				
-	1,678,800	(1,678,800)	(1.00)	-	-	-				
2,965,324	2,830,168	135,156	0.05	3,215,586	(250,262)	(0.08)				
62,626,801	58,236,400	4,390,401	0.08	64,156,452	(1,529,651)	(0.02)				
6,387,809	10,169,408	3,781,599	0.37	7,243,507	855,698	0.12				
-	32,640	32,640	1.00	-	-	-				
2,416,366	2,055,224	(361,142)	(0.18)	2,362,424	(53,942)	(0.02)				
446,616	413,088	(33,528)	(0.08)	464,036	17,420	0.04				
29,686,994	28,937,400	(749,594)	(0.03)	29,269,620	(417,375)	(0.01)				
360,845	308,160	(52,685)	(0.17)	827,492	466,647	0.56				
8,933,238	8,257,664	(675,574)	(0.08)	7,825,502	(1,107,736)	(0.14)				
8,917,685	10,111,032	1,193,347	0.12	10,266,947	1,349,262	0.13				
449,953	1,602,288	1,152,335	0.72	794,766	344,813	0.43				
651,463	720,032	68,569	0.10	764,024	112,561	0.15				
9,157,689	2,554,360	(6,603,329)	(2.59)	8,120,353	(1,037,337)	(0.13)				
67,408,658	65,161,296	(2,247,362)	(0.03)	67,938,670	530,012	0.01				
\$ (4,781,857)	\$ (6,924,896)	\$ 2,143,039	0.31	\$ (3,782,218)	\$ (999,639)	(0.26)				
\$ (4,781,857)	\$ (6,924,896)	\$ 2,143,039	0.31	\$ (3,782,218)	\$ (999,639)	(0.26)				
8,367,988	-	8,367,988	-	7,755,888	612,100	0.08				
15,292	1,930,240	(1,914,948)	(0.99)	(4,212)	19,504	4.63				
\$ 3,601,423	\$ (4,994,656)	\$ 8,596,079	1.72	\$ 3,969,458	\$ (368,035)	(0.09)				

**FEDERAL LOW RENT PROGRAM
ACTUAL VS BUDGET COMPARISON
For The Eight Months Ending February 28, 2011
(Amounts in Full Dollars)**

<u>MONTH OF FEBRUARY</u>				<u>YEAR TO DATE ENDING FEBRUARY 28,</u>								
		<u>Variance</u>				<u>Variance</u>				<u>Variance</u>		
<u>Actual</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>			<u>Actual</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Amount</u>	<u>%</u>
				REVENUES								
\$ 1,313,031	\$ 1,336,342	\$ (23,311)	(0.02)	Dewelling Rental Income	\$ 10,504,634	10,690,736.00	\$ (186,102)	(0.02)	\$ 10,364,537	\$ 140,098	0.01	
1,444,209	1,498,237	(54,028)	(0.04)	HUD Operating Subsidies	13,937,540	13,664,696.00	272,844	0.02	17,604,828	(3,667,288)	(0.21)	
-	-	-	-	COCC Fee Income	-	-	-	-	-	-	-	
-	-	-	-	General Fund	-	-	-	-	-	-	-	
-	-	-	-	Grant Income	-	-	-	-	-	-	-	
236,828	254,247	(17,419)	(0.07)	Other Income	592,022	355,176.00	236,846	0.67	540,440	51,582	0.10	
2,994,068	3,088,826	(94,758)	(0.03)	Total Revenues	25,034,196	24,710,608	323,588	0.01	28,509,805	(3,475,609)	(0.12)	
				EXPENSES								
320,472	399,208	78,736	0.20	Administrative	2,530,448	3,193,664.00	663,216	0.21	2,719,643	189,195	0.07	
-	4,080	4,080	1.00	Asset Management Fees	-	32,640.00	32,640	1.00	-	-	-	
269,948	197,293	(72,655)	(0.37)	Management Fees	1,896,450	1,578,344.00	(318,106)	(0.20)	1,817,349	(79,101)	(0.04)	
4,055	32,701	28,646	0.88	Bookkeeping Fees	297,228	261,608.00	(35,620)	(0.14)	304,944	7,715	0.03	
-	-	-	-	Housing Assistance Payments	-	-	-	-	-	-	-	
-	10,520	10,520	1.00	Tenant Services	10,106	84,160.00	74,054	0.88	46,832	36,725	0.78	
1,025,109	888,094	(137,015)	(0.15)	Utilities	7,671,610	7,104,752.00	(566,858)	(0.08)	6,685,454	(986,156)	(0.15)	
797,254	1,051,174	253,920	0.24	Maintenance	7,243,588	8,409,392.00	1,165,804	0.14	8,321,057	1,077,470	0.13	
49,578	197,562	147,984	0.75	Protective Services	446,278	1,580,496.00	1,134,218	0.72	788,101	341,823	0.43	
84,457	70,439	(14,018)	(0.20)	Insurance	510,305	563,512.00	53,207	0.09	548,219	37,915	0.07	
5,594,844	311,217	(5,283,627)	(16.98)	General Expenses	7,593,398	2,489,736.00	(5,103,662)	(2.05)	6,682,519	(910,879)	(0.14)	
8,145,718	3,162,288	(4,983,430)	(1.58)	Total Expenses	28,199,411	25,298,304	(2,901,107)	(0.11)	27,914,119	(285,292)	(0.01)	
\$ (5,151,650)	\$ (73,462)	\$ (5,078,188)	(69.13)	Net Income(Loss)	\$ (3,165,215)	\$ (587,696)	\$ (2,577,519)	(4.39)	\$ 595,686	\$ (3,760,900)	(6.31)	
\$ (5,151,650)	\$ (73,462)	\$ (5,078,188)	(69.13)	Net Income(loss) per Above	\$ (3,165,215)	\$ (587,696)	\$ (2,577,519)	(4.39)	\$ 595,686	\$ (3,760,900)	(6.31)	
				Add back non cash items:								
5,471,949		5,471,949	-	Depreciation Expense	7,115,934	-	7,115,934	-	6,575,941	539,993	0.08	
12,426	241,280	(228,854)	(0.95)	Bad Debt Expense	15,605	1,930,240	(1,914,635)	(0.99)	(2,999)	18,604	6.20	
\$ 332,725	\$ 167,818	\$ 164,907	0.98	TOTAL CASH BASIS	\$ 3,966,324	\$ 1,342,544	\$ 2,623,780	1.95	\$ 7,168,628	\$ (3,202,303)	(0.45)	

**HAWAII PUBLIC HOUSING AUTHORITY
FEDERAL LOW RENT PROGRAM BY AMPS
ACTUAL VS BUDGET COMPARISON
For The Eight Months Ending February 28, 2011**

(Amounts in Full Dollars)

MONTH OF FEBRUARY

	Actual	Budget	Variance	
			Amount	%
\$ 234,195	\$ 265,593	\$ (31,398)	(0.12)	
194,633	198,107	(3,474)	(0.02)	
232,367	253,593	(21,226)	(0.08)	
183,201	206,067	(22,866)	(0.11)	
287,611	310,571	(22,960)	(0.07)	
305,160	327,143	(21,983)	(0.07)	
161,925	121,880	40,045	0.33	
177,945	197,614	(19,669)	(0.10)	
88,088	87,241	847	0.01	
491,997	567,646	(75,649)	(0.13)	
99,662	103,349	(3,687)	(0.04)	
247,613	131,977	115,636	0.88	
104,872	115,015	(10,143)	(0.09)	
45,773	44,028	1,745	0.04	
70,836	83,268	(12,432)	(0.15)	
68,190	75,734	(7,544)	(0.10)	
\$ 2,994,068	\$ 3,088,826	\$ (94,758)	(0.03)	

YEAR TO DATE ENDING FEBRUARY 28,

ACCRUAL BASIS

Asset Management Project - 30
Asset Management Project - 31
Asset Management Project - 32
Asset Management Project - 33
Asset Management Project - 34
Asset Management Project - 35
Asset Management Project - 37
Asset Management Project - 38
Asset Management Project - 39
Asset Management Project - 40
Asset Management Project - 43
Asset Management Project - 44
Asset Management Project - 45
Asset Management Project - 46
Asset Management Project - 49
Asset Management Project - 50

	Actual	Budget	Variance		Prior Year	Variance	
			Amount	%		Amount	%
\$ 1,879,383	\$ 2,124,744	\$ (245,361)	(0.12)	\$ 2,568,344	\$ (688,961)	(0.27)	
1,718,681	1,584,856	133,825	0.08	2,065,253	(346,572)	(0.17)	
2,091,782	2,028,744	63,038	0.03	2,100,727	(8,945)	-	
1,617,911	1,648,536	(30,625)	(0.02)	1,768,821	(150,910)	(0.09)	
2,480,257	2,484,568	(4,311)	-	2,667,121	(186,864)	(0.07)	
2,548,166	2,617,144	(68,978)	(0.03)	2,922,653	(374,487)	(0.13)	
1,210,045	975,040	235,005	0.24	1,701,522	(491,477)	(0.29)	
1,698,247	1,580,912	117,335	0.07	1,556,661	141,586	0.09	
693,231	697,928	(4,697)	(0.01)	1,082,376	(389,145)	(0.36)	
4,319,602	4,541,168	(221,566)	(0.05)	4,846,170	(526,568)	(0.11)	
891,541	826,792	64,749	0.08	1,012,596	(121,055)	(0.12)	
1,361,835	1,055,816	306,019	0.29	1,097,371	264,464	0.24	
809,586	920,120	(110,534)	(0.12)	1,225,176	(415,590)	(0.34)	
406,771	352,224	54,547	0.15	455,147	(48,376)	(0.11)	
661,785	666,144	(4,359)	(0.01)	799,193	(137,408)	(0.17)	
645,373	605,872	39,501	0.07	640,674	4,699	0.01	
\$ 25,034,196	\$ 24,710,608	\$ 323,588	0.01	\$ 28,509,805	\$ (3,475,609)	(0.12)	

Total Revenues

NET INCOME(LOSS)

\$ (605,723)	\$ (35,113)	\$ (570,610)	(16.25)
(1,060,245)	(15,624)	(1,044,621)	(66.86)
(51,255)	38,379	(89,634)	(2.34)
(299,728)	(2,911)	(296,817)	(101.96)
(215,426)	50,901	(266,327)	(5.23)
(371,488)	3,317	(374,805)	(113.00)
(772,805)	(31,217)	(741,588)	(23.76)
(87,300)	25,784	(113,084)	(4.39)
(91,630)	(78,825)	(12,805)	(0.16)
(123,871)	(13,027)	(110,844)	(8.51)
(333,881)	(7,963)	(325,918)	(40.93)
(371,936)	(311)	(371,625)	(1,194.94)
(376,101)	(5,623)	(370,478)	(65.89)
(187,847)	(22,603)	(165,244)	(7.31)
(213,498)	8,759	(222,257)	(25.37)
11,084	12,615	(1,531)	(0.12)
\$ (5,151,650)	\$ (73,462)	\$ (5,078,188)	(69.13)

Asset Management Project - 30
Asset Management Project - 31
Asset Management Project - 32
Asset Management Project - 33
Asset Management Project - 34
Asset Management Project - 35
Asset Management Project - 37
Asset Management Project - 38
Asset Management Project - 39
Asset Management Project - 40
Asset Management Project - 43
Asset Management Project - 44
Asset Management Project - 45
Asset Management Project - 46
Asset Management Project - 49
Asset Management Project - 50

\$ (691,042)	\$ (280,904)	\$ (410,138)	(1.46)	\$ (86,316)	\$ (604,726)	(7.01)
(746,606)	(124,992)	(621,614)	(4.97)	(343,016)	(403,590)	(1.18)
620,529	307,032	313,497	1.02	402,039	218,490	0.54
(37,028)	(23,288)	(13,740)	(0.59)	(48,720)	11,692	0.24
274,520	407,208	(132,688)	(0.33)	325,644	(51,124)	(0.16)
52,952	26,536	26,416	1.00	383,377	(330,425)	(0.86)
(859,739)	(249,736)	(610,003)	(2.44)	(363,739)	(496,000)	(1.36)
423,749	206,272	217,477	1.05	367,386	56,363	0.15
(270,760)	(630,600)	359,840	0.57	70,754	(341,514)	(4.83)
(826,165)	(104,216)	(721,949)	(6.93)	640,603	(1,466,768)	(2.29)
(414,395)	(63,704)	(350,691)	(5.51)	(57,092)	(357,303)	(6.26)
(136,309)	(2,488)	(133,821)	(53.79)	(509,274)	372,965	0.73
(439,823)	(44,984)	(394,839)	(8.78)	(106,336)	(333,487)	(3.14)
(224,554)	(180,824)	(43,730)	(0.24)	(129,914)	(94,640)	(0.73)
(123,438)	70,072	(193,510)	(2.76)	(113,191)	(10,247)	(0.09)
232,395	100,920	131,475	1.30	163,481	68,914	0.42
\$ (3,165,714)	\$ (587,696)	\$ (2,578,018)	(4.39)	\$ 595,686	\$ (3,761,400)	(6.31)

Total Net Income(Loss)

**HAWAII PUBLIC HOUSING AUTHORITY
FEDERAL LOW RENT PROGRAM BY AMPS
ACTUAL VS BUDGET COMPARISON
For The Eight Months Ending February 28, 2011
(Amounts in Full Dollars)**

<u>MONTH OF FEBRUARY</u>				<u>CASH BASIS</u>				<u>YEAR TO DATE ENDING FEBRUARY 28,</u>				
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>	
REVENUES												
\$ 234,195	\$ 265,593	\$ (31,398)	(0.12)	Asset Management Project - 30	\$ 1,879,383	\$ 2,124,744	\$ (245,361)	(0.12)	\$ 2,568,344	\$ (688,961)	(0.27)	
194,633	198,107	(3,474)	(0.02)	Asset Management Project - 31	1,718,681	1,584,856	133,825	0.08	2,065,253	(346,572)	(0.17)	
232,367	253,593	(21,226)	(0.08)	Asset Management Project - 32	2,091,782	2,028,744	63,038	0.03	2,100,727	(8,945)	-	
183,201	206,067	(22,866)	(0.11)	Asset Management Project - 33	1,617,911	1,648,536	(30,625)	(0.02)	1,768,821	(150,910)	(0.09)	
287,611	310,571	(22,960)	(0.07)	Asset Management Project - 34	2,480,257	2,484,568	(4,311)	-	2,667,121	(186,864)	(0.07)	
305,160	327,143	(21,983)	(0.07)	Asset Management Project - 35	2,548,166	2,617,144	(68,978)	(0.03)	2,922,653	(374,487)	(0.13)	
161,925	121,880	40,045	0.33	Asset Management Project - 37	1,210,045	975,040	235,005	0.24	1,701,522	(491,477)	(0.29)	
177,945	197,614	(19,669)	(0.10)	Asset Management Project - 38	1,698,247	1,580,912	117,335	0.07	1,556,661	141,586	0.09	
88,088	87,241	847	0.01	Asset Management Project - 39	693,231	697,928	(4,697)	(0.01)	1,082,376	(389,145)	(0.36)	
491,997	567,646	(75,649)	(0.13)	Asset Management Project - 40	4,319,602	4,541,168	(221,566)	(0.05)	4,846,170	(526,568)	(0.11)	
99,662	103,349	(3,687)	(0.04)	Asset Management Project - 43	891,541	826,792	64,749	0.08	1,012,596	(121,055)	(0.12)	
247,613	131,977	115,636	0.88	Asset Management Project - 44	1,361,835	1,055,816	306,019	0.29	1,097,371	264,464	0.24	
104,872	115,015	(10,143)	(0.09)	Asset Management Project - 45	809,586	920,120	(110,534)	(0.12)	1,225,176	(415,590)	(0.34)	
45,773	44,028	1,745	0.04	Asset Management Project - 46	406,771	352,224	54,547	0.15	455,147	(48,376)	(0.11)	
70,836	83,268	(12,432)	(0.15)	Asset Management Project - 49	661,785	666,144	(4,359)	(0.01)	799,193	(137,408)	(0.17)	
68,190	75,734	(7,544)	(0.10)	Asset Management Project - 50	645,373	605,872	39,501	0.07	640,674	4,699	0.01	
\$ 2,994,068	\$ 3,088,826	\$ (94,758)	(0.03)	Total Revenues	\$ 25,034,196	\$ 24,710,608	\$ 323,588	0.01	\$ 28,509,805	\$ (3,475,609)	(0.12)	
NET INCOME(LOSS)												
\$ (3,496)	\$ (20,185)	\$ 16,689	0.83	Asset Management Project - 30	\$ 116,759	\$ (161,480)	\$ 278,239	1.72	\$ 733,094	\$ (616,335)	(0.84)	
28,910	5,363	23,547	4.39	Asset Management Project - 31	599,615	42,904	556,711	12.98	678,831	(79,216)	(0.12)	
61,888	46,603	15,285	0.33	Asset Management Project - 32	789,728	372,824	416,904	1.12	625,249	164,479	0.26	
15,044	3,129	11,915	3.81	Asset Management Project - 33	382,522	25,032	357,490	14.28	370,170	12,352	0.03	
(16,631)	51,501	(68,132)	(1.32)	Asset Management Project - 34	549,484	412,008	137,476	0.33	630,296	(80,812)	(0.13)	
28,454	13,338	15,116	1.13	Asset Management Project - 35	552,033	106,704	445,329	4.17	782,422	(230,389)	(0.29)	
29,866	(20,786)	50,652	2.44	Asset Management Project - 37	190,592	(166,288)	356,880	2.15	620,768	(430,176)	(0.69)	
60,515	40,694	19,821	0.49	Asset Management Project - 38	623,005	325,552	297,453	0.91	571,541	51,464	0.09	
(5,492)	(36,636)	31,144	0.85	Asset Management Project - 39	(152,675)	(293,088)	140,413	0.48	199,528	(352,203)	(1.77)	
(61,732)	17,599	(79,331)	(4.51)	Asset Management Project - 40	(762,819)	140,792	(903,611)	(6.42)	647,482	(1,410,301)	(2.18)	
3,240	473	2,767	5.85	Asset Management Project - 43	(12,330)	3,784	(16,114)	(4.26)	203,952	(216,282)	(1.06)	
147,008	30,714	116,294	3.79	Asset Management Project - 44	561,498	245,712	315,786	1.29	203,575	357,923	1.76	
3,113	17,246	(14,133)	(0.82)	Asset Management Project - 45	75,438	137,968	(62,530)	(0.45)	438,786	(363,348)	(0.83)	
(1,038)	(9,744)	8,706	0.89	Asset Management Project - 46	10,192	(77,952)	88,144	1.13	62,111	(51,919)	(0.84)	
26,041	12,197	13,844	1.14	Asset Management Project - 49	201,518	97,576	103,942	1.07	227,089	(25,571)	(0.11)	
18,036	16,312	1,724	0.11	Asset Management Project - 50	241,764	130,496	111,268	0.85	173,734	68,030	0.39	
\$ 333,725	\$ 167,818	\$ 165,907	0.99	Total Net Income(Loss)	\$ 3,966,324	\$ 1,342,544	\$ 2,623,780	1.95	\$ 7,168,628	\$ (3,202,304)	(0.45)	

