HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building E
Honolulu, Hawaii 96817

October 20, 2011
9:15 a.m. **

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

A. Regular Meeting Minutes, September 22, 2011 (Pgs. 001-011)
B. Executive Session, September 22, 2011
C. Executive Session, October 6, 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. FOR ACTION

A. Motion: To Authorize the Executive Director to Conduct Public Hearings on Proposed Revisions to Section 17-2021, Hawaii Administrative Rules, Removing State Housing Projects from the Federal Grievance Procedure for the Hawaii Public Housing Authority ("HPHA") (Pgs. 012-031)

B. Motion: To Adopt Revisions to the HPHA's Policy on Communications (Pgs. 032-040)

V. REPORTS

A. Board Task Force Reports: (Pg. 041)
   1. Personnel Task Force: Report on the Performance Evaluation of the Executive Director and Executive Assistant
      The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to

consult with the Board's attorneys on questions and issues pertaining to personnel.

B. Staff Reports (Pgs. 042-075)

1. Executive Director's Reports
2. Program Status Reports, including Vacant Unit Report

   The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to personnel.
3. Follow-Up Report on Board Inquiries from September 22, 2011 Regular Meeting

VI. FOR DISCUSSION/INFORMATION

A. For Information: *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)* (Pg. 076)

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 *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)*

B. For Discussion: Presentation/Training by the U.S. Department of Housing and Urban Development (Pgs. 077-122)

C. For Discussion: Medical Use of Marijuana in Federal and State Public Housing Projects (Pgs. 123-142)

D. For Information: Report on the Hawaii Public Housing Authority's Unaudited Financial Data Submission to the U.S. Department of Housing and Urban Development and the Federal Audit Clearinghouse for the Fiscal Year Ended June 30, 2011 (Pgs. 143-160)

E. For Discussion: Management Audit of the HPHA by the Office of the Auditor, State of Hawaii (Pgs. 161-226)

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2), 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.

F. For Discussion: Location of HPHA Board Meetings and Possible Alternate Sites or Rotation at Public Housing Complexes (Pgs. 227-232)

(The start time of 9:15 am is an approximate time. The HPHA Regular Board meeting will be convened immediately following the close of the HHA Wilikina Apartment Project Inc. meeting.)**

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Secretary to the Board at (808) 832-4690 by close of business two days prior to the meeting date. Meals will be served to the Board and support staff as an integral part of the meeting.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 N. SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, SEPTEMBER 22, 2011
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Board Meeting at 1002 N. School Street, on Thursday, September 22, 2011 at 9:00 a.m.

The meeting was called to order by Chairperson Gierlach at 9:00 a.m. and, on roll call, those present and absent were as follows:

PRESENT:
Director David Gierlach, Chairperson
Director Jason Espero
Director Roger Godfrey
Director Desiree Kihano
Director Patricia McManaman
Director Debbie Shimizu
Director Travis Thompson
Director Trevor Tokishi
Director George Yokoyama
Director Matilda Yoshioka

Executive Director, Denise Wise
Deputy Attorney General, Jennifer Sugita

STAFF PRESENT:
Clarence Allen, Fiscal Officer
Barbara Arashiro, Executive Assistant
Nicholas Birck, Housing Planner
Becky Choi, State Housing Development Administrator
Kiriko Oishi, Housing Compliance and Evaluation Specialist
Joanna Renken, Public Housing Supervisor
Rick Sogawa, Contracts and Procurement Officer
Dionicia Piiohia, Secretary to the Board

OTHERS:
Zara Aki, Kamehameha Homes tenant
Stacie Brach, Interstate Realty Management (IRM)
Lowell Kalapa, Weed & Seed
Maile Kanemaru, Weed & Seed
Genie Kincaid
Fetu Koli, Mayor Wright Homes tenant
Makani Maeva, Vitus Group
David Moakley, Ameresco

Monika Mordasini, Michales Development Company
Rob Shikina, Honolulu StarAdvertiser
Russell Suzuki, Deputy Attorney General

Proceedings

Chairperson Gierlach declared a quorum present. The business of the Board proceeded with approval of the Regular Meeting Minutes of August 18, 2011. Director Thompson moved and Director Espero seconded to approve the minutes

The minutes were unanimously approved.

The approval of the Executive Session Minutes of August 18, 2011 was deferred until later in the meeting.

Director McManaman entered the meeting at 9:10 a.m.

Public Testimony

Ms. Zara Aki, President of Kamehameha Homes Resident Association, wanted to provide testimony to recognize the efforts and results of Ms. Denise Wise, Executive Director. She stated that under Ms. Wise's leadership problems are handled in a timely manner; she listens to the tenants and her leadership has provided a needed difference at the HPHA. She believes that the agency is finally on the right track and she was concerned that should Ms. Wise leave it would set the agency back. She noted that Ms. Wise has been at the project until 11:00 pm when there was an incident on the property and she works in partnership with the tenants to resolve issues. Her departure would be a setback for the agency.

Mr. Fetu Kolio of Mayor Wright Homes (MWH) thanked Ms. Wise for her efforts and hoped she would continue as the Executive Director. But there are often changes in government, directors and soldiers. He mentioned that he was locked out of his unit for no reason and security called the police to remove him off the property. He stated there was no cause and no reason to be locked out or have the locks changed. He believed his civil rights were violated.

For Action

Motion: **To Authorize the Executive Director to Conduct Public Hearings on Proposed Revisions to Section 17-2021, Hawaii Administrative Rules, Removing State Housing Projects from the Federal Grievance Procedure for the Hawaii Public Housing Authority ("HPHA").**

Director Yoshioka moved and Director Kihano seconded.

Ms. Denise Wise, Executive Director explained that additional changes and clarifications were forthcoming from the Attorney General's (AG) office on this matter. Ms. Wise and Ms. Jennifer Sugita, Deputy Attorney General, recommended tabling this item until all recommendations had been received and reviewed by the AGs for full presentation to the Board.

Directors Yoshioka and Kihano withdrew their motion to approve. Director Thompson moved and Director Yoshioka seconded to table the For Action.

The motion was unanimously carried.

Motion: **To approve the Hawaii Public Housing Authority's proposed amendments to Chapter 356D-6, Hawaii Revised Statutes, relating to the nomination of the Resident Board Member and to authorize the Executive Director to submit the proposed amendments to Executive Branch Departments for review and inclusion in the Administration's Legislative package for the supplemental year of the Fiscal Year 2011-2013 Biennium.**

Director McManaman moved and Director Espero seconded.

Mr. Nicholas Birck, Housing Planner, explained that the Resident Advisory Board (RAB) requested this amendment. In summary they wish to lower the number of nominee referrals to the Governor for the resident member Board representative from five to three. The RAB believes this will provide a more concise listing and they do not believe it will dilute or discourage the number of qualified candidates.

Chairperson Gierlach asked what was the RAB's rational and basis for reducing the numbers. Director Kihano explained that the most recent nomination and recommendation process did have five residents submit an application. However, two residents declined when the roles and responsibilities were detailed to them. It was difficult to recruit two additional candidates and that was the primary reason it took longer to refer candidates to the Governor. As a result of the delay and re-recruitment, the Resident Board member seat sat vacant for four months.

Discussion ensued and Director McManaman suggested a rewording that stated no less than three and no more than five. Chairperson Gierlach commented that in his experience at Mayor Wright Homes, it is difficult to organize and get residents involved. He expressed concern that this reduces opportunities and prefers to encourage more people to participate rather than set up a system that encourages fewer people to participate. Ms. Wise explained that this recommendation came from the RAB and it was discussed at their Board meeting and this was at their initiative. She further endorsed the suggested rewording of Director McManaman as it provided a balance of the RAB's request and still accommodated the opportunity for more nominees.

Directors McManaman and Espero withdrew their motion. Director Tokishi moved and Director Kihano seconded to amend the language of "...nominees to a minimum of three and no more than five."

The motion was unanimously carried.

Motion: **To approve the Hawaii Public Housing Authority's proposed amendments to Chapter 356D-2, Hawaii Revised Statutes, relating to the compliance with HUD Notice PIH-2011-48 (HA), guidance on reporting public housing agency executive compensation information and conducting comparability analysis (effective August 26, 2011) and to authorize the Executive Director to submit the proposed amendments to Executive Branch Departments for review and inclusion in the administration's legislative package for the supplemental year of the Fiscal Year 2011-2013 Biennium.**

Director Yoshioka moved and Director Shimizu seconded

Ms. Wise reported that the U.S. Department of Housing and Urban Development (HUD) Office of Public and Indian Housing (PIH) issued a Notice PIH-2011-48 regarding the compensation of Housing Authority executive directors (ED). This notice was prescriptive and requires all Public Housing Agencies (PHAs) to conduct a comparability analysis in determining the executive director's compensation and then must certify compliance with this requirement. The manner in which compliance with this directive is certified is within the PHA 5-year and annual plan and the Chairperson of the Board or other authorized PHA official certifies that the PHA has complied with the comparability analysis requirement.

Discussion ensued and it was noted that the HPHA's executive director's salary is tied to the Department of Human Resources Development (DHRD) Director's salary by statute and it is not to exceed 85 percent of the DHRD's Director's salary. Therefore, although a comparability analysis is required, there is little that can be done as the executive director's salary is statutorily set.

Director McManaman asked if this amendment had been submitted to the AG's office for review. Mr. Birck responded that the HPHA was working to meet the Governor's Policy office timeframe for proposed legislative changes submission. This HUD directive was recently received therefore it is being presented to the Board and will be simultaneously submitted to the Governor's Policy Office, the AG's office and Budget and Finance (B&F). It was further noted during board discussion that the Board has the authority to pay less than 85 percent of the DHRD Director's salary but cannot exceed the statutorily set amount. The PIH notice requires the Board to certify to HUD that they have conducted a comparability analysis. It was further noted that noncompliance with this HUD directive may result in monetary sanctions.

Director McManaman moved and Director Thompson seconded to adopt the language in the HUD notice on page 41 , paragraph 6 and amend the language on the Attachment C, page 43, line 13 to read: "...<u>paid a salary that is determined by the Board of Directors, using, other factors, to include, for example, independent compensation surveys and information concerning compensation provided</u>

comparable PHA executive directors, to comparable state and local officials, and to comparable private sector executives.

The motion was unanimously carried.

Chairperson Gierlach stated that Action items D and E will be discussed after items For Discussion A and C. He declared a recess at 9:54 a.m. and the meeting reconvened at 10:10 a.m.

For Information/Discussion:

Weed & Seed Strategy at Mayor Wright Homes (MWH).

Chairperson Gierlach introduced Ms. Maile Kanemaru, Director and Mr. Lowell Kalapa, Board member of the Weed and Seed program. Ms. Kanemaru explained how the Weed and Seed program operates. It "weeds out" violent crime, gang activity, and drug trafficking, then "seeds" the target area with social programs, neighborhood restoration projects and economic development. The primary principles of the program include community participation, coordination, collaboration, and leveraging of resources. The goal at MWH is to first assess the needs of residents, and then meet with staff. As the needs are identified agencies will be solicited to provide services. By working with residents and staff this will provide a holistic approach to meeting the needs of the residents. A steering committee will be formed to coordinate, teach and collaborate. Priorities are safety and security. This can be attained by working with the Honolulu Police Department, the Sheriff office, and working with the site manager at MWH. Weed and Seed is requesting the Board support the program and to accept the philosophy of Weed and Seed.

Chairperson Gierlach commented that accountability is important and that we need to set targets and meet expectations. If not met, there has to be a reason and consequences. He hears from the residents at MWH that there is public drinking and it not being enforced by police and the smoking of marijuana out in the open is also not being enforced.

Mr. Kalapa commented that the whole concept is to get the police and community involved. The HPHA recognizes that it cannot be done for the tenants. They have to do it for themselves to take back their community. He emphasized that there will never be enough subsidized housing, and we need to provide the people in public housing the skills to empower our residents to stand on their own two feet.

Director Shimizu asked about the progress of the Weed and Seed program from when it first started until now. Ms. Kanemaru said that the target area at that time was MWH and Chinatown. The first thing to be done was to work with area residents to define the needs. Second was ensuring translation services were available because English was their second language and in order to communicate and form meaningful collaborations this was needed. This effort included different housing projects which were instrumental when working on gang related issues and working with businesses in the area.

Director Yokoyama asked if there was budget and what it is. Ms. Kanemaru stated a study was done and that $250,000 per site per year was needed. That approximately half of the money was for weeding, community policing, investigation, undercover cars; and the other half was for seeding to provide prevention and intervention services. There are no available funds at this time and we will have get creative in our collaboration and resource leveraging.

Director Kihano commented that Palolo Valley Homes had applied for Weed and Seed programming but was not they did not receive the grant. Ms. Kanemaru explained the criteria and that it is extremely competitive.

Director Yoshioka asked what the Board can do for the program. Ms. Wise commented that to ensure clarity a memorandum of understanding should be considered which defines roles and responsibilities; budget impact should be identified and staff time commitment be reviewed.

Discussion: **Report by Department of Attorney General regarding Compliance issues concerning the Annual Contributions Contract and the Corrective Action Order.**

Motion: **To 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.**

Chairperson Gierlach called for a motion to go into Executive Session at 10:30 a.m.

Director Yoshioka moved and Director Kihano seconded.

The motion was unanimously carried.

The Board moved out of Executive Session at 11:18 a.m. and the meeting reconvened at 11:22 a.m.

Information: **Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her official capacity as Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795).**

Motion: **To 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 Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her official capacity as Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)**

Chairperson Gierlach called for a motion to go into Executive Session at 11:28 a.m.

Director Yoshioka moved and Director Thompson seconded.

The motion was unanimously carried

Director Yokoyama left the meeting at 11:28 a.m.

The Board moved out of Executive Session and recessed at 12:32 p.m. The meeting reconvened at 12:40 p.m.

Chairperson Gierlach called for a motion to amend the agenda to add the letter of resignation that was received by the Executive Director.

Director Godfrey moved and Director Espero seconded.

The motion was unanimously carried.