**STATE ELDERLY PROGRAM
ACTUAL VS BUDGET COMPARISON
For The Eight Months Ending February 28, 2011
(Amounts in Full Dollars)**

<u>MONTH OF FEBRUARY</u>				<u>YEAR TO DATE ENDING FEBRUARY 28,</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>			<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>
				REVENUES							
\$ 164,683	\$ 149,664	\$ 15,019	0.10	Dwelling Rental Income	\$ 1,321,051	\$ 1,197,312	\$ 123,739	0.10	\$ 1,313,603	\$ 7,448	0.01
-	-	-	-	HUD Operating Subsidies	-	-	-	-	-	-	-
-	-	-	-	Management Fees	-	-	-	-	-	-	-
-	-	-	-	Bookeeping Fees	-	-	-	-	-	-	-
-	-	-	-	Asset Management Fees	-	-	-	-	-	-	-
-	-	-	-	Capital Fund Admin Fee	-	-	-	-	-	-	-
-	-	-	-	CMSS Front Line Service Fee	-	-	-	-	-	-	-
-	-	-	-	ARRA Funds Admin Fee	-	-	-	-	-	-	-
-	-	-	-	COCC Fee Income	-	-	-	-	-	-	-
-	-	-	-	General Fund	-	-	-	-	-	-	-
-	-	-	-	Grant Income	-	-	-	-	-	-	-
8,554	4,647	3,907	0.84	Other Income	137,040	37,176	99,864	2.69	45,719	91,321	2.00
173,237	154,311	18,926	0.12	Total Revenues	1,458,091	1,234,488	223,603	0.18	1,359,322	98,770	0.07
				EXPENSES							
7,839	71,826	63,987	0.89	Administrative	119,059	574,608	455,549	0.79	50,093	(68,966)	(1.38)
-	-	-	-	Asset Management Fees	-	-	-	-	-	-	-
33,008	26,651	(6,357)	(0.24)	Management Fees	243,062	213,208	(29,854)	(0.14)	273,132	30,070	0.11
4,268	3,496	(772)	(0.22)	Bookkeeping Fees	31,425	27,968	(3,457)	(0.12)	34,140	2,715	0.08
-	-	-	-	Housing Assistance Payments	-	-	-	-	-	-	-
-	-	-	-	Tenant Services	-	-	-	-	-	-	-
93,157	83,780	(9,377)	(0.11)	Utilities	722,096	670,240	(51,856)	(0.08)	643,246	(78,850)	(0.12)
23,145	42,584	19,439	0.46	Maintenance	465,733	340,672	(125,061)	(0.37)	614,232	148,499	0.24
-	2,180	2,180	1.00	Protective Services	-	17,440	17,440	1.00	129	129	1.00
7,097	9,396	2,299	0.24	Insurance	80,927	75,168	(5,759)	(0.08)	85,499	4,572	0.05
692,965	1,531	(691,434)	(451.62)	General Expenses	923,799	12,248	(911,551)	(74.42)	920,379	(3,420)	-
861,478	241,444	(620,034)	(2.57)	Total Expenses	2,586,101	1,931,552	(654,549)	(0.34)	2,620,850	34,749	0.01
\$ (688,240)	\$ (87,133)	\$ (601,107)	(6.90)	Net Income(Loss)	\$ (1,128,010)	\$ (697,064)	\$ (430,946)	(0.62)	\$ (1,261,528)	\$ 133,518	0.11
\$ (688,240)	\$ (87,133)	\$ (601,107)	(6.90)	Net Income(loss) per Above	\$ (1,128,010)	\$ (697,064)	\$ (430,946)	(0.62)	\$ (1,261,528)	\$ 133,518	0.11
692,965	-	692,965	-	Add back non cash items:							
-	-	-	-	Depreciation Expense	923,765	-	923,765	-	923,765	-	-
-	-	-	-	Bad Debt Expense	35	-	35	-	(562)	597	1.06
\$ 4,725	\$ (87,133)	\$ 91,858	1.05	TOTAL CASH BASIS	\$ (204,210)	\$ (697,064)	\$ 492,854	0.71	\$ (338,325)	\$ 134,115	0.40

**STATE LOW RENT
ACTUAL VS BUDGET COMPARISON
For The Eight Months Ending February 28, 2011
(Amounts in Full Dollars)**

MONTH OF FEBRUARY				YEAR TO DATE ENDING FEBRUARY 28,							
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance	
		Amount	%				Amount	%		Amount	%
				REVENUES							
\$ 86,111	\$ 70,888	\$ 15,223	0.21	Dewelling Rental Income	\$ 645,036	\$ 567,104	\$ 77,932	0.14	\$ 542,910	\$ 102,126	0.19
-	-	-	-	HUD Operating Subsidies	-	-	-	-	-	-	-
-	-	-	-	Management Fees	-	-	-	-	-	-	-
-	-	-	-	Bookeeping Fees	-	-	-	-	-	-	-
-	-	-	-	Asset Management Fees	-	-	-	-	-	-	-
-	-	-	-	Capital Fund Admin Fee	-	-	-	-	-	-	-
-	-	-	-	CMSS Front Line Service Fee	-	-	-	-	-	-	-
-	-	-	-	ARRA Funds Admin Fee	-	-	-	-	-	-	-
-	-	-	-	COCC Fee Income	-	-	-	-	-	-	-
-	-	-	-	General Fund	-	-	-	-	-	-	-
-	-	-	-	Grant Income	-	-	-	-	-	-	-
3,757	-	3,757	-	Other Income	77,376	-	77,376	-	468,986	(391,611)	(0.84)
89,868	70,888	18,980	0.27	Total Revenues	722,412	567,104	155,308	0.27	1,011,897	(289,485)	(0.29)
				EXPENSES							
19,150	31,568	12,418	0.39	Administrative	173,137	252,544	79,407	0.31	144,681	(28,456)	(0.20)
-	-	-	-	Asset Management Fees	-	-	-	-	-	-	-
14,619	10,788	(3,831)	(0.36)	Management Fees	110,897	86,304	(24,593)	(0.28)	94,145	(16,752)	(0.18)
1,890	1,581	(309)	(0.20)	Bookkeeping Fees	14,228	12,648	(1,580)	(0.12)	13,815	(413)	(0.03)
-	-	-	-	Housing Assistance Payments	-	-	-	-	-	-	-
-	-	-	-	Tenant Services	-	-	-	-	-	-	-
51,786	52,345	559	0.01	Utilities	465,577	418,760	(46,817)	(0.11)	435,141	(30,436)	(0.07)
35,773	49,696	13,923	0.28	Maintenance	366,356	397,568	31,212	0.08	355,173	(11,182)	(0.03)
-	-	-	-	Protective Services	-	-	-	-	-	-	-
2,525	2,884	359	0.12	Insurance	20,199	23,072	2,873	0.12	26,774	6,576	0.25
252,659	195	(252,464)	(1,294.69)	General Expenses	320,733	1,560	(319,173)	(204.60)	256,712	(64,021)	(0.25)
378,402	149,057	(229,345)	(1.54)	Total Expenses	1,471,126	1,192,456	(278,670)	(0.23)	1,326,442	(144,684)	(0.11)
\$ (288,534)	\$ (78,169)	\$ (210,365)	(2.69)	Net Income(Loss)	\$ (748,714)	\$ (625,352)	\$ (123,362)	(0.20)	\$ (314,545)	\$ (434,169)	(1.38)
\$ (288,534)	\$ (78,169)	\$ (210,365)	(2.69)	Net Income(loss) per Above	\$ (748,714)	\$ (625,352)	\$ (123,362)	(0.20)	\$ (314,545)	\$ (434,169)	(1.38)
				Add back non cash items:							
252,659	-	252,659	-	Depreciation Expense	316,838	-	316,838	-	257,363	59,475	0.23
-	-	-	-	Bad Debt Expense	(347)	-	(347)	-	(651)	304	0.47
\$ (35,875)	\$ (78,169)	\$ 42,294	0.54	TOTAL CASH BASIS	\$ (432,223)	\$ (625,352)	\$ 193,129	0.31	\$ (57,833)	\$ (374,390)	(6.47)

**Contract & Procurement Office
Monthly Status Report for March 2011**

Solicitations Issued in March 2011:

Solicitation No.	Title	Due Date
IFB-PMB-2011-10	Invitation for Bids to Furnish Refuse Collection Services at Various State and Federal Low Income Public Housing Complexes Statewide	April 20, 2011
IFB-PMB-2011-11	Invitation for Bids for the Provision of Gas & Electric Ranges for Various State and Federal Low Income Public Housing Complexes Statewide	April 21, 2011

Contracts Executed in March 2011:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
ASO 09-01	Emphasys Computer Solutions dba Emphasys Software Extension of Time of 12 months to provide installation and implementation of Emphasys Elite Administrative Suite End Date: March 31, 2012	n/a	\$622,762.84
CMS 11-03	Awa & Associates LLC Design and Consultation Services for the Construction of a Second Elevator (Phase I) and the Modernization of the Existing Elevator (Phase II) at Salt Lake Apartments (AMP 30) on the Island of Oahu Completion Date: Phase I – 697days from Notice to Proceed; Phase II – 785 days from Notice to Proceed		\$686,128.00
CMS 08-17-SC02	Architects Hawaii, Inc. Extension of Time of 425 days for Design and Consultation Services for Building Improvements at Hale Poai (MU 42) on the Island of Oahu End Date: September 19, 2012	n/a	\$362,322.00
CMS 09-02-SC01	KONE, Inc. Extension of Time of 48 days for Labor and Materials for the Modernization and Maintenance of Six Elevators at Kuhio Park Terrace (AMP 40) on the Island of Oahu Completion Date: May 3, 2011	n/a	\$3,970,469.04

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CMS 09-13-CO05	Stan's Contracting Additional Labor and Materials and Extension of Time of 59 days for the Reroofing and Miscellaneous Repairs at Nani Olu and Hale Hookipa (AMP 43) on the Island of Hawaii Completion Date: March 31, 2011	\$66,706.00	\$2,343,935.00
CMS 09-19-SC04	Heartwood Pacific LLC Additional Labor and Materials and Extension of Time of 65 days for the Abatement and Interior Renovations at Lokahi (AMP 37) on the Island of Hawaii Completion Date: March 21, 2011	\$16,426.00	\$3,254,768.00
CMS 10-20-SC01	Alan Shintani, Inc. Additional Labor and Materials and Extension of Time of 261 days for the Fair Housing at Lanakila Homes (AMP 37) on the Island of Hawaii Completion Date: April 29, 2012	\$212,064.00	\$1,957,413.00
CMS 10-23-SC01	Perfecto Engineering & Construction Services Inc. Additional Labor and Materials for the Sewage Treatment Plant Improvements at Kupuna Home O Waiialua (AMP 49) on the Island of Oahu Completion Date: August 15, 2011	\$19,316.00	\$871,316.00
CMS 10-25-SC01	Goodfellow Brothers, Inc. Extension of Time of 365 days for the Large Capacity Cesspool Conversion at Kalaheo and Hale Hoolulu (AMP 38) on the Island of Kauai Completion Date: February 28, 2012	n/a	\$553,691.00
CMS 10-26-SC01	Koga Engineering & Construction, Inc. Extension of Time of 365 days for the Large Capacity Cesspool Conversion at Kekaha Haaheo (AMP 38) on the Island of Kauai Completion Date: February 28, 2012	n/a	\$1,632,000.00
CMS 10-28-SC01	Sato & Associates Additional Design and Consultation Services and Extension of Time of 30 days for the Structural and Spall Repairs at Kuhio Park Terrace (AMP 40) on the Island of Oahu End Date: December 15, 2011	\$17,300.00	\$29,300.00

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CPO 10-02-SC01	Reno & Cavanaugh, PLLC Increase in Compensation and Payment Schedule End Date: November 14, 2012	\$131,500.00	\$250,000.00
PMB 08-11-SA03	KNG Group, LLC Name change to Rolloffs Hawaii LLC End Date: June 30, 2011	n/a	\$609,005.77

Approved for the Executive Director 
April 21, 2011

FOR DISCUSSION

SUBJECT: Discussion with Michael S. Flores, U.S. Department of Housing and Urban Development on the Annual Contributions Contract, Corrective Action Order, and Physical Inspection Scores Issued by the Real Estate Assessment Center

I. **FACTS**

- A. This item was added at the request by Michael S. Flores, Director, Office of Public Housing, U.S. Department of Housing and Urban Development.

Prepared by: Taryn Chikamori, Secretary to the Board 

Approved for the Executive Director 
April 21, 2011

FOR DISCUSSION

SUBJECT: Update and Status of the Mixed Finance Redevelopment at Kuhio Park Terrace (KPT) and Kuhio Homes with the Michaels Development Company

I. FACTS

A. The Executive Director will provide a report.

II. DISCUSSION

A. See attached U.S. Department of Housing and Urban Development document.

Prepared by: Taryn Chikamori, Secretary to the Board 

Attachment: Approval of Mixed-Finance and Evidentiary Documents Kuhio Park Terrace Towers



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

APR - 7 2011

Ms. Denise M. Wise
Executive Director
Hawaii Public Housing Authority
1002 N. School Street
P.O. Box 17907
Honolulu, Hawaii 96817

Subject: Approval of Mixed-Finance Proposal and Evidentiary Documents
Kuhio Park Terrace Towers

Dear Ms. Wise:

The Department of Housing and Urban Development (HUD) hereby approves the Mixed-Finance Proposal submitted by the Hawaii Public Housing Authority (HPHA) for the Kuhio Park Terrace Towers (Project). This submission, together with supplemental document submissions, satisfies the requirements set forth in 24 CFR 941, subpart F. This approval is subject to the conditions contained in this letter.

In addition, HUD hereby approves the form of evidentiary documents submitted by HPHA for Kuhio Park Terrace Towers, as described in Exhibit E of the Mixed-Finance Amendment to the Consolidated Annual Contributions Contract (Mixed-Finance Amendment). Upon release of the Request for Release of Funds by the Honolulu Field Office, HUD hereby authorizes HPHA to have all evidentiary documents executed and recorded as necessary. Upon execution by the appropriate parties, the documents to be recorded must be filed for record in the order approved by HUD. The Declaration of Trust/Restrictive Covenants must be recorded first.

Project Structure

The Project consists of the rehabilitation of two high-rise, public housing towers containing 572 public housing units that, when renovation is completed, will consist of 555 Low Income Housing Tax Credit (LIHTC) units including 347 public housing/LIHTC units, 150 LIHTC/project-based voucher (PBV) units and 58 LIHTC-only units. The bedroom distribution is as follows:

Public Housing/Low Income Housing Tax Credit (LIHTC) Units					
Unit Type	1BR	2BR	3BR	4BR	Total
Elevator	19	273	55	-	347
Total Public Housing Units	19	273	55	0	347

PBV/LIHTC Units					
Unit Type	1BR	2BR	3BR	4BR	Total
Elevator	20	10	120	-	150
Total LIHTC Units	20	10	120	-	150

LIHTC-Only Units					
Unit Type	1BR	2BR	3BR	4BR	Total
Elevator	6	32	20	-	58
Total LIHTC Units	6	32	20	-	58

The Project will be rehabilitated in accordance with Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act (ABA) and Title II of the Americans with Disabilities Act (ADA). In accordance with Section 504, 5 percent or 28 units will be accessible for persons with mobility impairments and 2 percent or 12 units will be accessible for the hearing and sight impaired. Additional information on accessibility requirements can be found in PIH Notice 2006-13 at: <http://www.hud.gov/offices/pih/publications/notices/06/pih2006-13.pdf>.

The Owner Entity is KPT Towers 1, LLC. KPT-1 Michaels, LLC is the Managing Member, Pau Hana Housing Management, LLC, is a non-managing member and Transamerica Affordable Housing, Inc., a Special Member. The Developer is The Michaels Development Company I, L.P and the Vitus Group. The Equity Limited Partner is Prestige Affordable Housing Fund XV, LLC, an affiliate of the Development Partner. The Management Company is Interstate Realty Management Company.

Construction Financing

As shown in Attachment D-1, the Project's construction budget totals \$127,147,283. As shown in Part A, the Hawaii Housing Finance and Development Corporation (HHFDC) will issue bonds and make a construction loan in the amount of up to \$66,000,000 (currently projected in Attachment D-1 to be \$65,240,856). HPHA will provide a seller financing loan in the amount of \$46,502,057 and a Public Housing Capital fund loan in the amount of \$3,900,000. The Limited Partner will provide \$6,344,634 in Federal Low Income Housing Tax Credit equity, and \$1,420,449 in State Tax Credit equity. A deferred development fee of \$3,739,287 will also be invested into construction of the project.

Permanent Financing

As shown in Attachment D-2, the Project's permanent budget totals \$135,370,358. As shown under Part A, the Project's total permanent financing consists of a seller financing loan of \$46,502,057 from HPHA; a first mortgage of up to \$32,060,000 (currently projected in Attachment D2 to be \$31,890,000) from HHFDC; \$38,936,124 in LIHTC equity; \$8,717,097 in State tax credit equity; \$181,134 in an equity fee rebate; \$3,900,000 in an HPHA Capital Fund loan and \$5,243,945 in deferred developer fees.

Total Development Cost Limits

The budget for the Project, which is included as Exhibit F in the Mixed-Finance Amendment (Attachment D-2), results in a Total Development Cost (TDC) that is within the TDC limits imposed on public housing development projects in the City of Honolulu, Hawaii as

specified in HUD Notice 2010-20. The Project costs are at 4.3 percent of the TDC limit and Housing Cost Cap limits do not apply because this Project is for rehabilitation of units (Attachment E).

Subsidy Layering Review

This Project has been reviewed using the subsidy layering guidelines published in the Federal Register on February 25, 1994. These guidelines state that a project receiving HUD assistance and LIHTCs is not subject to further review if its proposed syndication results in net proceeds of greater than 51 cents per dollar of tax credit allocation. If a project receives 51 cents or less, it is subject to review of its development costs, particularly builder's profit, development fees, and syndication costs as a percentage of total development costs.

We completed our analysis using \$45,283,620, the amount of tax credits available to the Project subject to the 15-year tax credit compliance period, and \$38,936,123, the amount of equity to be invested in the Project. Our review indicates that the Project will receive gross syndication proceeds of \$0.86 per dollar of tax credit allocation (\$38,936,123/\$45,283,620) and net syndication proceeds of \$0.85 cents per dollar of tax credit allocation to the Equity Limited Partner (\$38,487,430/\$45,279,092). To calculate the discounted net proceeds, we have taken the gross syndication proceeds and subtracted tax credit fees and other expenses relevant to completing the tax credit syndication, compounded equity installments received prior to the Project's Placed-in-Service Date and discounted installments received after this date (Attachments A-C). We then divided this number by the tax credits allocated to the Equity Limited Partner. The Project exceeds the threshold of 51 cents per dollar of tax credit allocation and represents a market rate of equity, given the current market for the purchase of tax credits. Therefore, no further review is required.

Nevertheless, my staff has conducted a detailed review of all development costs to determine that such costs are reasonable and to commit the least amount of public housing development funds necessary to make the proposed development financially feasible. Costs are within the Office of Public Housing's Cost Control and Safe Harbor Standards released by the Office of Public Housing Investments on April 9, 2003.

Financing Changes

In the future, HPHA should report any changes in the Project's financing or use of funds to HUD. The Project is subject to additional subsidy layering review if:

- The Project's sources or uses of funds, as detailed in the attached project budget (Attachment D-2), changes by \$250,000 or by 10 percent of the amount previously disclosed, whichever is lower;
- Previously disclosed financial interests of persons or entities changes by the lesser of \$50,000 or 10 percent of such interest;
- The annual tax credit allocation changes by more than 10 percent; or,
- The schedule of payment of tax credit equity is delayed from that disclosed in Attachment B.

HPHA should send a letter informing HUD of the nature of the financing changes along with HUD Form 2880 to the Office of Public Housing Investments within 30 days of the change. At that time, a determination will be made as to whether another subsidy layering review will be necessary.

Special Conditions

This approval is conditioned upon the Authority receiving written approval of the Request for the Release of Funds (RROF) for the Project from Michael S. Flores, Public Housing Director of HUD's Honolulu Field Office. This approval must be received prior to project closing and submission of the final evidentiary documents to HUD. Upon HUD approval of the final evidentiary documents, funds will be released.

HPHA requested the retention of the original DOFA (Date of Full Availability) for Kuhio Park Terrace Towers in conjunction with this mixed-finance approval. HPHA noted to HUD that the project would be placed in jeopardy if the original DOFA date was not retained. Under the Capital Fund formula regulation at 24CFR 905.10(d), HUD allocates one-half of the formula based on existing needs. However, Section 905.10(d) provides formula funding for existing needs only if a development has a DOFA date prior to October 1, 1991. For units resulting from new construction or acquisition with DOFA dates after October 1, 1991, there would be a zero existing modernization need.

Because HPHA is using the mixed-finance development method for renovation, which involves disposition of the properties to the Owner Entity, upon closing, the Mixed-Finance ACC Amendment would typically establish a new project number as well as a new DOFA date. Since this date would be issued after October 1, 1991, HPHA would lose 50 percent of its future Capital Fund formula amounts attributable to Kuhio Park Terrace Towers. Therefore, HPHA is requesting that it be allowed to maintain the same DOFA date. HUD has established guidelines allowing projects to retain original DOFA dates for mixed-finance modernization projects approved under HUD's Mixed-Finance regulations at 24 CFR 941, subpart F, if those projects continue to be operated as public housing for the full term of the Mixed-Finance ACC Amendment and are subject to a ground lease between the Owner Entity and the housing authority, with a condition that upon the expiration of the ground lease, the public housing units revert back to the housing authority. The renovation of Kuhio Park Terrace Towers is otherwise consistent with the HUD guidelines. HUD hereby approves HPHA's request to maintain the DOFA date for Kuhio Park Terrace Towers, subject to the execution and submission of documents as outlined below.

Next Steps

You may proceed to execute four copies of the Mixed-Finance Amendment for the Project. All four copies must be executed by HPHA and then presented to the HUD Honolulu Field Office, where Michael S. Flores, the Director of Public Housing, will execute all copies on behalf of HUD. He will keep one copy for use by his office and return the other three copies to you. HPHA should retain one copy and provide one copy to the Owner Entity. The other copy should be returned to HUD with the final evidentiary binder, as noted below.

The Mixed-Finance Amendment assures that 347 units are public housing units for all purposes, including the Operating Fund, and that the units will be eligible to receive operating subsidy. Consequently, the public housing units must be managed and operated in compliance with all public housing requirements.

After execution and recordation of the evidentiary documents, HPHA should provide HUD with two final and complete binders containing copies of all executed and recorded evidentiary materials for review and approval. The final evidentiary binder should be submitted within 30 days of the recording of the HUD Declaration of Restrictive Covenants to Roma Campanile at HUD headquarters and a second copy on compact disk sent to Susan Lee-Hurd, Chief Counsel at the Honolulu Field Office. HPHA must include with the binder:

- The required opinions of counsel, together with a certification attesting that no changes to the evidentiary materials have been made since the documents were last submitted and approved by HUD, or if changes have been made, a list of all changes;
- A final title insurance policy that reflects the recordation of all liens, mortgages and encumbrances against the property, in the order approved by HUD; and,
- One original copy of the executed Mixed-Finance Amendment.

We look forward to working with you toward final closing of this transaction. Please contact Roma Campanile at (202) 402-4880 if you have any questions.

Sincerely,



Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

Enclosures

cc: Michael S. Flores, Director, HUD Honolulu Field Office

ATTACHMENT A

SUBSIDY LAYERING ANALYSIS SUMMARY

Project Name, Sponsor and Phase Information

Project: KPT Towers
Sponsor: Hawaii Housing Authority
Phase: One (of one)

SUMMARY: Subsidy Layering Guideline Standards (Note A)

1. **Builder/General Contractor Profit** (from Rental Term Sheet)
2. **Developer Fee** (from Rental Term Sheet)
3. **Syndication Expense** (other than bridge loan, as % of proceeds)
4. **Net Equity Proceeds** (per dollar of LIHTC to project)

This Project	"Safe Harbor" Standard	Okay to Exceed "Safe Harbor" Standard?	"Ceiling" Standard
5.8%	6.0%	NA	14% Gen Cond + OH&P
11.6%	9.0%	Yes	12.0%
0.0%	5.0%	NA	12.0%
\$0.85	Market Price	NA	not less than "mkt rate"

Calculation of Net Equity Proceeds from Syndication (Guideline Standard 4)

(a) Gross LIHTC Equity Syndication Proceeds from Investor

- (i) Gross equity proceeds from investor (total from Attachment B) \$ 38,936,123
- (ii) Gross equity contribution per dollar of tax credit allocation to project = \$ 0.86

(b) Equity Proceeds Not Available for Project Uses

(i) Bridge Financing Costs (on loans to be repaid by equity) (Note B)

- (A) Bridge loan interest \$ 3,192,212
- (B) Bridge loan costs other than interest (lender legal, bank fees, etc.) \$ -

(ii) Other Syndication Fees and Expenses (Note C)

- (A) Ownership entity organizational and legal cost \$ -
- (B) Syndication fees paid from gross syndication proceeds \$ -
- (C) Tax credit fees (to LIHTC-awarding agency, etc.) \$ -
- (D) Other syndication fees and costs (accounting, cost certification, etc.) \$ -
- (E) Total deductions from equity syndication proceeds (3,192,212)

(c) Adjustment for Early/Late Installments (calculation shown on Attachment C)

- (i) Gross equity syndication proceeds (from Attachment B): \$38,936,123
- (ii) Adjusted to present value as of the placed-in-service date (from Attachment B) of: 7/1/2013
- (iii) By compounding (or discounting) early (or late) equity installments, annual int rate of: 6.00%
Use bridge loan int. rate (if applicable) or, say, "Prime" bank lending rate plus 2%.
- (iv) Yields a net positive (negative) adjustment of: 2,743,519

(d) Present Value of Net Equity as of Place-in-Service Date

\$ 38,487,430

(e) Amount of Equity Contribution Per Dollar of Tax Credit to the Project

- (i) Net Equity Proceeds as of the Placed-in-Service Date (from 4.(d), above) \$ 38,487,430
- (ii) Enter amount of annual tax credit allocation (from tax credit award letter): \$ 4,528,362
- (iii) Multiply by 10 (LIHTC award amount is annual allocation per year for 10 years) x 10
- (iv) Equals total LIHTC allocation to project over 10 years: \$ 45,283,620
- (v) Enter investor's ownership percentage: x 99.99%
- (vi) Equals LIHTC allocation to the investor of: 45,279,092
- (vii) Net proceeds, divided by LIHTC allocation to investor, yields net equity per dollar of = \$ 0.85

Notes:

- A. These Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development are issued by the HUD Office of Public Housing Investments (OPHI) in accordance with 24 CFR part 4.13. They incorporate Revised Subsidy Layering Guidelines published in the Federal Register December 15, 1994, and are subject to review and/or modification by OPHI. The current Cost Control and Safe Harbor Standards are available at www.hud.gov/hopevi
- B. Analysis must confirm that only reasonable, market-rate bridge loan interest and costs are recognized (to avoid excess profits that may result when loans are not negotiated through arm's-length transactions).
- C. Syndication expenses are total costs (other than bridge loan interest and costs) incurred by the owner in obtaining cash for the sale of tax credits to investors. Include only those expenses incurred because of the extraordinary legal, organizational and accounting services and activities associated with utilizing tax credits.

ATTACHMENT B

SYNDICATION PROCEEDS

Project: KPT Towers

Phase: One (of one)

Placed-in-Service Date: format: mm/dd/yyyy
7/1/2013
(Use the projected or estimated date of receipt of the final Certificate(s) of Occupancy for the project units.)

Source of Installment Information:
Revised Limited Partnership Agreement
dated August 30, 1999

Equity Installment Number		Months	Equity Installment Dollar Amount	Expected Date of Installment (mm/dd/yyyy)
1	Number of Months Before the Placed-in-Service Date:	26	\$ 3,887,852	4/30/2011
2	Number of Months Before the Placed-in-Service Date:	26	\$ 16,353,172	4/30/2011
3	Number of Months Before the Placed-in-Service Date:	5	\$ 5,451,057	1/30/2013
4	Number of Months After the Placed-in-Service Date:	3	\$ 13,244,042	10/1/2013
5		0		
6		0		
7		0	\$ -	
8		0	\$ -	
9		0	\$ -	
10		0	\$ -	
11		0	\$ -	
12		0	\$ -	
Total of All Equity Installments			\$ 38,936,123	

ATTACHMENT C

EQUITY INSTALLMENTS -- PRESENT VALUE ADJUSTMENTS

Summary of adjustments to equity installments: compounding of early installments and discounting of late installments (relative to the "placed-in-service" date of the project).

Placed-in-Service Date: 07/01/13
 Compounding/Discounting Rate: 6.00%

Project: KPT Towers

Phase: One (of one)

Equity Installment Number	Equity Installment Amount	Present Value of Installments as of the Placed-in-Service Date	Installment Value Increase (Decrease)
1	\$ 3,887,852	\$ 4,426,162	\$ 538,310
2	16,353,172	18,617,425	2,264,253
3	5,451,057	5,588,703	137,646
4	13,244,042	13,047,352	(196,690)
5	0	0	0
6	0	0	0
7	0	0	0
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
Total	\$ 38,936,123	\$ 41,679,642	\$ 2,743,519

EXHIBIT F
SUMMARY BUDGET - CURRENT PHASE ONLY (CONSTRUCTION PERIOD)

Grantee or Applicant HA: **Hawaii Public Housing Authority**

Development Name and Phase: **KPT Revitalization - Tower Renovation**

Unit Type: **Rental Public Housing** **Rental non-PH** **HO w/PH Assistance** **HO w/o PH Assistance**

Number of Units (entered on Unit Mix worksheet):	347	208	-	-	Total Units this Phase	555
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Part A: Development Sources

Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Construction Loan				
Sellers Note: Hawaii Public Housing Authority	Loan	\$ 65,240,856	\$ -	\$ 65,240,856
Federal Tax Credit Equity	Loan	\$ 46,502,057	\$ -	\$ 46,502,057
Other: State Tax Credit Equity	Equity	\$ 6,344,634	\$ -	\$ 6,344,634
Other: Federal Home Loan Bank Award	Equity	\$ 1,420,449	\$ -	\$ 1,420,449
Other: PHA Capital Loan	Loan	\$ -	\$ -	\$ -
Other: Fee Rebate	Loan	\$ 3,900,000	\$ -	\$ 3,900,000
Other: Deferred Fee	Equity	\$ -	\$ -	\$ -
Other: Interim Income	Loan	\$ -	\$ 3,739,287	\$ 3,739,287
Other:		\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -
Total Development Sources (Part A)		\$ 3,900,000	\$ 123,247,283	\$ 127,147,283

Part B: Additional Sources

	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance:				
Other:	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -
Total Additional Sources (Part B)	\$ -	\$ -	\$ -	\$ -

Total Sources this Phase (Parts A and B)

\$ 3,900,000	\$ 123,247,283	\$ -	\$ -	\$ 127,147,283
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Part A: Development Uses

Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Pre-Rehab Repairs	1460	\$ -	\$ 425,535	\$ -	\$ 425,535
Residential Rehabilitation	1460	\$ 3,144,654	\$ 38,114,089	\$ -	\$ 41,258,743
Builder's General Requirements	1460	\$ 188,679	\$ 2,286,845	\$ -	\$ 2,475,525
Builder's Overhead	1460	\$ 66,667	\$ 808,019	\$ -	\$ 874,685
Builder's Profit	1460	\$ 200,000	\$ 2,424,056	\$ -	\$ 2,624,056
Site Improvement	1450	\$ -	\$ -	\$ -	\$ -
Construction Contingency	1460	\$ 300,000	\$ 6,784,951	\$ -	\$ 7,084,951
Subtotal: Development Construction Costs		\$ 3,900,000	\$ 50,843,496	\$ -	\$ 54,743,496

Development Soft Costs

HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s) Payable in Cash	1440	\$ 46,502,057	\$ -	\$ 46,502,057
Acquisition of Site(s) Sellers Note	1440	\$ 3,162,943	\$ -	\$ 3,162,943
Accounting and Cost Certification	1430	\$ 32,500	\$ -	\$ 32,500
Appraisal/Market Studies Expense	1430	\$ 43,500	\$ -	\$ 43,500
Architect & Engineer Fees	1430	\$ 2,933,981	\$ -	\$ 2,933,981
Financing & Application Expense, Lender/Bond Issu	1430	\$ 1,722,450	\$ -	\$ 1,722,450
Financing & Application Expense, Tax Credit	1430	\$ 455,000	\$ -	\$ 455,000
Insurance, Construction Period	1430	\$ 236,489	\$ -	\$ 236,489
Interest, Construction & Bridge Loan(s)	1430	\$ 3,106,937	\$ -	\$ 3,106,937
Legal Expense, Developer & Lender(s)	1430	\$ 380,000	\$ -	\$ 380,000
FF&E	1430	\$ 450,000	\$ -	\$ 450,000
Environmental Reports	1430	\$ 110,000	\$ -	\$ 110,000
RELOCATION	1495	\$ 982,447	\$ -	\$ 982,447
Surveys	1430	\$ 80,000	\$ -	\$ 80,000
Title & Recording Fees	1430	\$ 96,000	\$ -	\$ 96,000
Other: Affordability (ACC) Reserve		\$ -	\$ -	\$ -
Other: Contingency	1430	\$ 200,000	\$ -	\$ 200,000
Other: Replacement Reserve		\$ -	\$ -	\$ -
Other: Marketing & Lease-up Expense		\$ -	\$ -	\$ -
Other: Initial Operation Reserve (PHA Units)		\$ 136,994	\$ -	\$ 136,994
Other: Escrows		\$ -	\$ -	\$ -
Other: Developer Fee (HPHA)		\$ 289,996	\$ -	\$ 289,996
Other: Developer Fee (MDC & Vitus)		\$ 2,265,051	\$ -	\$ 2,265,051
Subtotal: Development Soft Costs		\$ 72,403,787	\$ -	\$ 72,403,787

Total Uses for Development (Part A)

\$ 3,900,000	\$ 123,247,283	\$ -	\$ -	\$ 127,147,283
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Part B: Additional Uses

HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supportive Services (HOPE VI only)	1408	\$ -	\$ -	\$ -
Management Improvements, PHA	1408	\$ -	\$ -	\$ -
Administration, PHA	1410	\$ -	\$ -	\$ -
Fees & Costs	1430	\$ -	\$ -	\$ -
Site Acquisition	1440	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ -
Non-Dwelling Structures	1470	\$ -	\$ -	\$ -
Non-Dwelling Equipment	1475	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -
Total Additional Uses (Part B)		\$ -	\$ -	\$ -

Total Uses this Phase (Parts A and B)

\$ 3,900,000	\$ 123,247,283	\$ -	\$ -	\$ 127,147,283
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EXHIBIT F
SUMMARY BUDGET -- PHASE I ONLY (PERMANENT FINANCING)

Grantee or Applicant HA: **Hawaii Public Housing Authority**

Development Name and Phase: **KPT Revitalization - Tower Renovation**

Unit Type:

Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
347	208	-	-	555

Part A: Development Sources

Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Sellers Note: Hawaii Public Housing Authority				
Permanent Mortgage	1st Mortgage	\$ 46,502,057	\$ -	\$ 46,502,057
Low Income Housing Tax Credit Equity	Equity	\$ 31,890,000	\$ -	\$ 31,890,000
Other: State Tax Credit Equity	Equity	\$ 38,936,124	\$ -	\$ 38,936,124
Other: Tax Credit Fee Rebate	Equity	\$ 8,717,097	\$ -	\$ 8,717,097
Other: Federal Home Loan Bank Award	Grant	\$ 181,134	\$ -	\$ 181,134
Other: PHA Capital Loan	Loan	\$ -	\$ -	\$ -
Other: Deferred Fee	Loan	\$ 3,900,000	\$ -	\$ 3,900,000
Other: Interim Income		\$ 5,243,945	\$ -	\$ 5,243,945
Other:		\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -
Total Development Sources (Part A)		\$ 3,900,000	\$ 131,470,357	\$ 135,370,357

Part B: Additional Sources

	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance:	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -
Total Additional Sources (Part B)	\$ -	\$ -	\$ -	\$ -

Total Sources this Phase (Parts A and B)

\$ 3,900,000	\$ 131,470,357	\$ -	\$ 135,370,357
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Part A: Development Uses

Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Pre-Rehab Repairs	1460	\$ -	\$ 425,535	\$ -	\$ 425,535
Residential Rehabilitation	1460	\$ 3,144,654	\$ 38,114,089	\$ -	\$ 41,258,743
Builder's General Requirements	1460	\$ 188,679	\$ 2,286,845	\$ -	\$ 2,475,525
Builder's Overhead	1460	\$ 66,667	\$ 808,019	\$ -	\$ 874,685
Builder's Profit	1460	\$ 200,000	\$ 2,424,056	\$ -	\$ 2,624,056
Site Improvement	1450	\$ -	\$ -	\$ -	\$ -
Construction Contingency	1460	\$ 300,000	\$ 6,784,951	\$ -	\$ 7,084,951
Subtotal: Development Construction Costs		\$ 3,900,000	\$ 50,843,496	\$ -	\$ 54,743,496

Development Soft Costs

	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)- Payable in Cash	1440	\$ -	\$ 46,502,057	\$ -	\$ 46,502,057
Acquisition of Site(s)- Sellers Note	1440	\$ -	\$ 3,162,943	\$ -	\$ 3,162,943
Accounting and Cost Certification	1430	\$ -	\$ 35,000	\$ -	\$ 35,000
Appraisal/Market Studies Expense	1430	\$ -	\$ 43,500	\$ -	\$ 43,500
Architect & Engineer Fees	1430	\$ -	\$ 2,933,981	\$ -	\$ 2,933,981
Financing & Application Expense, Lender/Bond Issu	1430	\$ -	\$ 1,722,450	\$ -	\$ 1,722,450
Financing & Application Expense, Tax Credit	1430	\$ -	\$ 455,000	\$ -	\$ 455,000
Insurance, Construction Period	1430	\$ -	\$ 236,489	\$ -	\$ 236,489
Interest, Construction & Bridge Loan(s)	1430	\$ -	\$ 3,192,212	\$ -	\$ 3,192,212
Legal Expense, Developer & Lender(s)	1430	\$ -	\$ 475,000	\$ -	\$ 475,000
FF&E	1430	\$ -	\$ 450,000	\$ -	\$ 450,000
Environmental Reports	1430	\$ -	\$ 110,000	\$ -	\$ 110,000
RELOCATION	1495	\$ -	\$ 982,447	\$ -	\$ 982,447
Surveys	1430	\$ -	\$ 80,000	\$ -	\$ 80,000
Title & Recording Fees	1430	\$ -	\$ 120,000	\$ -	\$ 120,000
Other: Affordability (ACC) Reserve		\$ -	\$ 3,173,440	\$ -	\$ 3,173,440
Other: Contingency	1430	\$ -	\$ 200,000	\$ -	\$ 200,000
Other: Replacement Reserve		\$ -	\$ 222,400	\$ -	\$ 222,400
Other: Marketing & Lease-up Expense		\$ -	\$ 136,994	\$ -	\$ 136,994
Other: Initial Operation Reserve (PHA Units)		\$ -	\$ -	\$ -	\$ -
Other: Escrows		\$ -	\$ 289,996	\$ -	\$ 289,996
Other: Developer Fee (HPHA)		\$ -	\$ 3,176,488	\$ -	\$ 3,176,488
Other: Developer Fee (MDC & Vitus)		\$ -	\$ 12,926,464	\$ -	\$ 12,926,464
Subtotal: Development Soft Costs		\$ -	\$ 80,626,862	\$ -	\$ 80,626,862

Total Uses for Development (Part A)

\$ 3,900,000	\$ 131,470,358	\$ -	\$ 135,370,358
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Part B: Additional Uses

	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	\$ -	\$ -	\$ -	\$ -
Management Improvements, PHA	1408	\$ -	\$ -	\$ -	\$ -
Administration, PHA	1410	\$ -	\$ -	\$ -	\$ -
Fees & Costs	1430	\$ -	\$ -	\$ -	\$ -
Site Acquisition	1440	\$ -	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ -	\$ -
Non-Dwelling Structures	1470	\$ -	\$ -	\$ -	\$ -
Non-Dwelling Equipment	1475	\$ -	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -	\$ -
Total Additional Uses (Part B)		\$ -	\$ -	\$ -	\$ -

Total Uses this Phase (Parts A and B)

\$ 3,900,000	\$ 131,470,358	\$ -	\$ 135,370,358
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Total Development Cost (TDC) Limit and Housing Construction Cost (HCC) Limit Calculations

DEVELOPMENT NAME AND PHASE: KPT Tower Redevelopment

using TDC and HCC limits published in HUD Notice PIH 2010-20 (HA) for: HONOLULU, HAWAII

Structure Type	BRs	Rehab of Existing Pub. Hsg.	New Const.	Acq. with or w/o Rehab	HCC Limits		TDC Limits	
					(new const. only) Per Unit	(new const. only) Phase Totals	Per Unit	Phase Totals
Detached/Semi-Detached	1	-	-	-	\$ 142,322	\$ -	\$ 249,063	\$ -
	2	-	-	-	\$ 161,646	\$ -	\$ 282,879	\$ -
	3	-	-	-	\$ 191,740	\$ -	\$ 335,545	\$ -
	4	-	-	-	\$ 225,477	\$ -	\$ 394,584	\$ -
	5	-	-	-	\$ 247,047	\$ -	\$ 432,332	\$ -
	6	-	-	-	\$ 267,196	\$ -	\$ 467,592	\$ -
Row House	1	-	-	-	\$ 116,596	\$ -	\$ 204,042	\$ -
	2	-	-	-	\$ 140,393	\$ -	\$ 245,687	\$ -
	3	-	-	-	\$ 170,288	\$ -	\$ 298,004	\$ -
	4	-	-	-	\$ 203,002	\$ -	\$ 355,253	\$ -
	5	-	-	-	\$ 223,852	\$ -	\$ 391,742	\$ -
	6	-	-	-	\$ 243,595	\$ -	\$ 426,290	\$ -
Walkup	0	-	-	-	\$ 77,289	\$ -	\$ 135,255	\$ -
	1	-	-	-	\$ 104,456	\$ -	\$ 182,799	\$ -
	2	-	-	-	\$ 132,672	\$ -	\$ 232,176	\$ -
	3	-	-	-	\$ 173,084	\$ -	\$ 302,897	\$ -
	4	-	-	-	\$ 214,805	\$ -	\$ 375,909	\$ -
	5	-	-	-	\$ 241,677	\$ -	\$ 422,935	\$ -
Elevator	0	-	-	-	\$ 268,146	\$ -	\$ 469,256	\$ -
	1	-	-	19	\$ 86,451	\$ -	\$ 138,322	\$ -
	2	-	-	273	\$ 121,032	\$ -	\$ 193,651	\$ 3,679,360
	3	-	-	55	\$ 155,612	\$ -	\$ 248,979	\$ 67,971,342
	4	-	-	-	\$ 207,483	\$ -	\$ 331,972	\$ 18,258,480
	5	-	-	-	\$ 259,353	\$ -	\$ 414,965	\$ -
	6	-	-	-	\$ 293,934	\$ -	\$ 470,294	\$ -
		-	-	-	\$ 328,514	\$ -	\$ 525,623	\$ -
		-	-	-		\$ 347		\$ 89,909,182

Step 6. Enter Demo & Replacement Units (total, all phases)

Number of public housing units to be demolished or lost to conversion (total, all phases)

(Minus) the number of replacement PH units to be built back on the original site (total, all phases)

Equals PH units demolished and not replaced on the original PH site (total, all phases)

(This portion of demolition cost is excluded from TDC limit)

% of units:

Step 7. Enter all Sources of Public Housing Capital Assistance

PH Capital Assistance incl. CFP, HOPE VI Revitalization, HOPE VI Demo-only Funds

Borrowed Funds to be Repaid with Public Housing Capital Assistance

Total Sources of Public Housing Capital Assistance

Step 8. Enter All Uses of Public Housing Capital Assistance

HUD Bdgt Line Item	
Community and Supportive Services ("CSS" -- for HOPE VI projects only)	
Management Improvements, PHA	1408 \$ -
Administration, PHA	1408 \$ -
Fees and Costs (planning, prog mgmt, insurance, initial oper deficit, etc.)	1410 \$ -
Site Acquisition (cost of sites w/o structures to be retained as housing)	1430 \$ -
Site Improvement (streets, site improvements and public improvements)	1440 \$ -
Dwelling Structures, Rehab (cost to rehab existing PH units only)	1450 \$ -
Dwelling Structures, New Const (w/OH+P, finish landscape + on-site util's)	1460 \$ 3,900,000
Dwelling Structures, Acquisition (acq. of existing units, + rehab cost)	1460 \$ -
Dwelling Equip, New Const (for new construction units only)	1480 \$ -
Dwelling Equip, Rehab or Acq. Units (for existing PH and Acq. units)	1465 \$ -
Nondwelling Structures (community facilities, social service space, etc.)	1470 \$ -
Nondwelling Equipment (e.g., vehicles)	1475 \$ -
Demolition (enter total of all demo & environmental remediation costs)	1485 \$ -
Relocation (moving expenses, & PHA cost of full-time relo staff)	1495 \$ -
Total Uses of Public Housing Capital Assistance	\$ 3,900,000

Excluded Demolition and Abatement Cost Calculation

Total Cost of Public Housing Unit Demo & Associated Env. Abatement (BLI 1485) \$ -

Times % of Demo Costs Excluded as "Additional Project Costs" (% from Step 6) x 100%

Equals Amount of Demo Costs Excluded from TDC Limit as "Additional Project Costs" \$ -

Step 10. Enter Extraordinary Site Cost (must be approved by HUD)

Community & Supportive Services ("CSS" -- for HOPE VI projects only)

(Minus) Total of "Extraordinary Site Costs" and CSS (excluded from TDC limit)

Total Uses of Public Housing Capital Assistance (amount subject to TDC Limit)

Total Development Cost Limit (from Step 3 above)

Public Housing Capital Assistance for Housing Construction Costs

Dwelling Structures, New Const (w/OH+P, finish landscape + on-site util's) 1460 \$ -

Dwelling Equipment, New Const (if not already included in 1460) 1465 \$ -

Total Housing Construction Cost

Housing Construction Cost Limit (if any, from Step 3 above)

Step 9. Confirm:



Sources = Uses

Total Sources (Step 7) must equal Total Uses (Step 8)

----> Difference: \$0

Okay: Sources = Uses

(± \$5 rounding allowance)

Step 11. Review Results

TDC Limit Analysis:

Total Development Cost (PH Capital Assistance only)

as Percentage of TDC Limit

HCC Limit Analysis:

Housing Construction Cost (PH Capital Assistance only)

as Percentage of HCC Limit

FOR DISCUSSION

SUBJECT: Report on Oversight of Asset Management Project (AMP) Managers and Progress on Resolution of Real Estate Assessment Center (REAC) Findings

I. DISCUSSION

- A. It is important that the REAC follow-up be comprehensive otherwise the required improvements will only be temporary in nature. Therefore, there is a short-term and long-term strategy. The short-term strategy addresses the most immediate issues of the properties that failed the REAC inspection with the goal of elevating the properties to above 60 in the next set of REAC inspections; and the long-term strategy addresses evaluating the entire portfolio and reassessing how the HPHA does business from a property management perspective. It is expected that by undertaking the long-term strategy that the HPHA can make sustainable and accountable changes.

Short-Term Strategy (30-90 days)

The HPHA has reviewed the REAC inspection findings issued and has developed a plan to specifically address the AMPs that failed the inspections (score lower than 60). They are:

AMP – type of management	Score	Specialist Assigned
AMP 44 Waimaha/Sunflower private contractor Oahu	39	P. Ono
AMP 50 Palolo Valley Homes – state managed - Oahu	40	G. Guitron
AMP 35 Punchbowl Homes – state managed - Oahu	43	D. Johns
AMP 45 Koolau Village – private contractor - Oahu	45	P. Ono
AMP 49 Wahiawa Terrace – state managed - Oahu	49	J. Chaves
AMP 32 Mayor Wright Homes – state managed - Oahu	52	P. Ono
AMP 38 Kekaha Ha'aheo – state managed - Kauai	53	G. Guitron
AMP 33 Kamehameha Homes – state managed - Oahu	57	P. Ono

The corrective plans account for the findings in two categories, interior or units, building exterior and grounds. The items identified for correction and follow-up were taken from the list by provided by REAC titled "Top 20 Deficiencies".

A sample of follow-up items for interior may include:

- Smoke detectors
- Review of appliance repairs

A sample of exterior or grounds follow-up items may include:

- Review of capital planning project list
- Sidewalks
- Erosion control

These items will be reviewed monthly by the property specialist vis-à-vis monthly site visits and work order logs. The logs track work requested and length of time to repair. This will provide an overview on the AMP management's response to repair requests and will give the specialist an opportunity to review any trends or issues. This will be discussed with the AMP manager for correction should it be appropriate.

The exterior items are being compared to the capital planning list to ensure that AMPs and the needed capital repairs are included and if not are added to the planning list. For example, spall repair at Palolo is included in a larger modernization project for the AMP. However the caveat for this particular finding, capital repairs, is that there may be repeat findings in the subsequent inspection.

In tandem with the Specialist's review of the REAC findings and the resolution to those items another critical element is program compliance. This is done through a 10% review of tenant files upon visit by the Specialist. Tenant files are reviewed for completeness to include:

- Rent calculations
- Complete paperwork
- Performance of timely certifications

Should the Specialist find that there are more than 5% discrepancies within the initial 10% sample they will expand their sample by an additional 10%. Should there still be discrepancies a full file review will be scheduled.

This regular and consistent review by the Specialist should assist the AMP managers in identifying trends and addressing them in a timely manner.

Within the next 90 days, Central Maintenance will be dispatched to perform a review of the properties to ensure all exterior items have been properly addressed or that there is plan to address the issues.

B. Long-Term Strategy: (91-240 days)

In September of 2010 HUD approved Technical Assistance for the HPHA that included an evaluation of the current AMP structure. Attached is a report titled "Hawaii Public Housing Authority Asset Management Project (AMP) Grouping Analysis" Although report is dated December 2010 the HPHA received a draft in January with a final received end of February beginning of March.

Since receiving the report and working on the associated implementation plan, the HPHA has been identifying key elements of the recommendations and is working on finalizing the implementation plan. The report recommends an addition of approximately 9 new AMPs be formed by reconfiguring the current structure. The feasibility and practicality are currently being evaluated. However, as we move forward and address the issues of the HPHA's aging physical plants and the chronic nature of the property conditions, by reorganizing to pare down the number of units in certain AMPs this may improve the attention to property conditions and provide for a more directly accountable property management system.

The next step after feasibility and review of the recommended AMP reconfiguration is meeting with the AMP managers to review the implementation plan, get feedback and set timelines.

Prepared by: Denise M. Wise, Executive Director 

Attachment: HPHA AMP Grouping Analysis
Property Inventory

***Hawaii Public Housing Authority
Asset Management Project (AMP)
Grouping Analysis***

Prepared for the
U.S. Department of Housing and Urban Development

Prepared by Econometrica, Inc.

Under Contract # C-OPC-22957 T.O. # 0002
Hawaii Public Housing Authority TA Assignment

December 2010

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1. STATEMENT OF PURPOSE

The Hawaii Public Housing Authority (HPHA) is in the process of completing its conversion to Asset Management. As part of this effort, HPHA initially grouped its properties into various Asset Management Projects (AMPs). These AMPs are designed to provide greater site presence at the properties, while ensuring that management services can be provided in a cost-effective manner. While in the private sector every property would be its own unique entity, with dedicated staff and individual financial reports, HUD allows PHAs greater flexibility in determining their AMP groupings. This allows PHAs to combine smaller, similar properties into one AMP, as long as the goals of providing individual attention and generating meaningful financial data are met.

According to the Final Technical Assistance Plan, Econometrica was to provide an “AMP Structure Analysis” . . . “to determine whether they are currently organized in the best interests of the projects” . . . “From this review the Econometrica team will provide a report to the HPHA leadership recommending any changes to AMP groupings, staff organization and how management services are provided to the AMPs.”