Chairperson Gierlach accepted with regret and thanks, the resignation of Denise Wise, recognizing the good work that she has done for the agency and is grateful for her service. The resignation has been accepted by the Board with an effective date of October 12, 2011. Chairperson Gierlach requested a Special Meeting of the Board in two weeks to address the transition plan.

Chairperson Gierlach called for a motion to go into Executive Session at 12:54 p.m. to discuss For Action items IV. D and E.

Director McManaman moved and Director Tokishi seconded.

The motion was unanimously carried.

Chairperson Gierlach left the meeting at 12:55 p.m., and Vice-Chairperson Yoshioka took the gavel and chaired the rest of the meeting.

Motion: **IV. D To approve disclosure of: (1) Executive Session Minutes dated December 16, 2010, regarding the motion to approve a waiver from the Conflict of Interest Provisions of Sections 19(A) of the Annual Contributions Contract between the Hawaii Public Housing Authority and the U.S. Department of Housing and Urban Development for the Chief Financial Management Advisor position; and (2) Executive Session Minutes dated April 21, 2011, regarding discussion with Michael S. Flores, U.S. Department of Housing and Urban Development on the Annual Contributions Contract and Corrective Action Order for purposes of internal investigation only.**

Motion: **IV. E To approve sharing of confidential Executive Session Minutes from 2008 to 2010 involving Mayor Wright Homes for purposes of internal investigation only.**

The Board moved out of Executive Session and the meeting reconvened at 1:00 p.m.

Vice-Chairperson Yoshioka reported that motions were not made for either item therefore the items were considered dead.

Reports:
Ms. Wise reported that the second set of Financial Reports distributed were incorrect. This is a result of a systems conversion. The conversion has caused some fields to overlap thereby creating field discrepancies. Staff is currently working on the problems with the vendor.

Director McManaman left the meeting at 1:05 p.m.

The HUD presentation was rescheduled to the October Board meeting as HUD staff was unable to attend the September meeting due to a schedule conflict.

Information: **Presentation by the Michaels Development Company on future phases of the Mixed Income Redevelopment at Kuhio Park Terrace.**

Ms. Wise introduced Monika Mordasini, Vice President of Michaels Development Company (Michaels), Stacie Brach of Interstate Realty Management (IRM), Makani Maeva of Vitus Group.

Director Kihano asked about the differences between tenants in the project based project Section 8 units at Palolo Homes and the public housing units at KPT towers; and if they were eligible for tenant participation funds, membership on the RAB and other public housing requirements. Ms. Wise explained that units funded under the project-based Section 8 program are subject to different rules than the federal public housing program. The project-based units at Palolo Homes are not eligible for resident participation funds and do not participate in the RAB. Staff will need to confirm whether the KPT tower units are eligible for public housing programs.

Ms. Mordasini gave a power point overview of the Kuhio Park Terrace (KPT) project. She provided an introduction and overview of the conceptual plans, Phase I KPT Towers project, future phases, property management services and social services coordination. Michaels has similar developments in 33 States.

To identify community needs and hear resident's ideas for the community, a meeting was held on July 6, 2009. At the meeting residents expressed ideas about smaller neighborhood parks, gathering spaces, working elevators, improved laundry facilities, additional parking, cleaner trash areas, and increased security. Michaels used sustainable strategies in the renovation plans of the units to include, increase natural light and ventilation, solar hot water heating, and low

impact landscaping. The mix of units consists of 45 one bedroom, 315 two bedrooms, and 205 three bedrooms. The exterior façade improvements include an open and airy front entry by removing the concrete screens in the center of the towers and replacing it with open screens for more light and air. Renovations include an enlarged living area , new kitchen area, and the lanai is now enclosed. She explained the timing and schedule of the relocation of families. The master plan on the revitalization of the KPT Community in the next 10 years will consist of 11 phases with 1024 units.

Ms. Brach said that the social services department is to keep the community strong and monthly newsletters are sent to the tenants to see what is happening in the community.

Ms. Mordasini invited the Board to the open house on October 5, 2011. Director Shimizu asked that she be given more information so the Governor can attend.

Vice-Chairperson Yoshioka will discuss with Chairperson Gierlach the possible coordination of the special meeting and the 10:30 a.m. open house at KPT Towers.

Reports:
Board Task Force reports on the approach to strategic planning related to HPHA's portfolio.

Ms. Wise reported that the task force members were asked to develop a methodology for future decisions regarding the property portfolio held by the HPHA and prospective renovations of the properties. A diagram of the HUD annual plan was developed to prepare for upcoming reports and the highlights of the reports. The task force is devising a process that is systematic and comprehensive. The recommendations made by the task force in developing a comprehensive methodology include:

- Prepare an asset inventory and system map.
- Inventory services and survey market in neighborhoods serving our housing.
- Develop a condition assessment and priority scale.
- Assess remaining useful life of assets.
- Determine asset values and replacement costs.
- Analyze affect on HPHA's cash flow and future appropriations.

Director Thompson recommended further discussion to develop a plan and so that next steps on how to proceed can be defined and to provide staff with direction.

Executive Director's Report:
Director Thompson asked the status on the energy contract. Mr. Rick Sogawa, Contracts and Procurement Officer reported that the contract deadline was extended to October 7, 2011.

Chairperson Yoshioka asked the status on the Kauai personnel. Ms. Shirley Befitel, Personnel Supervisor explained that there was interest shown for the Public Housing Supervisor III position

who is on temporary hire, Building Maintenance Helper is hired, Building Maintenance Worker I will be on board in December.

Director Espero inquired about the process for reasonable accommodation requests. Ms. Kiriko Oishi, Housing Compliance and Evaluation Specialist, explained that the process for Reasonable Accommodation is that the tenant make the request to staff and if appropriate completes a form. The request is then sent to the Compliance Office who logs it in, and the Compliance Office then has 20 days to verify the disability. The doctor fills out a certification form if there is question about whether they have a disability and they recommend an appropriate accommodation. Once all information has been received a determination is made to approve or deny. A determination letter is mailed to the tenant and a copy faxed to the manager. If there is a request for an accessible unit or special location that might not be available at that time, they are put on a waitlist.

Director Shimizu asked what was and how the Asset Management Project (AMP) database adjustments were made. Ms. Wise explained that the HUD inspectors has a list that rates the property and if they find any rating of one or more "C" score which means life threatening health and safety deficiencies, we need to remediate that issue in 24 hours. She added that letters are sent to the tenants regarding the inspection and that their unit may be selected. Units are randomly selected when the inspectors arrive. Director Kihano commented that at Palolo Homes, the same unit has been inspected for the past three years. Ms. Wise commented that some properties have made significant increases and that staff will be recognized.

Vice-Chairperson Yoshioka asked the status of the expenditure of grants. Ms. Becky Choi, State Housing Development Administrator reported that the Capital Funds have been expended. A letter sent to Shaun Donovan, Secretary of HUD to request for an extension of time period for obligation of capital funds. We have two years to obligate the funds and the third year to expend. If you don't obligate the funds within the two years, you will be penalized 10 percent a month of the grant until the funds are obligated. Ms. Wise commended the team effort of the staff, the AG office and governor's office to expend the funds and we have another year to expend. Director Shimizu requested a copy of the approval letter.