2. INTRODUCTION

From September 27 through October 1, 2010, Econometrica, represented by Sloan Jordan, visited all developments on the neighboring Hawaiian Islands and briefly met with several members of HPHA’s executive staff in an effort to fulfill the “AMP Structure Analysis” detailed in the Final Technical Assistance Plan. A second visit from December 13 through December 17, 2010 was conducted by Sloan Jordan to visit all of the developments on the island of Oahu. Econometrica’s second representative, Ray Adair, conducted a separate visit with the COCC’s financial staff December 15 through 17, 2010. The Econometrica team would like to thank Executive Director Denise Wise for the courtesy and assistance that she and her staff demonstrated during the site visits. In addition, Stephanie Fo, Public Housing Manager, and Earl Nakaya, PMMSB, were generous with their time, as well as very informative while the site tours were planned and conducted. The site personnel at the various AMPs were also helpful in assisting the team during the site visits. Both visits ended with a meeting to discuss initial findings and comments with Denise Wise and her staff.

3. CURRENT AMP GROUPINGS

HPHA operates a total of 67 developments (16 of which are adjacent to one or more of the developments), grouped into 16 separate AMPs (See the attached AMP Inventory), totaling 5,363 units. Of those units, 11 AMPs containing 34 developments and 4,145 units are located on the island of Oahu. The remaining AMPs, units, and developments are located on the islands of Maui, Hawaii, Molakai, and Kauai. In addition, HPHA also operates another 14 developments of State Family and Elderly Housing totaling 756 units. This report will only address the 67 federal public housing developments.

Island of Hawaii

There are 19 operational developments on the island of Hawaii, consisting of 701 units. These nineteen developments are grouped into three AMPs. One AMP consists of ten developments, one AMP has five developments, and one AMP has four developments. Only the AMP with 10 developments is managed by HPHA. The other two AMPs are managed by a local management company and are in exceptional condition.

1. **AMP 37** (East Hawaii) consists of Lanakila Homes I, II, III and IV, a 222 unit property consisting of four developments of varying ages and the AMP 37 office; Hale Aloha O Puna a 30 unit development in Keaau; Hale Olaloa, a 50 unit development in Hilo; Kauhale O'Hanakahi; a 20 unit development in Hilo; Pahala, a 24 unit development in Pahala; Pomaikai Homes; a 20 unit development in Hilo; and Punahele Homes, a 30 unit development in Hilo.
2. **AMP 43** (West Hawaii) consists of Ka Hale Kahuluu in Kailua-Kona (50 units), Hale Hookipa in Kealakekua (32 Units), Kaimalino in Kailua-Kona (40 units), Kealakehe in Kailua-Kona (48 units), and Nani Olu in Kealakekua (32 units). This AMP is managed by Hawaii Affordable Properties and is generally in excellent condition with high curb appeal.
3. **AMP 46** (North Hawaii) consists of four developments: Noelani II in Kamuela (24 units), Noelani I in Kamuela (19 units), Hale Hauoli in Honokaa (40 units) and Ke Kumu Ekolu in Waikola (20 units). Noelani I and II are adjacent to each other and managed as one development. Hawaii Affordable Properties fee manages this AMP. Properties are in good condition with on-going rehabilitation and improvements as well as generally high curb appeal.

AMPs 43 and 46 are a fairly short distance from each other and easily drivable on any given day between all properties in the AMPs. AMP 37 covers a much larger area with drive times of up to two hours between the AMP office at Lanakila Homes and the development in Pahala with developments sprinkled inbetween. In addition to the foregoing developments, the AMP 37 staff manage a 30 unit State family development in Hilo near Punahele Homes. AMP 46 also includes a 26 unit State family development adjacent to Ke Kumu Ekolu.

Maui

There are 5 developments in Maui and 1 development on the Island of Molokai, containing 196 units.

4. **AMP 39** consists of Kahekili Terrace in Wailuku (82 units), David Malo Circle in Lahaina (18 units), Makani Kai Hale I & II in Waiehu (29 units), Piilani Homes in Lahaina (42 units), and Kahale Mua located on Molokai (25 units). With the exception of the property on Molokai, the other five developments are within easy driving distance but drive times can be long given the limited road improvements in this highly traveled tourist area.

Kauai

There are 10 developments on the Island of Kauai, consisting of 321 units. Those ten developments located on the central/north coast and southern/west coast of the island have been managed alternatively over the years by HPHA staff and fee management companies. Recently, the local management company overseeing the developments on the west coast of Kauai was terminated and the HPHA staff working with the central/north coast of the island took over the southern/west coast properties with no additional staff or equipment. The condition of all of the properties is poor, especially those on the southern/west coast.

5. **AMP 38** consists of eastern Kauai developments including: Kapaa located in Kapaa (36 units); Hale Hoolulu in Kilauea (12 units); Hale Nan Kai O Kea located in Kapaa (38 units); Hui O Hanamaulu located in Hanamaulu (46 units); and Kalaheo located in Kalaheo (8 units). Western Kauai developments include: Kakaha Ha'aheo in Kekaha (78 units), Eleele Homes in Eleele (24 units); Hale Hoonanea in Eleele (40 units); Home Nani in Waimea (14 units); and Kawailehua located in Koloa (25 units). In addition, the AMP 38 staff manage a 26 unit State family development in Koloa adjacent to Kawailehua.

Oahu

The bulk of HPHA's developments are located on the island of Oahu. They are generally located in three distinct regions: the north and west portion of the island, Honolulu and suburban locations around Honolulu, and the east and north portion of the island. Each region takes approximately eight hours to visit with only minimal stop time. Oahu has 11 AMPs containing 34 developments and 4,145 units. HPHA currently manages 8 of the AMPs while 3 AMPs are managed by private fee management companies as well as a separate portfolio of State properties managed by a fee management company on the island of Oahu. At the current time, one property manager each is assigned to both AMPs 30 and 49, and AMPs 34 and 50, while the rest of the Oahu AMPs have one manager each.

6. **AMP 30** consists of a total of 363 units in 5 developments, one of which is only blocks from the other (Waipahu I and II). The developments are : Puuwai Momi in Aiea (260 units), Hale Laulima in Pearl City (36 units), Salt Lake in Honolulu (28 units), Waipahu I in Waipahu (19 units) and Waipahu II in Waipahu (20 units). These 5 developments are scattered in eastern suburbs of Honolulu.
7. **AMP 31** consists of 1 development: Kalihi Valley Homes in an eastern area of Honolulu (373 units). In addition to this property, the manager is also responsible for an additional 174 units in two developments of State family housing. Puahala Homes I, II, III, and IV (128 units total) are all located on land surrounding the Honolulu office of HPHA in scattered locations while the 46 unit Hauiki Homes is located between the HPHA office and Kalihi Valley Homes.
8. **AMP 32** consists of 1 development; Mayor Wright Homes (364 units) in Honolulu.

9. **AMP 33** consists of 2 developments; Kamehameha Homes in Honolulu (221 units) with Kaahumanu Homes approximately one block behind Kamehameha Homes (152 units).
10. **AMP 34** consists of 583 units within 3 developments in one location; Kalakaua Homes (221 units), Makua Alii (211 units), and Paoakalani (151 units) offering a high rise, mid-rise and townhome type housing for the combined three developments. The property is located very near the Waikaki neighborhood of Honolulu and appears to have average to high curb appeal.
11. **Amp 35** has 587 units in 5 developments located in Honolulu, all of which appear to be in generally good condition with average to high curb appeal. Punchbowl Homes (156 units), Kalanihuia (151 units), Makamae (124 units), Spencer House (17 units) and Pumehana (139 units) are in desirable Oahu neighborhoods.
12. **AMP 40** consists of a 748 unit development containing a variety of dwelling units including high rise, townhome and walk up units. This property is currently fee managed and is, according to HPHA, sold. Closing is scheduled for February 2011 and the HPHA will thereafter own the land only and lease the same to the new owner.
13. **AMP 44** consists of 6 developments with a total of 260 units in Waianae on the island of Oahu. Two of the developments (Maili I and II) are located near each other. All six developments are fee managed by a private management firm. Given the remote northwest location of this AMP, the properties are very close to each other and fairly small although most are in poor condition and have very poor curb appeal. Waimaha-Sunflower (130 units) is very attractive and has high curb appeal. The private management company was recently terminated from this property due to conflicts with the site personnel and tenants. It is unknown what the current status is of management of the remaining five developments in this fee managed portfolio: Kau'iokalani (50 units), Malili I (20 units) Malili II (24 units), Nanakuli Homes (36 units).
14. **AMP 45** consists of 5 developments with a total of 226 units in Kaneohe and Waimanalo on the east coast side of Oahu. These units are managed by a private management company for HPHA. Waimanalo Homes I & II are adjacent to each other and appear as one development. Most units were in average with average to poor curb appeal. The developments in this AMP include: Koolau Village in Kaneohe (80 units), Hookipa Kahaluu in Kaneohe (56 units), Kaneohe Apartments in Kaneohe (24 units), Kauhale O'hana in Waimanalo (25 units), Waimanalo Homes I (19 units) and Waimanalo Homes II (22 units).

15. **AMP 49** consists of three developments in Wahiawa and Waialua on the island of Oahu totaling 150 units. This AMP is managed by the manager of AMP 30. Two of the developments are virtually in the center of the island (Wahiawa) and the third development is on the far north side of the island (Waialua). Kauhale Nani in Wahiawa (50 units) and Wahiawa Terrace (60 units) are attractive and appear to be well maintained generally. Kupuna Home O'Waialua (40 units) on the north side of the island is not as well maintained and has low curb appeal.
16. **AMP 50** consists of 1 development in Honolulu, Palolo Valley Homes, with 118 units. Within the development is a rehabilitated property that is not managed by HPHA nor owned by the HPHA.

4. FINDINGS AND RECOMMENDATIONS

The Econometrica team has analyzed the current AMP groupings, with an eye toward amending them to allow for more direct supervision of the sites and their financial performance. This includes providing the HPHA with the ability to staff each AMP with dedicated personnel who are focused on the specific properties where they are located. This also includes the ability to produce financial reports that will contribute to the efficient allocation of resources. The goal was not to emulate the private sector, where each property needs to stand on its own due to specific ownership structures and financial arrangements, but to adjust the AMP groupings to allow for effective management.

In developing the recommendations for amending the current AMP groupings, the Econometrica team considered the following factors: (1) proximity of the properties to each other; (2) similarity of the properties; (3) size of each individual property; (4) condition of each individual property.

The last factor is not normally included in an AMP analysis; however, Econometrica team members believe that HPHA is in the process of undertaking considerable capital improvements to some of the properties and may be repositioning some properties through selective demolition or redevelopment. Although Econometrica understands that this assignment does not include developing a staffing plan, we believe that HPHA will have to adjust its current staffing plan, and the site manager responsibilities, going forward in order to provide appropriate project-based staffing in line with the traditional asset management model.

Another factor that was not considered in the staffing recommendations was the financial ability of the developments within an AMP to pay for dedicated staffing. As a whole, the AMP should be able to spread out the cost of reasonable staffing, however, no financials for properties were available for the year of 2010 at the time of this report so a determination about the reasonableness of cost will have to be further examined when financials are produced.

Below are the Econometrica team's recommendations regarding the realignment of all of HPHA's current AMPs.

Island of Hawaii

- 1. AMP 37 (East Hawaii):** It is recommended that the AMP be divided so that staff can be dedicated to less developments. Lanakila Homes I, II, III & IV (190 Units) should be separated out of AMP 37 and a new AMP created. With 190 units, the office at Lanakila can service the phases of this development, including the vacant development phase that was abandoned years ago, with an estimated 4 individuals in the office including a manager, and 5 maintenance individuals including a maintenance lead and grounds person. The balance of the developments; Hale Aloha O Puna (30 units), Hale Olaloa (50 units), Kauhale O'Hanakahi (20 units), Pahala (24 units), Pomaikai Homes (20 units), and Punahele Homes (30 units)—a total of 174 units-- can be managed similarly to a scattered site development where an office is centrally located and the management and maintenance staff can deliver services both directly and centrally to the smaller developments on a weekly basis. The same number of administrative staff and maintenance staff would be needed for this new AMP given the scattered locations to service. The Lanakila Homes developments could be operated with one set of financial and budget tools. The new AMP would need to have separate financials and budgets for each of the developments in order to isolate problems and learn the specific financial performance of each development, especially since none of the developments are adjacent or particularly close to one another.
- 2. AMP 43 (West Hawaii)** , which is privately managed, can continue to operate as one scattered site AMP as detailed in the new AMP created from the current AMP 37. Separate financials and budgets should be required of each development. It is unknown what the current staffing is for the individual developments within AMP 43.
- 3. AMP 46 (North Hawaii)** which is privately managed, can continue to operate as one scattered site AMP as detailed in the new AMP created from the current AMP 37. Separate financials and budgets should be required of each development. It is unknown what the current staffing is for the individual developments within AMP 46.

Currently AMP 37 staff manage a 30 unit State family development in Hilo near Punahele Homes. AMP 46 also includes a 26 unit State family development adjacent to Ke Kumu Ekolu. Since there is no reasonable methodology for separating these out of the management arrangement currently utilized by these two AMPs (with only 56 units of State development on the entire island of Hawaii), they should remain with the current AMP staff. The HPHA should consider a fee-for-service arrangement for staffing to avoid confusion as to proration on salaries and expenses. These properties must generate budgets and financial reports that adequately segregate income sources and expenses from other federal developments in the AMP.

Maui

4. **AMP 39** should be split into two AMPs, one including Kahekili Terrace in Wailuku (82 units) and one including David Malo Circle in Lahaina (18 units), Makani Kai Hale I & II in Waiehu (29 units), Piilani Homes in Lahaina (42 units), and Kahale Mua located on Molokai (25 units), for a total of 114 units in the new AMP. Kahekili can be managed with one Manager and one administrative staff member and two Maintenance staff members. The remaining scattered site AMP can be managed with a full time Manager and two administrative staff and four maintenance staff on Maui. A 20 hour per week caretaker should be hired for the Molokai property who would report to the Manager of the AMP during periodic visits.

Kauai

5. **AMP 38** should consist of eastern Kauai developments including: Kapaa (36 units); Hale Hoolulu (12 units); Hale Nan Kai O Kea (38 units); Hui O Hanamaulu (46 units); and Kalaheo (8 units). These 140 scattered site units should continue to be managed from the Kapaa office with periodic visits to the individual sites. A Manager and two administrative staff should be able to oversee the administrative needs of this AMP with a Maintenance Lead and three other maintenance staff to handle the work orders and turns for this portfolio with supplemental contracted work if needed for peak workloads. Western Kauai developments should form a new AMP including Kakaha Ha'aheo (78 units), Eleele Homes (24 units); Hale Hoonanea (40 units); Home Nani (14 units); and Kawailehua (25 units). This new AMP should be serviced out of the office at Kekaha Ha'aheo once infrastructure improvements are made to the property. A Manager and three administrative staff should be able to handle the management of all 181 units while maintenance should have five individuals to service the five developments.

In addition, AMP 38 staff currently manage a 26 unit State family development in Koloa adjacent to Kawailehua. If reasonably possible, either AMP 38 or the new AMP staff should manage this property with a fee-for-service model at cost from the adjacent AMP.

Oahu

HPHA currently manages 8 of the AMPs while 3 AMPs are managed by private fee management companies as well as a separate portfolio of State properties managed by a fee management company on the island of Oahu. At the current time, one property manager is assigned to both AMPs 30 and 49, and AMPs 34 and 50, while the rest of the Oahu AMPs have one manager each. Currently, HPHA contracts with a private management company to manage a group of its State elderly properties on the island of Oahu. It is recommended that all State properties be contracted to the private management company to keep them segregated from the federal developments since there is an economy of scale in doing so on Oahu.

6. **AMP 30** should be split between the 260 Puuwai Momi property and a new AMP consisting of Hale Laulima (36 units), Salt Lake (28 units), Waipahu I (19 units) and Waipahu II (20 units). These four scattered site developments in the eastern suburbs of Honolulu represent 103 units in total and can be managed by two and a half administrative staff and three maintenance staff while Puuwai Momi will probably need five administrative staff and five maintenance staff dedicated to the development. Again, separate budgets and financial statements should be generated for each development since none of them are adjacent or part of the other.
7. **AMP 31** currently has one federal development: Kalihi Valley Homes (373 units) located in an eastern area of Honolulu (373 units). Since this is already in one AMP there would be no change for this AMP. However, the 174 State units would be turned over to the private management company who already manages State properties on Oahu (Puahala Homes I, II, III, and IV, and Hauiki Homes).
8. **AMP 32** (Mayor Wright Homes) is already its own AMP. No recommended change. Staff for maintenance and management should be dedicated to this AMP.
9. **AMP 33** (Kaahumanu Homes and Kamehameha Homes) are already their own AMP and are virtually adjacent to each other. No recommended changes in the AMP structure. New staff for these two developments should be shared by the two developments.
10. **AMP 34** (Kalakaua Homes, Makua Alii, and Paoakalani) are already their own AMP and are located on the same land. No recommended changes in the AMP structure. Staff for these three developments can be shared and run out of the current management office on the premises.
11. **Amp 35** has 5 developments scattered in various Oahu neighborhoods. Each development, with the exception of Spencer House, is large enough to support dedicated staff and should produce separate budgets and financial reports. Punchbowl Homes (156 units), Kalanihuia (151 units), Makamae (124 units) and Pumehana (139 units) would each be separate AMPs with dedicated staff reporting directly to each development. Spencer House (17 units) can be assigned a caretaker who reports to the manager of the closest new AMP. Each of the new AMPs could support 3 administrative and 3 maintenance staff with the possibility of part time help/staff as needed in each AMP depending upon the duties of the staff on-site.
12. **AMP 40** (Kuhio Park Terrace/Kuhio Homes 748 units) is sold so no changes are recommended for the AMP structure.