Director Tokishi asked where the Family Self Sufficiency program financial institute on the interests being deposited to. Mr. Clarence Allen, Fiscal Officer stated American Savings Bank and the interest is less than one percent.

Vice-Chairperson Yoshioka asked what the status is on the Mayor Wright Homes incident. Ms. Wise stated that she will send the updates to the Board and that not much change. A meeting on October 3, 2011 with the residents their perspective to the issues is if there is a curfew, it is not a curfew. We are planning a quiet time so any guests after 10:00 p.m. must be off the property or get a guest pass. A meeting will be held next two to four weeks with security, tenant association and staff to make sure the understanding of communication and issues to be dealt with like quiet time for children under the age of 18 should be inside unless accompanied by an adult, but will check with the city ordinance on the age.

Ms. Wise added that on Fridays and Saturdays the tenants will reestablish the community walks from 10:00 to 11:30 p.m., the Weed and Seed officers were contacted and the Honolulu Police Department was also at the meeting. Major Chun has been working with HPHA at Kalihi Valley Homes and he sees a 70 percent drop in phone calls since last year.

Vice-Chairperson Yoshioka stated that the Chairperson Director Gierlach requested that item IV. F, Discussion: Location of HPHA Board Meetings and Possible Alternate Sites or Rotation at Public Housing Complexes be deferred to the next meeting on October 20, 2011.

Vice-Chairperson Yoshioka called for a motion to move in Executive Session at 2:55 p.m.

> **Follow-up Report on the Performance Evaluation of the HPHA's Executive Director and Executive Assistant. Pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) 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 personnel matters.**
>
> **Director Shimizu moved and Director Espero seconded.**
>
> The motion was unanimously carried.

The Board moved out of Executive Session and with no further business for the Board to conduct, the meeting adjourned at 3:22 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:

Dionicia Piiohia — 10/20/11

Dionicia Piiohia
Secretary to the Board/Recording Secretary

Date

Approved by the HPHA Board of Directors at their Regular Meeting on October 20, 2011

10/20/11

Jason Espero
Director/Board Secretary

Date

Approved by the Executive Director
October 20, 2011

FOR ACTION

SUBJECT: To Authorize the Executive Director to Conduct Public Hearings on Proposed Revisions to Section 17-2021, Hawaii Administrative Rules, Removing State Housing Projects from the Federal Grievance Procedure for the Hawaii Public Housing Authority ("HPHA")

I. FACTS

A. Act 196, Session Laws of Hawaii (SLH) 2005, as amended by Act 180, SLH 2006, separated the housing financing and development functions from the Housing and Community Development Corporation of Hawaii (HCDCH) and created the Hawaii Housing Finance and Development Corporation (HHFDC), and the Hawaii Public Housing Authority (HPHA). Act 196 became effective on July 1, 2006. Act 196 provided that all HCDCH administrative rules would remain in effect until amended.

B. The HCDCH enabling statute, Chapter 201G, Hawaii Revised Statutes (HRS), required the HCDCH to define a grievance procedure for the federal, state family, and state elderly low-income public housing programs through the agency's administrative rulemaking powers. The HCDCH elected to adopt a single administrative rule that provided a uniform grievance procedure for beneficiaries of each program.

C. Within the HPHA's enabling statute, Chapter 356D, HRS, the Legislature provided at Ch. 356D-44(c) that the landlord-tenant code in Ch. 521, HRS, and its procedures would apply to the state low-income public housing projects (ATTACHMENT A).

D. Amendments to Chapter 17-2021, HAR, governing the HPHA's grievance procedures are necessary to effectuate this modification to reflect the current statutory framework. Amendments are also necessary to make housekeeping amendments to the Rule, such as updating the agency's name and the statutory references within the Rule.

E. Once approved by the HPHA Board of Directors, the agency must request permission to take the proposed Rule to public hearing from the Governor. The HPHA staff must make thirty days' notice to the public and hold hearings on the Islands of Kauai, Oahu, Maui, and Hawaii.

F. Once the hearing process has been completed, the HPHA must request the Governor to adopt the Rule and file certified copies with the Office of the Lt. Governor.

II. DISCUSSION

A. The proposed amendments to Chapter 17-2021, HAR, would update the Rule to refer to the "Hawaii public housing authority" or "the authority", where appropriate, as the responsible agency. The Rule currently refers to the HCDCH, or the corporation, throughout its provisions (ATTACHMENT B).

B. The proposed amendments would further update the historical note and statutory reference sections of the Rule to reflect that it is authorized by and implementing the relevant provisions of Ch. 356D, HRS, rather than Ch. 201G, HRS, which was repealed in 2006.

C. The proposed amendments would remove the sections of the Rule that reference its applicability to disputes between the HPHA and tenants of state public housing projects. The Rule would thus reflect the statutory framework of Ch. 356D-44, which provides that "State low-income housing projects shall be subject to chapter 521." (Attachment A).

D. The proposed amendments are currently under review by the Department of the Attorney General. Approval of the Attachment B draft of the Rule would be subject to the review and advice of counsel.

E. Following approval of the proposed Rule, the Executive Director will hold public hearings on the Islands of Kauai, Oahu, Maui, and Hawaii at a date and locations to be determined.

F. Based on testimony received during the public viewing and comment period, the Executive Director will make any non-substantive amendments to the draft amendments to and compilation of the Rule prior to or following the public hearing.

G. After the public hearings, the Executive Director will transmit amendments to and compilation of Chapter 17-2021, Hawaii Administrative Rules, to the Governor for final approval provided that no substantive amendments are made. Staff anticipates the following approximate schedule of the process:

Action	Timeframe
Board For Action (authorize Public Hearing)	October 20, 2011
Request to GOV through DHS DIR (authorize Public Hearing)	October 21, 2011
Receive GOV authorization	November 29, 2011
Publish Hearing Notice (30 Day Notice)	December 15, 2011
Public Hearing	January 16, 2012
Finalize Rule /Transmit to GOV for Adoption	January 19, 2012
Rule Effective	March 1, 2012

III. RECOMMENDATION

That the HPHA Board of Directors authorize the Executive Director to conduct public hearings on proposed revisions to Section 17-2021, Hawaii Administrative Rules, removing state housing projects from the Federal grievance procedure for the Hawaii Public Housing Authority.

ATTACHMENT A: Chapter 356D, HRS
ATTACHMENT B: Ch. 17-2021, HAR (Ramseyer Format)

Prepared by: Nicholas Birck, Planner ____

Approved:

David Gierlach
Chairperson

014

§356D-44 Administration of state low-income public housing projects and programs. (a) The authority shall construct, develop, and administer property or housing for the purpose of state low-income public housing projects and programs.

(b) The authority shall offer any decommissioned low-income public housing project, except for federal housing projects, to nonprofit or for-profit organizations or government agencies for rehabilitation into emergency or transitional shelter facilities for the homeless or rehabilitation into rental units that set aside at least fifty per cent of the units to persons or families with incomes at or below fifty per cent of the area median family income; provided that:

(1) The housing project is wholly owned by the State on either state-owned or ceded lands;

(2) The authority has determined that the housing project is not eligible for rehabilitation using the authority's current resources; and

(3) The nonprofit or for-profit organization or government agency demonstrates expertise in rehabilitation of housing projects and has community, public, and private resources to substantially pay for the rehabilitation.

The land and improvements may be leased to the nonprofit or for-profit organization or government agency for a period not to exceed ninety-nine years for a sum of $1 per year.

(c) State low-income housing projects shall be subject to chapter 521.

(d) The authority shall adopt necessary rules in accordance with chapter 91, including the establishment and collection of reasonable fees for administering the state low-income housing projects or programs and to carry out any state program under subsection (a). [L 2006, c 180, pt of §2; am L 2007, c 249, §35]

Rules Amending Title 17
Hawaii Administrative Rules

October 3, 2011

1. Chapter 2021 of Title 17, Hawaii Administrative Rules, entitled "Grievance Procedure" is amended and compiled to read as follows:

"HAWAII ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 5

[HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII] HAWAII PUBLIC HOUSING AUTHORITY

CHAPTER 2021

GRIEVANCE PROCEDURE

Subchapter 1 General Provisions

§17-2021-01 Purpose
§17-2021-02 Applicability
§17-2021-03 Definitions
§17-2021-04 Termination of rental agreement based on Public Law 104-120

Subchapter 2 Pre-hearing Procedure

§17-2021-10 Informal settlement of grievances
§17-2021-11 Request for hearing
§17-2021-12 Selection of hearing officer
§17-2021-13 Escrow deposit
§17-2021-14 Scheduling of hearings

Subchapter 3 Hearing Procedure

§17-2021-20 Procedures governing the hearing
§17-2021-21 Decision of the hearing officer

Subchapter 4 Expedited Grievance Procedure

§17-2021-30 Applicability
§17-2021-31 Request for hearing - expedited grievance
§17-2021-32 Selection of hearing officer - expedited grievance
§17-2021-33 Failure to request a hearing - expedited grievance
§17-2021-34 Scheduling of hearings - expedited grievance
§17-2021-35 Decision of the hearing officer - expedited grievance

Historical Note: Chapter 17-2021, Hawaii Administrative Rules, is based substantially upon chapter 17-2021, Hawaii Administrative Rules, [Eff 8/5/05; am and comp], chapter 17-502, Hawaii Administrative Rules, [Eff 1/1/81; am and comp 5/26/98; R Oct 25 1999], and chapter 15-183, Hawaii Administrative Rules, [Eff 02/25/02; R Aug 05 2005]

SUBCHAPTER 1

GENERAL PROVISIONS

§17-2021-1 Purpose. These rules shall govern the practice and procedure for hearing a grievance presented by a tenant of a federally-assisted public housing project [or state-aided public housing project] to the [housing and community development corporation of Hawaii] Hawaii public housing

authority. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52, HRS §356D-4) (Imp: 24 CFR §966.50, HRS §356D-4)

§17-2021-2 Applicability. (a) The grievance procedure shall [be applicable] apply to all individual grievances as defined in section 17-2021-3 between the tenant of the federally-assisted public housing projects [or the state-aided public housing projects] and the [corporation] authority.

(b) The grievance procedure shall not [be applicable] apply to disputes between tenants not involving the [corporation] authority, or class grievances. This procedure shall not be used as a forum for initiating or negotiating policy changes between tenants and the [corporation] authority.

(c) All grievances involving an act or omission of the [corporation] authority relating to a rental agreement shall be commenced within ten business days of such act or omission.

(d) All grievances involving the [corporation's] authority's rules shall be commenced within ten business days of an act or omission based on such rule.

(e) The failure to timely request such a hearing within the prescribed limits shall preclude any request for a grievance hearing from occurring unless waived in writing by the [corporation] authority.

(f) The grievance procedure shall not apply to state public housing projects, which include the projects of Hauiki, Puahala, Lokahi, Kawailehua (State), Ka Hale Mua (State), Ke Kumu Elua, Hale Po'ai, Halia Hale, Kamalu, Ho'olulu, and Lai'ola.

(g) The grievance procedure shall not apply to any decision and order of eviction made pursuant to chapter 17-2020.

(h) If there is a conflict between subsection (f) and any other rule, subsection (f) shall control.

(i) If there is a conflict between subsection (g) and any other rule, subsection (g) shall control. [Eff 8/5/05; am and comp] (Auth: 24

CFR §966.52; HRS §§356D-4, 356D-16) (Imp: 24 CFR §966.51; HRS §§356D-4, 356D-44(c), 356D-96, 356D-97; 521)

§17-2021-3 Definitions. Whenever used in this chapter, unless specifically defined:

"Authority" means the Hawaii public housing authority.

"Complainant" means any tenant whose grievance is presented to the corporation or at the project management office.

["Corporation" means the housing and community development corporation of Hawaii.]

"Drug-related criminal activity" means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, or use the drug.

"Federally-assisted public housing project" means a low-income federally assisted public housing project as established by the United States Housing Act of 1937, as amended.

"Grievance" means any dispute which a tenant may have with respect to the [corporation's] authority's action or failure to act in accordance with the individual tenant's rental agreement or the [corporation's] authority's rules [1]which adversely affect the individual tenant's rights, duties, welfare, or status.

"Hearing officer" means a person selected in accordance with sections 17-2021-12 and 17-2021-32 to hear grievances and render a decision with respect thereto.

["State-aided public housing projects" means the housing projects of Hauiki, Puahala, Lokahi, Kawailehua (State), Ka Hale Mua (State), Ke Kumu Elua, Hale Po'ai, Halia Hale, Kamalu, Ho'olulu, and Lai'ola, which are owned by the corporation.]

"Tenant" means the lessee or the remaining head of household of any family residing in the [corporation's] authority's federally-assisted [or state-aided] public housing projects. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §§356D-4, 356D-16) (Imp: 24 CFR §966.53; HRS §§356D-4, 356D-44(c), 521)

§17-2021-4 Termination of rental agreement based on Public Law 104-120. The [corporation] authority may also terminate a rental agreement pursuant to 42 U.S.C. §1437 as it existed on October 3, 2011. [Eff 8/5/05; am and comp] (Auth: 42 USC §1437; Pub. L. 104-120; HRS §§356D-4, 356D-16, 356D-98) (Imp: HRS §356D-92)

SUBCHAPTER 2

PRE-HEARING PROCEDURE

§17-2021-10 Informal settlement of grievances. (a) Any grievance shall be personally presented, either orally or in writing, to the project office of the project in which the complainant resides as a condition precedent to a hearing under this chapter. At the time of the personal presentation, the complainant must explicitly notify the project office that the tenant is invoking the grievance procedure. If the project office and tenant agree to a resolution in writing, the grievance shall be terminated.