- 13. AMP 44** (Waimaha-Sunflower 130 units) should be managed as its own AMP. A new AMP consisting of Kau'iokalani (50 units), Maili I (20 units), Maili II (24 units) and Nanakuli Homes (36 units) should be created which could conceivably share offices with the Waimaha-Sunflower AMP. It is possible that the new AMP is currently managed by an outside management company. The properties are in very poor condition and have many down units. Consideration should be given to discontinuing management with a private firm if the properties cannot be better managed. All are located fairly close to each other in the city of Waianae so they could easily be managed by one staffing group. Most of these units are single family homes so it may not be necessary to create individual financial reports for each development in the new AMP. The 130 unit property could be managed by three to four full time administrative staff and four full time maintenance staff depending on duties. The new AMP consisting of a total of 130 units could be staffed with similar numbers of people. Since most are single family homes, the staff would not have as much grounds work, but lease enforcement will be a heavier burden on the normal number needed for administrative staff. The condition of the homes might warrant a full time fee-for-service staff member working out of one of the offices for specialized skills provided to the two AMPs in the isolated coastal area.
- 14. AMP 45** units are privately managed. They are not in particularly good condition probably because they have been lumped together into 226 units scattered within two communities over five developments. The AMP should be split to combine Koolau Village (80 units) and Hookipa Kahaluu (56 units). The new AMP can manage the remaining three properties (Waimanalo Homes I and II are located adjacent to each other and are considered one development) as a scattered site AMP with 90 total units. AMP 45 can utilize a manager and additional administrative person at one of its two developments and station an assistant manager at the other. Maintenance staff will need to include two maintenance staff at the 80 unit development and one and a half to two dedicated staff members at the 56 unit development. Since the 90 unit new AMP is scattered (and the Waimanalo Homes developments are single family homes), the new AMP should be able to manage the scattered sites with three administrative staff and three maintenance staff.
- 15. AMP 49** (Kauhale Nani 40 units, Wahiawa Terrace 60 units, and Kupuna Home O'Waialua 40 units) needs to have designated staff. Management and presumably maintenance are provided by the AMP 30 manager currently. Unfortunately, these units are probably too far apart and too small to have dedicated management, however, ideally HPHA would assign a Manager, assistant, and Assistant Manager to Kauhale Nani and Wahiawa Terrace, both of which are near each other in Wahiawa so they are both staffed daily, with a similar complement of staff on the maintenance side. O'Waialua, which is a moderate drive away, could be staffed by a caretaker who is able to do minor maintenance and administrative tasks. The Manager at the Wahiawa should be able to spend some time weekly with the

custodian to ensure management and maintenance issues are being addressed at the Waialua property.

16. **AMP 50** (Palolo Valley Homes) is already a designated AMP. No recommended changes are needed. However, dedicated staff should be assigned to this development with three and one half administrative staff and at least three, if not four maintenance staff given the condition of the property.

In looking at the portfolio as a whole, an attempt has been made to arrange the properties, many of which would be considered scattered sites, in the best interest of both the properties and the tenants using dedicated staff and requiring, by virtue of the AMP structure, financial reporting and budgets for most individual developments so the HPHA can understand the performance of each of its AMPs. Dedicating staff to these AMPs, rather than have most AMPs of a size that staff are centralized within the AMP, will greatly improve the property performance and resident satisfaction.

The assumption was made in the analysis that much of the management and maintenance activity would be done at the site unless the work could be more reasonably contracted out (i.e. elevator maintenance, landscaping, garbage removal, additional help with turns—cleaning, painting—at peak work loads, etc.) as is done in overall best practices of multi-family property management. This may create a need to further analyze the central office centralized services, which is not covered in this analysis.

A further assumption was made that with the significant changes that will have to take place, and additional workload associated with the goal of improving collections and vacancy loss, an additional administrative staff member and an additional maintenance staff member were added to what would reasonably be necessary for the size and type of property for each AMP under management. A year after implementation, the HPHA will have had ample time to review the need for maintaining a higher staffing level as compared to the benefits of increased curb appeal, higher income collections, lower vacancy, faster turnover times and more dedicated services to each AMP and its residents.

Attached to this Analysis is a copy of the property listing/inventory with photographs of all developments that were located, and a recap of the foregoing recommendations.

CURRENT ADMIN. STAFF	CURRENT MAINT. STAFF	CURRENT AMP #	CURRENT AMP UNIT #'s	NAME	CITY	ISLAND	TOTAL UNITS	UNIT TYPE						DATE OF INITIAL OCCUPANCY	NEW AMP #	NEW # OF UNITS	PROPOSED ADMIN. STAFF	PROPOSED MAINT. STAFF
									0	1	2	3	4					
5	16	30	363	Puuwai Momi	Aiea	Oahu	260	0	48	86	88	38	0	07/15/69	30	260	5	5
				Hale Laulima	Pearl City	Oahu	36	0	0	20	16	0	0	03/24/81				
				Salt Lake	Honolulu	Oahu	28	0	28	0	0	0	0	06/25/82				
				Waipahu I	Waipahu	Oahu	19	0	0	13	6	0	0	04/20/70				
				Waipahu II	Waipahu	Oahu	20	0	0	16	4	0	0	01/05/70				
11	16	31	373	Kalihi Valley Homes	Honolulu	Oahu	373	0	52	60	123	112	26	08/25/53	31	373	6	6
8	25	32/33	737	Mayor Wright Homes	Honolulu	Oahu	364	0	24	114	168	50	8	10/27/52	32	364	6	6
				Kaahumanu Homes	Honolulu	Oahu	152	0	0	116	36	0	0	10/26/58	33	373	6	6
				Kamehameha Homes	Honolulu	Oahu	221	0	62	123	36	0	0	08/26/97				
7	17	34/50	701	Kalakaua Homes	Honolulu	Oahu	221	0	127	58	36	0	0	12/05/83	34	583	10	10
				Makua Alii (E)	Honolulu	Oahu	211	0	210	0	1	0	0	12/06/67				
				Paoakalani (E)	Honolulu	Oahu	151	90	60	0	1	0	0	12/21/70				
				Palolo Valley Homes	Honolulu	Oahu	118	0	8	34	40	32	4	06/30/57				
6	15	35	587	Punchbowl Homes (E)	Honolulu	Oahu	156	0	97	58	1	0	0	12/27/60	35	156	3	3
				Kalanihua (E)	Honolulu	Oahu	151	60	90	0	1	0	0	01/16/69	AMP B	151	3	3
				Makamae (E)	Honolulu	Oahu	124	108	16	0	0	0	0	06/08/71	AMP C	124	3	3
				Spencer House	Honolulu	Oahu	17	0	0	1	16	0	0	11/16/86	AMP D	156	3.5	3.5
				Pumehana (E)	Honolulu	Oahu	139	98	40	1	0	0	0	04/04/72				
8	8	37	396	Lanakila Homes I	Hilo	East Hawaii	100	0	8	40	44	8	0	02/29/00	37	222	4	5
				Lanakila Homes II	Hilo	East Hawaii	44	0	4	16	18	6	0	02/29/00				
				Lanakila Homes III	Hilo	East Hawaii	30	0	0	0	14	16	0	09/14/62				
				Lanakila Homes IV	Hilo	East Hawaii	48	0	2	18	20	8	0	04/26/05				
				Hale Aloha O Puna (E)	Kaau	East Hawaii	30	18	12	0	0	0	0	11/08/77	AMP E	174	4	5
				Hale Olaloa (E)	Hilo	East Hawaii	50	30	20	0	0	0	0	07/08/76				
				Kauhale O'Hanakahi	Hilo	East Hawaii	20	0	0	0	20	0	0	02/28/97				
				Pahala (E)	Pahala	East Hawaii	24	16	8	0	0	0	0	06/14/72				
				Pomaikai Homes (E)	Hilo	East Hawaii	20	10	10	0	0	0	0	04/06/67				
Punahele Homes	Hilo	East Hawaii	30	0	0	30	0	0	0	04/01/67								

CURRENT ADMIN. STAFF	CURRENT MAINT. STAFF	CURRENT AMP #	CURRENT AMP UNIT #'s	NAME	CITY	ISLAND	TOTAL UNITS	UNIT TYPE					DATE OF INITIAL OCCUPANCY	NEW AMP #	NEW # OF UNITS	PROPOSED ADMIN. STAFF	PROPOSED MAINT. STAFF	
								0	1	2	3	4						5
10	14	38	321	Kapaa	Kapaa	East Kauai	36	0	6	8	12	10	0	07/19/66	38	140	3	4
				Hale Hoolulu (E)	Kilauea	East Kauai	12	8	4	0	0	0	0	04/02/74				
				Hale Nana Kai O Kea (E)	Kapaa	East Kauai	38	20	18	0	0	0	0	10/15/77				
				Hui O Hanamaulu	Hanamaulu	East Kauai	46	0	6	12	16	12	0	05/18/66				
				Kalaheo	Kalaheo	East Kauai	8	0	0	2	4	2	0	04/03/67				
				Kekaha Ha'aheo	Kekaha	West Kauai	78	0	42	12	24	0	0	10/12/82				
				Eleele Homes	Eleele	West Kauai	24	0	2	6	10	6	0	06/17/66				
				Hale Hoonanea (E) (Port Allen)	Eleele	West Kauai	40	24	16	0	0	0	0	07/06/76				
				Home Nani (E)	Waimea	West Kauai	14	10	4	0	0	0	0	07/07/70				
Kawailehua	Koloa	West Kauai	25	0	0	0	25	0	0	10/15/93	AMP F	181	4	5				
6	5	39	196	Kahekili Terrace [a & b]	Wailuku	Maui	82	0	12	22	36	12	0	05/01/66	39	82	2	2
				David Malo Circle	Lahaina	Maui	18	0	2	4	10	2	0	06/01/66				
				Makani Kai Hale	Waiehu	Maui	25	0	0	0	25	0	0	09/11/95				
				Piilani Homes (E)	Lahaina	Maui	42	32	10	0	0	0	0	08/17/70				
				Makani Kai Hale II	Waiehu	Maui	4	0	0	0	4	0	0	05/01/98				
				Kahale Mua - Federal	Maunaloa	Maui	25	0	0	0	25	0	0	12/10/93				
		40	748	Kuhio Park Terrace	Honolulu	Oahu	0	0	0	0	0	0	0	02/02/65	N/A		0	
				Kuhio Homes	Honolulu	Oahu	0	0	0	0	0	0	0	11/16/53				
		43	202	Ka Hale Kahaluu	Kailua-Kona	West Hawaii	50	0	8	12	22	8	0	08/13/81	43	202		
				Hale Hookipa (E)	Kealahou	West Hawaii	32	20	12	0	0	0	0	06/01/76				
				Kaimalino	Kailua-Kona	West Hawaii	40	0	10	14	14	2	0	06/28/71				
				Kealahou	Kailua-Kona	West Hawaii	48	0	16	16	16	0	0	08/28/85				
				Nani Olu (E)	Kealahou	West Hawaii	32	0	32	0	0	0	0	08/31/81				
7	8	44	260	Waimaha-Sunflower	Waianae	Oahu	130	0	52	46	32	0	0	07/01/80	44	130	3.5	4
				Kau'okalani	Waianae	Oahu	50	0	0	0	50	0	0	07/26/95				
				Maili I	Waianae	Oahu	20	0	0	7	13	0	0	01/28/69				
				Maili II	Waianae	Oahu	24	0	0	12	0	12	0	11/12/99				
				Nanakuli Homes	Waianae	Oahu	36	0	0	0	36	0	0	11/24/69				
6	7	45	226	Koolau Village	Kaneohe	Oahu	80	0	8	24	36	12	0	11/05/69	45	136	3	4
				Hookipa Kahaluu	Kaneohe	Oahu	56	0	8	32	16	0	0	08/18/83				
				Kaneohe Apartments	Kaneohe	Oahu	24	0	5	19	0	0	0	04/19/84				
				Kauhale O'hana	Waimanalo	Oahu	25	0	0	0	25	0	0	04/06/95				
				Waimanalo Homes	Waimanalo	Oahu	19	0	0	5	12	2	0	05/02/01				
				Waimanalo Homes II	Waimanalo	Oahu	22	0	0	14	6	2	0	05/02/01				

FOR DISCUSSION

SUBJECT: Report on Currently Pending Legislative Measures for the Fiscal Biennium (FY2011-2013) Impacting the Hawaii Public Housing Authority

I. BACKGROUND

The Hawaii State Legislature convened its first session of the biennium on January 19, 2011. The Agency's only legislative proposal, a Concurrent Resolution to approve the sale of the parcel of land at 2890 Hana Highway, was rejected by the Governor's Policy Office in January.

HPHA Planning and Evaluation Office (PEO) has tracked and presented testimony regarding the following items that came before the 2011 Legislature that would potentially impact the HPHA:

II. DISCUSSION

House Bills

- H.B. 39, Relating to Intoxicating Liquors: Would broaden the current prohibition of liquor consumption to a prohibition of liquor possession in the common areas of public housing developments. PEO presented supportive testimony on February 9, 2011. The House Committee on Housing (HSG) deferred the measure in order to work with the agency in addressing this through House Rules.
- H.B. 45, Relating to Public Housing: Broadens criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities or a police officer. Never scheduled for hearing by HSG.
- H.B. 46, H.D. 1, Relating to Public Housing: Prohibits smoking in and around public housing projects or state low-income housing projects under the jurisdiction of the HPHA. Amended by HSG at hearing February 9, 2011 to prohibit smoking in enclosed or partially enclosed common areas. Never scheduled for hearing by House Committee on Judiciary (JUD).
- H.B. 79, H.D. 1, S.D. 1, Relating to State Funds: Asks the Department of Human Services to delete the HPHA administration revolving fund by close of business, June 30, 2011 and transfer the balance to the general fund. HPHA

presented testimony to the Senate Committee on Ways and Means (WAM) hearing on March 16, 2011 indicating that the agency does not oppose the legislation and has in fact requested the Department of Accounting and General Services to close the fund. Bill currently headed to conference due to House disagreement with Senate amendments.

- H.B. 200, H.D. 1, Relating to the State Budget: House Committee on Finance (FIN) provided full funding for the HPHA's CIP request, in excess of \$86 million. Did not accept the Governor's suggested ceiling increases that would bring the Agency's wage and fringe benefits in line with Federal standards. WAM made unspecified additional cuts to operating budgets across the board but increased CIP spending. Expecting WAM Draft by April 8, 2011 (Second Decking).
- H.B. 231 H.D. 2 S.D. 1, Relating to Public Housing: Would require visitors to all public housing projects to obtain a visitor pass, and non-possession of a visitors pass would constitute trespass in the first degree. Establishes a pilot program to improve safety at Mayor Wright Homes. Passed HSG, JUD, and FIN despite Agency opposition. Senate Committee on Human Services (HMS) amended to remove visitor pass policy and create a security pilot program at Mayor Wright Homes with appropriation. Not scheduled for hearing by WAM (deferred) upon PEO recommendation to deal with appropriation and improvements in Budget Bill, H.B. 200, H.D. 1, S.D. 1.
- H.B. 534, Relating to Kuhio Park Terrace: Requires the HPHA to review the redevelopment project at KPT; requires report to the legislature no later than September 30, 2011. Never scheduled for hearing at HSG.
- H.B. 754, H.D. 1, Relating to Public Housing: Requires the HPHA to establish a minimum rent schedule for state low-income housing units. Requires a minimum monthly rent of \$250 for state low-income housing units and annual adjustment of minimum rent based upon the national average wage index. Passed from HSG on February 9, 2011 against opposition, never scheduled for hearing at FIN.
- H.B. 755, H.D. 1, Relating to Public Housing: Conforms public housing eviction procedural requirements to federal law. Requires evictions to be conducted by hearings officers appointed by the Hawaii Public Housing Authority in collaboration with the Department of Human Services. HPHA supported changes conforming eviction process to federal law but opposed requirement to use DHS hearings officers. Passed HSG February 2, 2011, never scheduled for hearing at JUD.
- H.B. 1118, Relating to Public Housing: Requires mandatory reporting for criminal property damage, drug dealing or drug use, and terroristic

threatening. Requires the housing authority to evict tenants who violate rules. Deferred by HSG February 2, 2011 upon PEO recommendation.

- H.B. 1303, H.D. 2, S.D. 1, Relating to Public Housing: Authorizes the HPHA to assess a fee to all units for community facility maintenance. Requires minimum rent schedule for housing projects and annual Consumer Price Index adjustments of minimum rent. Streamlines tenant selection requirements. Amended by HMS March 17, 2011 to remove minimum rent requirement and to limit HPHA's authority to charge a community facilities maintenance fee for the rental and use of common areas for private functions, rather than on all community facilities expenses. Not scheduled for hearing by WAM (deferred) upon PEO recommendation.
- H.B. 1304, Relating to Public Housing: Allows the HPHA to seek reimbursement from the tenant responsible for damages to the community facility area and any unit. Deletes references to a prospective tenant's need with respect to tenant selection procedures. Deferred by HSG February 2, 2011 upon PEO recommendation.
- H.B. 1398, Relating to HPHA: Authorizes the HPHA to develop public housing projects under a partnership or development agreement with a private party; provides exemptions from chapters 103 and 103D if not prohibited by federal law or regulation; requires annual report to the legislature. Never scheduled for hearing by HSG.
- H.B. 1512, Relating to the Weed and Seed Strategy: Establishes the weed and seed strategy under the department of labor and industrial relations. Passed by House Committee on Labor February 8, 2011 with amendment designating HPHA to participate in advisory committee. Never scheduled for hearing at JUD.
- H.B. 1513, H.D. 1, S.D. 1, S.D. 2, Relating to the Weed and Seed Strategy: Establishes a Permanent Weed and Seed program within DLIR. Submitted supportive testimony to JUD for hearing on February 15, 2011. Currently pending decision of agreement by House with Senate amendments.
- H.B. 1573, Relating to Public Housing: Shortens time for notice, meeting, and grievance requirements for violations with rental agreements, leases, violation of rules, or maintenance in public housing. Streamlines eviction process in public housing. Deferred by HSG on February 2, 2011 upon PEO recommendation.