(b) If the matter is not informally resolved as provided in subsection (a), a summary of such discussion shall be prepared within five business days and one copy shall be given to the tenant. The summary shall specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefor, and shall specify the procedures by which a hearing under this chapter may be obtained if the

complainant is not satisfied. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.54; HRS §356D-4)

§17-2021-11 Request for hearing. (a) The complainant shall submit a written request for a hearing to the [corporation's] authority's project office within ten business days after receipt of the summary of discussion pursuant to section 17-2021-10. The written request shall specify:

(1) The reasons for the grievance; and

(2) The action or relief sought.

(b) If the complainant does not request a hearing in accordance with subsection (a), the [corporation's] authority's disposition of the grievance following the informal settlement shall become final. Failure to request a hearing shall not constitute a waiver by the complainant of the complainant's right thereafter to contest the [corporation's] authority's action in disposing of the complaint in an appropriate judicial proceeding.

(c) If the complainant shows good cause for failing to proceed in accordance with the informal procedure to the hearing officer the provision of subsection (a) may be waived by the hearing officer in writing with reasons given. If the [corporation] authority and tenant agree to a resolution in writing, the grievance shall be terminated. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

§17-2021-12 Selection of hearing officer. (a) A grievance hearing shall be conducted by an impartial person or persons appointed by the [corporation] authority after consultation with resident organizations, as described below:

(1) The [corporation] authority and resident organizations shall nominate a slate of impartial persons to sit as hearing officers. Such persons may include

[corporation] authority board members, [corporation] authority staff members, tenants in compliance with the lease agreement, professional arbitrators or mediators, or others. The initial slate of nominees shall consist of not more than twenty persons, of whom at least two shall be from each county.

(2) The [corporation] authority will check with each nominee to determine whether there is an interest in serving as a hearing officer, whether the nominee feels fully capable of impartiality, whether the nominee can serve without compensation, and what limitations on the nominee's time would affect such service.

(3) Nominees who are not interested in serving as hearing officers or whose time is too limited to make service practical will be withdrawn and other names will be substituted.

(b) The slate of potential hearing officers shall be submitted to the resident organizations. Written comments from the organizations shall be considered by the [corporation] authority.

(c) The [corporation] authority shall appoint the final list of nominees as hearing officers. The final list of hearing officers shall be provided to the resident organizations. The [corporation] authority shall contact the hearing officers in random order to request their participation as hearing officers.

(d) After the hearing officer is selected, said hearing officer shall promptly inform the [corporation] authority in the event that there may be a conflict of interest issue. The hearing officer shall be disqualified if the conflict raised prevents them from serving impartially.

(e) "Conflict of interest" or "conflict" includes the following:

(1) The hearing officer is related by blood or marriage to the complainant;

(2) The hearing officer has a documented history of personal conflict with the complainant or the [corporation] authority; or

(3) The hearing officer has some personal or financial interest in common with the complainant or the [corporation] authority.

(f) The [corporation] authority shall review the list of hearing officers annually to determine whether new nominees are required. New nominees shall be selected in accordance with section 17-2021-12(a)(1). [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52, §966.55; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

§17-2021-13 Escrow deposit. (a) Concurrent with filing a request for hearing pursuant to section 17-2021-11, and before a hearing is scheduled in any grievance, the complainant shall pay to the [corporation] authority the full amount of rent due and payable as of the first of the month and the full amount of rent for the current month. The complainant shall thereafter make a timely deposit of the amount of the monthly rent monthly to the [corporation] authority until the complaint is resolved by decision of the hearing officer. If the dispute involves the amount of rent which the [corporation] authority claims is due, the complainant shall specify what portion of the current rent is in dispute and the reasons therefor. The [corporation] authority shall hold the rent amount in dispute until the disposition of the grievance is final.

(b) The requirements in subsection (a) may be waived by the [corporation] authority for good cause shown by the tenant to the [corporation] authority, and unless so waived, the failure to make the payments shall result in a termination of the grievance procedure, provided that failure to make the payments shall not constitute a waiver of any right the

complainant may have to contest the [corporation's] authority's disposition of the complainant's grievance in any appropriate judicial proceeding. Such waivers shall be in writing with reasons therefore given. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

§17-2021-14 Scheduling of hearings. Upon complainant's compliance with sections 17-2021-11 and 17-2021-13, and selection of a hearing officer pursuant to section 17-2021-12, a hearing shall be scheduled promptly by the hearing officer for a time and place reasonably convenient to both the complainant and the [corporation] authority. A written notification specifying the time, place, and procedures governing the hearing shall be delivered to the complainant and the appropriate official of the [corporation] authority. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.55; HRS §356D-4)

SUBCHAPTER 3

HEARING PROCEDURE

§17-2021-20 Procedures governing the hearing. (a) The hearing shall be held before a hearing officer.

(b) The complainant shall be afforded a fair hearing providing the basic safeguards of due process which shall include:

(1) The opportunity to examine before the hearing and, at the expense of the complainant, to copy all documents, records, and rules of the [corporation] authority that are relevant to the hearing. Any document not made available after request with reasonable notice by the complainant may not be relied on by the [corporation]

authority at the hearing;

(2) The right to be represented by counsel or other person chosen as the complainant's representative;

(3) The right to a private hearing unless the complainant requests a public hearing;

(4) The right to present evidence and arguments in support of the complaint, to controvert evidence relied on by project management, and to confront and cross-examine all witnesses on whose testimony or information the project management relies; and

(5) A decision based solely and exclusively upon the facts presented at the hearing.

(c) The hearing officer may render a decision without proceeding with the hearing if the hearing officer determines that the issue has been previously decided in another proceeding.

(d) If the complainant or the [corporation] authority fails to appear at the hearing, the hearing officer may make a determination to postpone the hearing for a period not to exceed five business days or may make a determination that the party has waived the party's right to a hearing. Both the complainant and the [corporation] authority shall be notified of the determination by the hearing officer, provided that a determination that the complainant has waived the complainant's right to a hearing shall not constitute a waiver of any right the complainant may have to contest the [corporation's] authority's disposition of the grievance in an appropriate judicial proceeding.

(e) The complainant must first show that the complainant is entitled to the relief sought and thereafter the [corporation] authority must sustain the burden of justifying the [corporation's] authority's action or failure to act against which the complaint is directed.

(f) The hearing shall be conducted informally by the hearing officer and oral or documentary evidence pertinent to the facts and issues raised by the complaint may be received without regard to

admissibility under the rules of evidence applicable to judicial proceedings. The hearing officer shall require the [corporation] authority, the complainant, counsel, and other participants or spectators to conduct themselves in orderly fashion. Failure to comply with the directions of the hearing officer to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.

(g) The complainant or the [corporation] authority may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of the transcript. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.56; HRS §356D-4)

§17-2021-21 Decision of the hearing officer. (a) The hearing officer shall prepare a written decision, together with the reasons therefor, within ten business days after the hearing. A copy of the decision shall be sent to the complainant and the [corporation] authority. A copy of the decision with all names and identifying references deleted, shall also be maintained on file by the [corporation] authority and made available for inspection by a prospective complainant, the complainant's representative, or the hearing officer.

(b) The decision of the hearing officer shall be binding on the [corporation] authority which shall take all actions or refrain from any action, necessary to carry out the decision unless the [corporation] authority determines within ten business days of the written decision and promptly notifies the complainant of its determination, that:

(1) The grievance does not concern the [corporation's] authority's action or failure to act in accordance with or involving the complainant's rental agreement or the [corporation's] authority's rules,

which adversely affect the complainant's rights, duties, welfare, or status; or

(2) The decision of the hearing officer is contrary to applicable federal, state, or local law, Department of Housing and Urban Development regulations, or requirements of the annual contributions contract between Department of Housing and Urban Development and the [corporation] authority.

(c) A decision by the hearing officer or [corporation] authority in favor of the [corporation] authority or which denies relief requested by the complainant in whole or in part shall not constitute a waiver of, nor affect in any manner whatever, any rights the complainant may have to [a trial de novo] an administrative proceeding or judicial review in [any] judicial proceedings, which may thereafter be brought in the matter.

(d) If the complainant has requested a hearing on a complaint involving the [corporation's] authority's notice of proposed termination of the tenancy and the hearing officer upholds the [corporation's] authority's action to terminate the tenancy, the [corporation] authority shall not commence a new eviction proceeding until it has served a notice to vacate on the complainant. In no event shall the notice to vacate be issued prior to the decision of the hearing officer having been mailed or delivered to the complainant. The notice to vacate shall be in writing and shall specify that if the complainant fails to quit the premises within the applicable statutory period, or on the termination date stated in the notice of termination, whichever is later, appropriate action will be brought against the complainant and the complainant may be required to pay court cost and attorney fees. Unless so determined in the hearing, this section (d) shall not affect the validity and effectiveness of an existing eviction proceeding, notice of proposed termination, notice to vacate, and other notices served on the complainant by

the [corporation] authority prior to the complainant's actual submission of a written request for hearing pursuant to section 17-2021-11. [Eff 8/5/05; am and comp] (Auth: 24 CFR §966.52; HRS §356D-4) (Imp: 24 CFR §966.57; HRS §§356D-4, 356D-96, 356D-97; section (d) added pursuant to TILEIA v. CHANG, Civ. No. 79-0107)

SUBCHAPTER 4

EXPEDITED GRIEVANCE PROCEDURES

§17-2021-30 Applicability. (a) The expedited grievance procedure is established for any grievance concerning a proposed termination of tenancy [or eviction] that involves:

(1) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the [corporation's] authority's public housing premises by other residents or employees of the [corporation] authority, or

(2) Any drug-related criminal activity on or near such premises.

(b) The informal settlement of grievances pursuant to section 17-2021-10 is not applicable under the expedited grievance procedure. [Eff 8/5/05; am and comp] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-31 Request for hearing - expedited grievance. The complainant shall submit a written request for grievance hearing to the project office within five business days from the date of the written notice of violation from management. The written request shall specify:

(1) The reasons for the grievance; and
(2) The action or relief sought.
[Eff 8/5/05; am and comp] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-32 Selection of hearing officer - expedited grievance. The hearing officer shall be selected as described in section 17-2021-12.
[Eff 8/5/05; am and comp]] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-33 Failure to request a hearing - expedited grievance. If the complainant does not request a grievance hearing as set forth under this expedited grievance procedure, then the [corporation's] authority's disposition of the grievance shall become final, provided that failure to request a grievance hearing shall not constitute a waiver of the complainant's right to contest the [corporation's] authority's disposition of the grievance in a court of competent jurisdiction.
[Eff 8/5/05; am and comp] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-34 Scheduling of hearings - expedited grievance. Once the complainant has requested a grievance hearing under this section, the hearing officer shall promptly schedule a hearing for a time and place reasonably convenient to both the complainant and the [corporation] authority. A written notification specifying the time, place, and procedures governing the hearing shall be delivered to the complainant and the [corporation] authority.
[Eff 8/5/05; am and comp] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

§17-2021-35 Decision of the hearing officer - expedited grievance. The decision of the hearing officer shall be in accordance with section 17-2021-21." [Eff 8/5/05; am and comp] (Auth: 24 C.F.R. §966.52; HRS §356D-4) (Imp: 24 C.F.R. §966.55; HRS §356D-4)

2. Material, except sources notes, to be repealed is bracketed. New material is underscored.

3. Additions to source notes to reflect these amendments and compilation are not underscored.

4. These amendments to and compilation of chapter 17-2021, Hawaii Administrative Rules shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules, drafted in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes, which were adopted on _____ and filed with the Office of the Lieutenant Governor.

_____
DAVID J. GIERLACH, Chairperson
Board of Directors
Hawaii Public Housing Authority

APPROVED AS TO FORM:

_____
Deputy Attorney General

Reviewed by the Executive Director
October 20, 2011

FOR ACTION

MOTION: To Adopt Revisions to the Hawaii Public Housing Authority's Policy on Communications

I. FACTS

A. The HPHA Policy on Communications, Communication No. 1, was adopted by the Board of Directors on June 17, 2010 to establish policy regarding communication with external stakeholders.

B. Previously, the HPHA had several different policies regarding communications, all adopted under its predecessor agency the Housing and Community Development Corporation of Hawaii.

C. The attached policy was reviewed by the Branch Chiefs, the Department of the Attorney General, and the Board of Directors prior to adoption.

D. The HPHA's procedures were also updated on May 4, 2011 to clarify compliance with Chapter 96, Hawaii Revised Statutes, and the requirement that staff openly communicate with the Office of the Ombudsman.

E. In July 2011, the HPHA Board recommended additional changes which clarified that the staff must refer all media inquiries through the Office of the Executive Director.

II. DISCUSSION

A. The policy makes the Office of the Executive Director responsible for approving and/or issuing official messages from the HPHA. The policy does not preclude the Board Chairperson from representing the Board in his/her official capacity.

B. The policy is intended to clarify the lines of communication for staff and to embody a uniform policy on communication for the HPHA. The policy is intended to comply with all applicable federal and state laws, rules, and regulations.

III. RECOMMENDATION

That the Hawaii Public Housing Authority's Board of Directors adopt the amendments to the HPHA's Policy on Communication

Exhibit A: Communication No. 1, Policy on Communications, dated June 17, 2010 with amendments dated October 20, 2011

Prepared by: Nicholas Birck, Planner___

Adopted:

David Gierlach
Chair

033

NEIL ABERCROMBIE
GOVERNOR

DENISE M. WISE
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
HONOLULU, HAWAII 96817
FAX: (808) 832-4679

IN REPLY REFER TO:

ADMINISTRATIVE MEMORANDUM

Communication No. 1
Amended October 20, 2011

TO: All Branches and Support Offices

FROM: Denise M. Wise
Executive Director

SUBJECT: **Policy on Communications**

I. GENERAL

The purpose of this Administrative Memorandum is to establish management policies and procedures for the Hawaii Public Housing Authority (HPHA) related to official communication (e.g., media, legislative, messages) regarding the HPHA's programs, policies, and rules.

II. POLICY

The Office of the Executive Director is responsible for ensuring that communication with external stakeholders and other interested parties are in congruence with the Board's strategic vision for HPHA and its adopted policies. To that end, any official message from the HPHA shall be approved and/or issued by the Office of the Executive Director.