House Resolutions

- H.C.R. 64, Urging the HPHA to develop and implement a sustainable plan to repair all public housing units in need of maintenance. Deferred by HSG upon PEO recommendation on March 9, 2011.
- H.C.R. 168, Requesting the HPHA to carry out its responsibilities under Section 5 of Act 178, SLH 2006. Measure began as a request for a financial and management audit of the HPHA, but was amended by HSG to request compliance with Act 178 reporting requirements. This reporting had never been completed by the agency and was not included on statutory reporting lists. Measure deferred by House Committee on Legislative Management on March 4, 2011 on condition that HPHA report requisite data to Department of Land & Natural Resources.

Senate Bills

- S.B. 109, Relating to Housing: Allows grandchildren of elderly public housing project residents to temporarily reside with the residents in certain family crisis situations; limits temporary residence to three months; limits the number of grandchildren to two during the three-month period; affords residents evicted for raising grandchildren-in-crisis in their housing project units priority status to return to project housing. Measure deferred by HMS on February 3, 2011 since HPHA already instituted this policy.
- S.B. 120, Relating to State Funds: Original bill sought to close and transfer funds from federal rent accounts to general fund. HPHA specific accounts removed upon recommendation by PEO by WAM on March 1, 2011.
- S.B. 604, Relating to Kuhio Park Terrace: Requires the HPHA to review the redevelopment project at KPT; requires report to the legislature no later than September 30, 2011. Measure deferred by HMS on February 16, 2011 upon report by ED.
- S.B. 897 S.D. 2, H.D. 1, Relating to Homelessness: Seeks to establish the Hawaii Interagency Council on Homelessness and asks the Director of Human Services to select a representative of the HPHA to sit on the Council. HMS amended bill to include HPHA as member on Council at hearing on February 3, 2011. HPHA has submitted supportive testimony, currently not scheduled for hearing by FIN, won't make second Decking.
- S.B. 900 S.D. 2, Relating to Homelessness: Identical to S.B. 897 S.D. 2, except that this version makes an appropriation for administrative expenses of the Interagency Council on Homelessness. Gutted and repurposed by

HSG/HUS on March 23, 2011 to appropriate funds to designate surplus or available open or vacant space as a safe haven for persons who are homeless.

- S.B. 905, Relating to Housing: Makes appropriations to improve the existing public and affordable housing stock and increase public and affordable housing units in the State of Hawaii. Passed by WLH/HMS on February 10, 2011, never scheduled for hearing by WAM.
- S.B. 907, Relating to Public Housing: Broadens criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities or a police officer. Excludes an invited guest, unless the guest is violating a law or rule. Deferred by HMS upon PEO recommendation on February 3, 2011 to allow HPHA to address via rulemaking procedures.
- S.B. 908, Relating to Public Housing: Prohibits smoking in and around public housing projects or state low-income housing projects under the jurisdiction of the HPHA. Deferred by HMS upon PEO recommendation on February 3, 2011 to allow HPHA to address via rulemaking procedures.
- S.B. 910, Relating to Public Housing: Requires all visitors to public housing projects to receive a visitor pass from authorities of the public housing project. Establishes the non-possession of a visitor pass as prima facie evidence of criminal trespass in the first degree. Deferred by HMS upon PEO recommendation on February 3, 2011 to allow HPHA to address via rulemaking procedures or house rules.
- S.B. 912, Relating to Housing: Appropriates funds for the housing placement program within the homeless programs office of the Department of Human Services (DHS). Makes appropriations to improve the existing public and affordable rental housing stock and increase public and affordable rental housing units in the State. Requires DHS to immediately implement the housing first program. Would involve appropriations to HPHA to improve and increase public housing stock. Currently passed by FIN, awaiting agreement decision by Senate regarding House amendments.
- S.B. 1394 S.D. 1, Relating to HPHA: Authorizes the HPHA to enter into contracts with developers to develop public housing projects in exchange for commercial space in the project. PEO has presented supportive testimony of this expansion of the Board's development abilities. Passed by FIN on April 6, 2011, with amendments, so PEO will monitor agreement by Senate or Conference.

Senate Resolutions

- G.M. 551, Nominating Jason Espero to HPHA Board of Directors. PEO submitted supportive testimony and HMS recommended advise and consent on March 24, 2011. Confirmed by the Senate April 1, 2011.
- G.M. 723, Nominating David Gierlach to HPHA Board of Directors. PEO submitted supportive testimony for hearing on April 7, 2011.
- G.M. 725, Nominating Trevor Tokishi to HPHA Board of Directors. PEO submitted supportive testimony for hearing on April 7, 2011.
- G.M. 726, Nominating George Yokoyama to HPHA Board of Directors. PEO submitted supportive testimony for hearing on April 7, 2011..

Staff presents to the Board these bills and the current status for discussion and guidance or other legislative needs identified by the Board.

Prepared by:

Nicholas Birck, Planner



FOR DISCUSSION

SUBJECT: Update on the Pending Action Against the Board of Water Supply for Damages from the Rock Fall at Kalihi Valley Homes

I. FACTS

- A. The Attorney General's Office will be giving an oral report.

II. DISCUSSION

- A. The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the pending action against the Board of Water Supply.

Prepared by: Taryn Chikamori, Secretary to the Board 

Hawaii Public Housing Authority
Summary of Capital Repair/Renovation Projects
Report As Of 3/31/11



American Recovery and Reinvestment Act funds
identified as "CFP ARRA"

FEDERAL: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Budget Construction Activities (BLI 1411-1501)	Budget Operations (BLI 1406)	Budget Management Improvements (BLI 1408)	Budget Administration (BLI 1410)	Budget Contingency (BLI 1502)	CFP Obligated	% Obligated	Balance	Obligation Date	Notes
CFP 717	\$12,892,393	\$8,755,383	\$2,578,479	\$269,292	\$1,289,239	\$0	\$12,892,393	100.00%	\$0	9/13/09	The \$12,892,393.00 represents obligations of \$2,578,479 for Operations, and \$1,289,239 for Administration and \$8,758,836 for 11 construction contracts. The Management Improvement funding of \$265,839 budgeted for 717 will be used for the Emphasys Elite Up
CFP 718	\$12,613,733	\$8,399,344	\$2,522,747	\$430,270	\$1,261,373	\$0	\$12,613,734	100.00%	-\$1	6/12/10	All Contracts Awarded
CFP ARRA	\$16,245,443	\$15,643,755	\$0	\$0	\$601,688	\$0	\$16,245,443	100.00%	\$0	3/1/10	All Contracts Awarded
CFP 719	\$12,526,177	\$8,417,074	\$2,416,486	\$440,000	\$1,252,617	\$0	\$4,975,943	39.72%	\$7,550,234	9/1/11	These funds are available to PHA's. Date of allotment was 9/15/09. Awaiting Environmental Review
CFP 720	\$12,389,235	\$7,768,715	\$2,477,847	\$300,000	\$1,238,924	\$603,750	\$4,016,771	32.42%	\$8,372,464	7/14/12	These funds are available to PHA's. Date of allotment was 6/15/10. Awaiting Environmental Review
Totals	\$66,666,981	\$48,984,271	\$9,995,558	\$1,439,562	\$5,643,841	\$603,750	\$66,666,982	100%	\$15,922,698		

FEDERAL: Capital Fund Program (CFP)

	Total CFP Appropriation	Expended Construction Activities (BLI 1411-1501)	Expended Operations (BLI 1406)	Expended Management Improvements (BLI 1408)	Expended Administration (BLI 1410)	Expended Contingency (BLI 1502)	Expended to Date Total Funds	% Expended	Balance	Obligation Date	Notes
CFP 717	\$12,892,393	\$7,885,011	\$2,578,479	\$263,697	\$1,289,239	\$0	\$12,016,427	93.21%	\$875,966	9/1/09	All Contracts Awarded
CFP 718	\$12,613,733	\$3,269,012	\$2,522,747	\$295,261	\$1,261,373	\$0	\$7,348,393	58.26%	\$5,265,340	6/12/10	All Contracts Awarded
CFP ARRA	\$16,245,443	\$11,134,680	\$0	\$0	\$601,688	\$0	\$11,736,368	72.24%	\$4,509,075	3/1/10	All Contracts Awarded
CFP 719	\$12,526,177	\$96,230	\$0	\$0	\$0	\$0	\$96,230	0.77%	\$12,429,947	9/15/10	These funds are available to PHA's. Awaiting Environmental Review
CFP 720	\$12,389,235	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$12,389,235	7/14/12	These funds are available to PHA's. Awaiting Environmental Review
Totals	\$66,666,981	\$22,384,933	\$5,101,226	\$558,959	\$3,152,300	\$0	\$31,197,417	46.80%	\$35,469,564		

STATE: Capital Improvement Program (CIP)

	State GO Bond Appropriation	Expended	% Expended	Balance	Encumbrance Date	
07-'08 Lump Sum CIP	\$19,910,000	\$13,940,786	70.02%	\$5,969,214	6/30/10	Allotment Granted - Blanket Encumbrance
08-'09 Lump Sum CIP	\$10,000,000	\$3,606,928	36.07%	\$6,393,072	6/30/10	Allotment Granted - Blanket Encumbrance
07-'08 Elevator	\$4,939,503	\$4,721,274	95.58%	\$218,229	6/30/10	Allotment Granted - Blanket Encumbrance
08-'09 Elevator	\$6,410,000	\$43,003	0.67%	\$6,366,997	6/30/10	Allotment Granted - Blanket Encumbrance
09-'10 Lump Sum CIP	\$7,913,000	\$3,081,985	38.95%	\$4,831,015	6/30/12	Pending Allotment Advice
10-'11 Lump Sum CIP	\$4,500,000	\$30,000	0.67%	\$4,470,000	6/30/12	Pending Allotment Advice
Totals	\$53,672,503	25,423,976	47.37%	\$28,248,527		

Grand Total All CFP/C \$120,339,484

\$92,090,958 76.53% \$28,248,527

- K
E
Y**
- 1411 - Audit Costs
 - 1430 - Fees & Costs
 - 1450 - Site Improvement
 - 1460 - Dwelling Structures
 - 1465 - Dwelling Equipment
 - 1470 - Non-Dwelling Structures
 - 1499 - Development Activities
 - 1501 - Collateralization or Debt Service Paid by PHA
 - 1502 - Budget Contingency

EPC Project Highlights

- Project encompasses 64 developments
 - Kuhio Properties & Mayor Wright excluded
- \$27.1M invested in improvements without State capital funding
- First year savings of \$2.7M
- 20-Year savings of \$70M
- 20-Year maintenance reserve of \$10.7M - held by HPHA
- 20-Year excess cash flow of \$5.9M
- 100% of debt, performance period services and maintenance reserve paid from savings
- Savings are measured and guaranteed by Ameresco

W.O.# 4066708	Unit Id 1012-01407	Tenant Name/Phone LOA, MARIA 808-949-0678	Address 1541 KALAKAUA AVE APT 1407 HONOLULU HI 96826
Priority: 3	Permission To Enter: Yes-ORAL PERM		
Date Received: 01/12/2011	Time Received: 08:00 AM	Assigned: INSO LEONARDO JR	
Approved By: JAN	Entered By: Darlene	Originated By: Tenant	
Job Code: UNITRUTINE	Unit Site Code: AI	Hazardous Materials: N	

Work Description/Comments

Tenant went on trip & forgot to unplug radio & fan. Per Jan, maintenance staff (2) may enter unit to unplug radio & fan & leave notice of entry.

Solution:

Entered unit, checked kitchen, livingroom, bedroom & bathroom, no radio or fan was on in unit, secured unit.

Date	Worker ID	Task Code	Cause Code	Labor Or Travel Time			Bill	
				Start	Stop	Elpsd	Y/N	Notes
01/13/2011	109	1001	OTH	15:15	15:30	0.25	Y	Labor
01/13/2011	588	1001	OTH	15:15	15:30	0.25	Y	Labor

Travel Hours 0.00 Labor Hours 0.50

Stock Used

Date	Worker ID	Task Code	Cause Code	Location			Stock Number	Qty	Bill	
				Main	Sub				Y/N	Notes
	0				0-	0		0		

Other Charges \$ 10.00

Stock Cost \$ 0.00

Date Emergency Abated:	Time: :	Elapsed Days:	Hrs:	Tenant Charge
Date W.O. Completed: 01/13/2011	Time: 15:30	Elapsed Days:	1 Hrs: 7.5	20.00

Please Put Additional Information On The Back

**THESE CHARGES WILL
APPEAR ON YOUR *March*
RENTAL STATEMENT**

FEB 15 2011

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



November 30, 2010

'10 DEC -1 A 9 :44

PETER B. CARLISLE, MAYOR

RANDALL Y. S. CHUNG, Chairman
ANTHONY R. GUERRERO, JR.
WILLIAM K. MAHOE
THERESIA C. McMURDO
ADAM C. WONG

GEORGE "KEOKI" MIYAMOTO, Ex-Officio
MICHAEL D. FORMBY, Ex-Officio

WAYNE M. HASHIRO, P.E.
Manager and Chief Engineer

DEAN A. NAKANO
Deputy Manager

Ms. Denise M. Wise
Executive Director
Hawaii Public Housing Authority
State of Hawaii
Department of Human Services
1002 North School Street
P. O. Box 17907
Honolulu, Hawaii 96817

Dear Ms. Wise:

Subject: **Kalihi Valley Homes (KVH) Rockfall**
Date of Occurrence: January 22, 2010

Thank you for your letter dated September 21, 2010. This letter is also further to the letter addressed to Diane K. Taira, Esq., dated February 17, 2010 (a copy of which is enclosed), and email to Ms. Taira of February 4, 2010 (a copy of which is also enclosed). The Board of Water Supply ("BWS") respectfully denies and refuses your request for monies in this matter. The BWS strongly disagrees with the allegations in your letter and the assertion that the BWS has any responsibility or liability in this matter. The responsibility and liability for the actions and undertakings of the Hawaii Public Housing Authority (HPHA) lies solely with HPHA itself.

You have asserted that the BWS has legal liability for the claims being made by HPHA. This assertion is misplaced. As noted in the enclosed letter dated February 17, 2010, the BWS does not owe any legal obligations to HPHA with respect to the rock formations on BWS property since such rock formations are in a purely natural condition. The BWS has never developed, constructed upon or altered the property in question, and has left it in its natural condition. This absence of any development activities by BWS stands in stark contrast to the actions of HPHA and its predecessor agency, the Housing and Community Development Corporation of Hawaii (HCDCH), which actively developed and then leased the Kalihi Valley Homes (KVH) Project. The law is clear that there is no duty owed of an uphill landowner to an adjacent property owner for purely natural conditions where the uphill owner took no development actions. *Price v. City of Seattle*, 24 P.3d 1098 (Wash. Ct. App.), review denied, 37 P.3d 291 (Wash. 2001); *Wildensten v. East Bay Regional Park Dist.*, 231 Cal. App.3d 976 (1991).

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Ms. Denise M. Wise
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The holdings of *Price* and *Wildensten* have been applied in Hawaii in *Makaha Valley Towers AOA v. BWS, et al.*; *BWS, et al. v. Makaha Valley, Incorporated*, Civil No. 98-0-4750-11(DDD), First Circuit Court, State of Hawaii. In that case, Makaha Valley Towers AOA ("MVT") sued BWS claiming liability for a natural rockfall that occurred which originated on BWS land where MVT had built a condominium adjacent to the uphill land owned by BWS and used for watershed purposes only. BWS did not develop or alter the land. In that case, BWS prevailed on summary judgment to dismiss all claims by MVT and even recovered attorney's fees and costs from MVT. Should HPHA seek to file suit against BWS, a similar result is likely to occur.

The assertion that control and management of the BWS property and/or the refusal by BWS to allow HPHA to enter onto the BWS property in 2004 somehow creates a legal liability is without basis. HPHA has never cited or referenced any specific legal case to support this assertion. Should HPHA have any such case citations or references, we will be happy to look at them. BWS has done extensive research and the *Price* and *Wildensten* cases noted above are the leading authorities in this area.

The obligation for protecting the KVH project lies solely with HPHA and not with BWS. HPHA and/or its predecessor, HCDCH, made a decision to develop this property even though they had to have been aware of the nearby hillside and rock formations on the adjacent BWS property. HPHA and HCDCH thus decided to develop this property even though there was an open and obvious condition of natural rock formations nearby. The law is clear that where a person voluntarily comes to an open and obvious natural condition, that they are responsible for the consequences of that decision.

HPHA's legal position in this regard is further weakened by the actions taken by HCDCH in 2004, as referenced in your letter. HPHA has admitted that HCDCH's geotechnical consultant "raised concerns with HCDCH and identified a risk to KVH because of the soil conditions and continuous erosion of the hillside." This admitted knowledge of "concerns" places HPHA in an untenable position to now make a claim against BWS. It is apparent that both HCDCH and HPHA took no mitigative measures to address the concerns of their geotechnical consultant. HPHA could have placed a wall or other barriers on its property but instead either took no action or took inadequate action to protect its property and the residents of KVH. This failure is clear negligence on the part of HPHA and would negate and undermine any attempt that HPHA makes to blame BWS for HPHA's own failures and neglect.

Moreover, the position that HPHA now seeks to assert is logically inconsistent with its own interests as an owner and/or occupier of land. There is no legal obligation of a landowner or occupier to allow other persons to come onto their land in this type of situation. While it may be expedient for HPHA to now assert a right of entry and

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inspection for the purpose of trying to obtain monies from BWS, such an assertion will only be used as an admission against HPHA in the future, which may subject it to liability to others. BWS believes that HPHA should consider carefully before it takes a position that is adverse to its own long-term interests.

Your letter further claims that "BWS staff committed and agreed to reimburse HPHA for all of the relocation costs of the affected KVH residents." This is incorrect. As noted in the enclosed letter dated February 17, 2010, the decision of HPHA to relocate various families was completely at the discretion of HPHA. The BWS did nothing other than advise HPHA of the ongoing remediation work and recommend that HPHA give the situation its immediate attention. Although the BWS did offer its financial assistance at one point, this was solely due to the request of the HPHA that HPHA did not have sufficient immediately available funds, and was explicitly offered only as a cost advance, which would have to be repaid by HPHA.

This position was made clear to HPHA by an email from Dean Nakano to Barbara Arashiro and Lydia Camacho on January 29, 2010, at 2:00 p.m. In that email, Mr. Nakano stated clearly:

This is to clarify and confirm the BWS' offer of assistance regarding Hawaii Public Housing Authority's (HPHA) decision to temporarily relocate certain Kamehameha IV Housing tenants due to the potential rock fall situation. In discussions with your staff, it is our understanding that HPHA is unable to upfront the cost of lodging and requires immediate funding assistance to effectuate the relocation of your residents. Pursuant to your request to the BWS for assistance, the BWS is willing to advance as a loan to HPHA the amount not to exceed \$40,000 for lodging and per diem. This loan amount is consistent with the estimated relocation costs for the 78 individuals from today, January 29, 2010 through Friday, February 5, 2010. Please be advised that BWS does not believe it is responsible for the relocation. However, due to your assertion that the State is in a budgetary crisis, the BWS is making this loan offer on a one-time basis.

The HPHA did not accept the offer from the BWS and instead chose to pursue separate arrangements. As HPHA declined to accept this offer, the offer has no force or effect. Since HPHA's decision was apparently made after Mr. Nakano's email, BWS has absolutely no responsibility for the voluntary decisions of HPHA in this regard.

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Ms. Denise M. Wise
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We further note that HPHA's purported claim for damages appears to be overstated, which weakens the claim even further. First, HPHA apparently seeks recovery of in-house expenses and overhead for management staff and maintenance in the amount of \$24,000, which would have been spent in any event. Second, HPHA's claim of revenue loss for nine units of \$22,000 appears to indicate that HPHA seeks to profit from this incident, not merely make a recovery of expenses. Third, HPHA seeks \$300,000 as a rough cost estimate of construction repairs to be made to Building 16. Such estimated construction repairs are unsubstantiated and may be regarded as a betterment, given that HPHA constructed this building knowing of open and obvious nearby rock formations and without taking adequate protective measures.

Please be advised that BWS will not accept any attempt by HPHA to place financial responsibility on BWS in this matter. HPHA and its predecessor agency designed, developed and constructed the KVH project at the base of a steep hillside with obvious rock formations. It is apparent that HPHA's or HCDCH's own designers, consultants and/or contractors failed to take adequate protections and failed to properly locate the buildings on the HPHA property, given the natural conditions of the surrounding hillside. HPHA and its predecessor agency then invited families to live there and lease the premises. HPHA accepted rent from such families and profited for many years but never took adequate precautions to deal with the situation it placed such tenants in. As the developer and owner of the project, HPHA is solely responsible for any problems with the buildings and/or the families who reside at the project due to rock fall hazards or safety matters.

Should you have any questions, please do not hesitate to contact Chief Legal Counsel, George Gusman III, at 748-5177.

Sincerely,



Wayne M. Hashiro, P.E.
Manager and Chief Engineer

Enclosures

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BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



February 17, 2010

MUFI HANNEMANN, Mayor

RANDALL Y. S. CHUNG, Chairman
SAMUEL T. HATA
WILLIAM K. MAHOE
THERESIA C. McMURDO
ADAM C. WONG

JEFFREY S. CUDIAMAT, Ex-Officio
BRENNON T. MORIOKA, Ex-Officio

WAYNE M. HASHIRO, P.E.
Manager and Chief Engineer

DEAN A. NAKANO
Deputy Manager

Via Fax (808) 586-1372
and Regular Mail

Diane K. Taira, Esq.
Department of the Attorney General
Public Safety, Hawaiian Home Lands
and Housing Division
425 Queen Street
Honolulu, Hawaii 96813

Dear Ms. Taira:

Re: Kalihi Valley Homes Rockfall Hazard Claim

I am the Chief Legal Counsel at the Honolulu Board of Water Supply (BWS). I am in receipt of your letter addressed to Dean A. Nakano, Deputy Manager of the BWS, dated February 9, 2010, regarding the claim of the Hawaii Public Housing Authority (HPHA) for relocation expenses for various families living at the Kamehameha IV Housing Project in Kalihi Valley.

Please be advised that BWS does not believe that HPHA has any valid claims against BWS for such relocation expenses. There are several reasons for this statement. First, BWS does not owe any legal obligations to HPHA with respect to the rock formations on the BWS property, or the remediation work which BWS has undertaken regarding such rock formations. The rock formations on the BWS property are in a purely natural condition. BWS has never developed or altered the property in question, and has left it in its natural condition. The law is clear that there is no duty owed of an uphill landowner to an adjacent property owner for purely natural conditions. Price v. City of Seattle, 24 P.3d 1098 (Wash. Ct. App.), review denied, 37 P.3d 291 (Wash. 2001); Wildensten v. East Bay Regional Park Dist., 231 Cal. App.3d 976 (1991).

In Price, the owners of homes damaged after a heavy rainfall by land sliding from an upper slope of a bluff sued the City, as the upland owner, alleging negligence, inverse condemnation, and trespass. The City moved for summary judgment. The Superior Court granted the motion. The homeowners appealed. The Court of Appeals, held that: (1) the City did not have a duty to take measures to stabilize the slope above the homeowners' property; (2) the City was not liable to the homeowners as a voluntary rescuer; and (3) the City's failure to take measures to prevent a landslide did not establish a trespass claim. The Price court held that there was no duty of an uphill landowner to remedy purely natural landslide conditions where no alterations or development had occurred.

In Wildensten, the plaintiff's property was located on the northeast face of a steep slope, part of the Wildcat Canyon Regional Park which consisted of active and dormant landslide deposits of earth slumps and earth flows. Naturally-occurring earth slump and earth flow landslides were widespread within a geologic formation below plaintiff's property on the steep slope. Many

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Diane K. Taira, Esq.
February 17, 2010
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landslides were initiated or reactivated along the north facing slope of the Canyon during severe winter storms of 1981-82 and 1982-83. The issue before the court was whether the government entity's mere ownership of undeveloped land and refusal to stabilize part of land threatening an adjacent landowner's property with landslide supports a claim for inverse condemnation. The court held that it did not, and stated that, "relevant case law confirms that mere ownership of undeveloped land, without more, cannot form the basis for an inverse condemnation claim."

Following the holdings of Price and Wildenstein, since the BWS has never sought to alter or develop the subject property, the BWS has no liability for any purely natural conditions, such as the rock formations in question.

Second, the decision of HPHA to relocate various families was completely in the discretion of HPHA. The BWS did not do anything other than advise HPHA of the ongoing remediation work and recommend that HPHA give the situation its immediate attention. Although the BWS did offer its financial assistance at one point, this was solely due to the request of the HPHA that HPHA did not have sufficient immediately available funds, and was explicitly offered only as a cost advance which would have to be repaid by HPHA. As HPHA declined to enter into such an agreement, the BWS offer had no force or effect.

Third, any liability to the families living on the HPHA property is the sole responsibility of HPHA, since HPHA designed, developed and constructed the Kamehameha IV Housing Project and invited the families to live there, or leased the premises to the families. HPHA designed and built the Project at the base of a steep hillside with obvious rock formations. HPHA apparently did not make any provisions to protect the Project against rock fall hazards. As the developer and owner of the Project, HPHA is solely responsible for any warranty of habitability or safety issues which might apply to the families which reside in the Project at the invitation of HPHA.

Finally, pursuant to your request, we have inquired with the City regarding available housing for the relocated residents of the Kamehameha IV Housing Project. Unfortunately, there is no City housing available at this time.

Should you have any questions, please do not hesitate to contact me at 748-5177.

Very truly yours,



George Gusman III
Chief Legal Counsel

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CONFIDENTIAL

George Gusman III

From: George Gusman III
Sent: Thursday, February 04, 2010 3:46 PM
To: 'Diane.K.Taira@hawaii.gov'
Cc: Dean A. Nakano
Subject: Kalihi Valley Rock Remediation

Ms. Taira,

I am the Chief Legal Counsel at the Honolulu Board of Water Supply ("BWS"). I received your e-mail (below) from BWS Deputy Manager Dean Nakano and provide the following response.

We have received the claim submitted on behalf of Hawaii Public Housing Authority ("HPHA") in regard to the relocation cost and are continuing to evaluate the BWS' legal obligations in regard to such claim. As soon as we have made a decision in regard to that claim, we will provide you a written response. As stated in Tracy Kitaoka's e-mail of February 2nd, however, we wish to be clear that any decision regarding evacuation rests entirely within the discretion of the HPHA. At no time did the BWS recommend anything to HPHA except to recommend that HPHA give this situation its immediate attention.

With regard to the February 5th date, the BWS had discussed this date with HPHA as a date until which the BWS would be willing to advance costs to HPHA for relocating the residents. At no time was this discussed as a date that work on the BWS property would be completed, which is what appears to have been asserted by Ms. Camacho in her e-mail. As we have informed HPHA, we are working as diligently as possible to address the conditions that exist on the BWS property.

The BWS wishes to reiterate that the only reason for making any offer to HPHA to advance costs was that on the evening of January 28th, the BWS was informed that HPHA did not have sufficient funds to take any action and assistance was requested of the BWS for funding. The BWS offered its financial assistance fully expecting that HPHA would agree to reimburse such cost. During the evening of January 28th, the BWS worked at great length to make contact with HPHA to put HPHA on notice of the imminent condition and inform HPHA that the BWS would be moving as quickly as possible to address the situation. I have been informed that at no time was it stated to HPHA in the phone conversation, nor was there any intent on the part of the BWS that the BWS would assume HPHA's responsibility for the relocation. In reviewing Mr. Kitaoka's e-mail that you attached to your e-mail to Mr. Nakano, I notice that Mr. Kitaoka used the word "reimburse" in that e-mail. In speaking with Mr. Kitaoka, he indicated that the word "reimburse" was not the correct word to use. That word should have been "advance" as the word "reimburse" did not apply in light of the BWS' conversation with HPHA during the evening of January 28th in which HPHA stated that they had no money to pay for the relocation costs. In the BWS' discussions with HPHA throughout the morning and afternoon of January 29th, the BWS made it clear that it could not advance any cost without an agreement in place for the repayment of such costs by HPHA. This was also made clear in an e-mail sent by Mr. Nakano to Ms. Camacho and Ms. Arashiro in the afternoon of January 29th (see attached). I understand that Mr. Nakano discussed the BWS' offer to advance funds with you and Deputy Attorney General Lisa Ginoza in the afternoon of January 29th as well. Ultimately, as you know, HPHA declined the BWS' offer to advance the relocation costs. It is also my understanding that the residents were not actually relocated until after the above-mentioned e-mails and conversations had taken place on January 29th.

Finally, I understand that there were some communication issues that had surfaced regarding the commencement of the work to address the rocks on the BWS' property. I have been assured by BWS personnel that they will take all necessary steps to coordinate with HPHA in regard to the work to be performed. However, if any issues arise that you want to discuss or for which I can be of assistance, please feel free to call me as we would like to work with HPHA to make sure this work is done in a safe and efficient manner.

Please feel free to contact me with any questions regarding the above. Thank you.

George Gusman III
 Chief Legal Counsel

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11/29/2010

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Honolulu Board of Water Supply
630 South Beretania Street
Honolulu, Hawaii 96843
Phone: (808) 748-5177
Fax: (808) 550-5078

From: Diane.K.Taira@hawaii.gov <Diane.K.Taira@hawaii.gov>
To: Dean A. Nakano
Cc: Barbara.E.Arashiro@hawaii.gov <Barbara.E.Arashiro@hawaii.gov>; Lydia.J.Camacho@hawaii.gov <Lydia.J.Camacho@hawaii.gov>; Stephanie.L.Fo@hawaii.gov <Stephanie.L.Fo@hawaii.gov>; HenryOliva@hawaii.gov <HenryOliva@hawaii.gov>
Sent: Wed Feb 03 09:34:56 2010
Subject: Fw: Kalihi Valley - Rock Hazard Remediation

Dean,

I am curious to know whether by the last sentence of Mr. Kitaoka's email below, BWS' position is that it is not responsible for the expense of the temporary relocation. Or, are we still on the same page that this is a matter yet to be resolved? Please confirm one way or the other as soon as possible.

As to where the February 5 date comes from (as referred to in Lydia Camacho's originating email), please note the below attached communication from Tracy Kitaoka on the evening of January 28, 2010. This attachment further explains the surprise and dismay on the part of the Housing Authority when on January 29, 2010, BWS failed and refused to pay the funds needed to temporarily house the dislocated tenants and instead asked the Housing Authority to agree that the money BWS was willing to advance was merely a loan.

Look forward to hearing from you soon.

 Please consider the environment before printing this e-mail.

Diane K. Taira
Supervising Deputy Attorney General
Public Safety, Hawaiian Home Lands
And Housing Division
Department of the Attorney General
Telephone: 587-2978/Facsimile: 586-1372

PRIVILEGED/CONFIDENTIAL COMMUNICATION

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----- Forwarded by Diane K Taira/AG/StateHiUS on 02/03/2010 09:12 AM -----

"Tracy S. Kitaoka" <TKitaoka@hbws.org>

02/02/2010 06:09 PM

To "Lydia.J.Camacho@hawaii.gov" <Lydia.J.Camacho@hawaii.gov>

cc "Barbara.E.Arashiro@hawaii.gov" <Barbara.E.Arashiro@hawaii.gov>, "Stephanie.L.Fo@hawaii.gov" <Stephanie.L.Fo@hawaii.gov>,

"Diane.K.Taira@hawaii.gov" <Diane.K.Taira@hawaii.gov>, "Dean A. Nakano" <dnakano@hbws.org>

Subject RE: Kalihi Valley - Rock Hazard Remediation

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Lydia,

We are continuing to work with our contractor to address the current Kalihi Valley rock fall issues in an expeditious manner. We have not yet, however, received a schedule for the work to be performed. We expect to have that schedule shortly, and as soon as we receive that schedule, we will immediately advise you. As far as the date of February 5, 2010 stated in your e-mail, it is unclear as to how this date was established as a deadline for the removal of the potentially dangerous conditions that exist. With that said, however, we wish to assure you that we are working as quickly as possible to address the issues that exist on the Board of Water Supply ("BWS") property. Once the BWS has completed the required work, the BWS will of course notify the Hawaii Public Housing Authority ("HPHA") so that HPHA can take the steps it deems necessary regarding the residents who have been relocated.

In addition to the above, we also wish to be clear that the BWS has no authority to order any action with regard to the residents. Moreover, with regard to the imminent condition that was identified by the BWS' contractor on January 28, 2010, the BWS put the HPHA on notice of this condition and recommended that HPHA give such situation its immediate and appropriate attention. As conveyed, any decision regarding evacuation rests entirely within the scope of duties and jurisdiction of HPHA.

Thank you for your attention. We will contact you as soon as we receive any further information regarding the work being undertaken.

Tracy Kitaoka

Board of Water Supply

Director of Risk Management

Phone 748-5170

Fax 550-9177

Email tkitaoka@hbws.org

-----Original Message-----

From: Lydia.J.Camacho@hawaii.gov [mailto:Lydia.J.Camacho@hawaii.gov]

Sent: Tuesday, February 02, 2010 12:28 PM

To: Tracy S. Kitaoka

Cc: Barbara.E.Arashiro@hawaii.gov; Stephanie.L.Fo@hawaii.gov; Diane.K.Taira@hawaii.gov

Subject: Kalihi Valley - Rock Hazard Remediation

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Tracy -

Please provide the Hawaii Public Housing Authority with a schedule for rock hazard remediation for Kalihi Valley Homes. As you are aware 17 families were relocated from the site on Friday, January 29, 2010 at the recommendation of the Honolulu Board of Water Supply. The initial evacuation plan was to relocate the families through February 5, 2010 (approximately 8 days). This period should allow for the removal of the dangerous rock formation by the HBWS and therefore eliminate of the "imminent threat" to the families residing in Building 19 and Building 13. We would appreciate a status report as soon as possible.

Thank you,

Lydia J. Camacho
State Housing Development Administrator
Hawaii Public Housing Authority
1002 N. School Street
Honolulu, HI 96817
808-832-6020

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11/29/2010

CONFIDENTIAL

Dean A. Nakano

From: Dean A. Nakano
Sent: Friday, January 29, 2010 2:00 PM
To: 'barbara.e.arashiro@hawaii.gov'; 'lydia.camacho@hawaii.gov'
Subject: Kamehameha IV Housing

Barbara/Lydia:

This is to clarify and confirm the BWS's offer of assistance regarding Hawaii Public Housing Authority's (HPHA) decision to temporarily relocate certain Kamehameha IV Housing tenants due to the potential rock fall situation. In discussions with your staff, it is our understanding that HPHA is unable to upfront the cost of lodging and requires immediate funding assistance to effectuate the relocation of your residents. Pursuant to your request to the BWS for assistance, the BWS is willing to advance as a loan to HPHA the amount not to exceed \$40,000 for lodging and per diem. This loan amount is consistent with the estimated relocation costs for the 78 individuals from today, January 29, 2010 through Friday, February 5, 2010. Please be advised that BWS does not believe it is responsible for the relocation. However, due to your assertion that the State is in a budgetary crisis, the BWS is making this loan offer on a one-time basis.

In order to authorize the release of funding for this purpose, we would need your confirmation of this agreement and loan to Hawaii Public Housing Authority for the amount of \$40,000. In order to expedite this matter, an email confirmation of this loan agreement will suffice pending execution of a formal agreement between HPHA and BWS.

We thank you and your staff for your efforts and cooperation. Please contact me vial email or by phone at 748-5066 if you have any questions or if we can be of further assistance.

2/4/2010

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