External stakeholders and other interested parties include, but are not limited to, members of the Legislature (including elected officials and their staffs), State and Federal government agencies, nonprofit agencies, community leaders, appointed officials, and contractors. Inquiries from the media are specifically excluded, and must be immediately referred to the Office of the Executive Director.

All HPHA employees (full and part time) are expected to know and comply with this administrative memorandum. The Office of the Executive Director may delegate to each Branch or Office Supervisor the responsibility for

communication on regular day-to-day operational tasks with external stakeholders and other interested parties (e.g., members of the general public).

Nothing in this policy is intended to preclude the Board Chair or a designated Board member from communicating with external stakeholders in his/her official capacity.

Nothing in the policy is intended to conflict with an employee's rights under Part V of Chapter 378, HRS, Whistleblowers' Protection Act.

In addition, nothing in this policy is meant to impinge on any person's individual First Amendment rights but is meant to bring consistency to the Executive Director's management of official communications from the Agency with external stakeholders and other interested parties.

If there is a conflict between this policy and any law, rule or regulation, the law, rule or regulation shall prevail.

III. PROCEDURES

A. Responsible Parties

Branch Chiefs, Section Supervisors, and Officers (hereinafter referred to as "Supervisors") are responsible for the dissemination of this administrative memorandum to all affected staff. Supervisors shall be responsible to review all administrative memoranda to ensure compliance and uniformity with the requirements detailed below.

All HPHA employees are responsible for understanding the policy and procedures described herein. Any employee who does not understand the procedures described herein shall immediately contact their supervisor for clarification.

B. Legislative

1. All inquiries from the Legislature or legislative staff offices (e.g., Legislators, aides, assistants, secretaries, etc.) must be referred to the Planning and Evaluation Office (PEO). An inquiry may be in the form of a request for information, status reports, updates, interviews, or meetings via letter, email, facsimile, or telephone call. Staff must not attempt to provide an official agency response or represent the HPHA without conferring with OED and/or PEO.

2. PEO will be responsible for reviewing or drafting responses to legislative inquiries and will coordinate with the Office of the Executive Director and the Board of Directors, if necessary.

3. Any requests for participation on an advisory board, in a community meeting, conference, panel or the like, shall be referred to the Office of the Executive Director. The Office of the Executive Director or representative designated by OED shall represent the HPHA. Staff are not expected to follow the instructions of a member of the Legislature when it is in direct conflict with these procedures.

4. In the event the staff receives a legislative inquiry regarding factual information that is readily accessible to the public (such as number of units, project location, phone numbers, etc.) and staff determines in their best judgment that providing the information would not be construed as an official response concerning HPHA's strategic vision, policies, or goals and objectives, the staff may respond and must immediately notify the OED and PEO of the inquiry and their response no later than the close of business that day.

5. Staff must respond within 5 working days to any request via the PEO, unless otherwise stated in the request.

6. The OED or PEO shall determine when a request and/or inquiry must be submitted in writing or some other appropriate form of communication.

7. The Chief Planner may engage in regular communication with members of the Legislature and their staff. The Chief Planner shall work closely with the Office of the Executive Director to ensure that any communication is in congruence with the Board's strategic vision for HPHA and its adopted policies.

C. Media

1. All inquiries from the media (e.g., newspaper, radio, television, etc.) must be referred to the OED in a timely manner. An inquiry may be in the form of a request for information, status reports, updates, interviews, or meetings. Staff must not attempt to provide an official agency response.

2. PEO will be responsible for reviewing or drafting responses to media inquiries and will coordinate with the OED. PEO will be responsible for complying with instructions regarding notification to the Department of Human Services, the Governor's Policy Office, the Governor's Public Relations Office, and any other appropriate parties.

3. All media requests for information, including reports, statements, interviews, or readily available information regarding a project in litigation, arbitration, settlement, or any legal action shall be immediately referred to the PEO. The PEO shall be responsible for notifying the Department of the Attorney General and seeking guidance on the release of information, if appropriate.

4. PEO will be responsible for handling press releases in compliance with instructions from the Department of Human Services, the Governor's Policy Office, the Governor's Public Relations Office, and any other appropriate parties.

5. Supervisors are responsible for handling routine advertisements (e.g., legal ads for solicitations, public notices of hearing) in compliance with the Statement of Procurement Policy and/or with the approval of the Office of the Executive Director.

D. Board of Directors

1. All employees are required to follow the Board's Policy on the Board's Role and Interaction with HPHA staff.

2. In summary, unless expressly allowed or authorized, employees shall not communicate directly with members of the Board of Directors.

3. Nothing in this policy shall be construed to limit a staff person's interaction with the Board when there is an alleged instance of wrongdoing (e.g., violation of law, rule, regulation, or policy).

E. Government Agencies

1. All inquiries from State, Federal and local government agencies, including the Office of the Governor/Lieutenant Governor, shall be referred to the Office of the Executive Director. The Office of the Executive Director shall determine who is responsible for preparing and responding to said inquiry.

2. The Office of the Executive Director may delegate authority to Supervisors to have regular open communication with other government agencies regarding routine day-to-day matters, including program goals and accomplishments, budget and fiscal matters, and administration and oversight.

3. All written correspondence or email responses to government funding agencies shall require the prior approval of the Office of the Executive Director or a designated representative.

4. The Procurement Officer may engage in regular communication with the U.S. Department of Housing and Urban Development and other funding agencies on matters related to procurement and contracting. Any substantive concerns shall be reported to the Office of the Executive Director on a timely basis.

5. The Fiscal Officer may engage in regular communication with the U.S. Department of Housing and Urban Development and other funding agencies on matters related to budget, obligations, expenditures, and payments. Any substantive concerns shall be reported to the Office of the Executive Director on a timely basis.

6. Notwithstanding the requirements of Paragraph E. 1. *supra*, HPHA staff that is contacted by the State Office of the Ombudsman pursuant to an active investigation by that Office shall respond immediately to the Ombudsman's staff. Contacted HPHA staff must immediately notify their Supervisor of the inquiry and their response no later than the close of business that day. The Supervisor is responsible to report the same to the Office of the Executive Director within 5 working days.

F. Contractors

1. Communication regarding contracts shall be addressed through the HPHA's Statement of Procurement Policy and may be detailed in the procurement documents (e.g., solicitation). Nothing in this policy is intended to conflict with the HPHA's Statement of Procurement Policy, in such instances the Statement of Procurement Policy shall prevail.

2. The Procurement Officer and his/her designated representatives may engage in regular communication regarding procurement and contract issues with HPHA's contractors and potential vendors/contractors. Supervisors shall work with the HPHA's Contract and Procurement Office to determine the appropriate lines of communication with a contractor(s).

3. Communication regarding the monitoring of contracted activities should be the responsibility of the Supervisor of the owning branch. Any substantive concerns identified during contract monitoring should be reported to the Procurement Office on a timely basis.

G. Legal Counsel

1. All inquiries from a constituent's legal counsel shall be immediately referred to a Supervisor. The Supervisor shall in his/her best judgment make a determination whether the matter should be referred to the Office of the Executive Director.

2. Inquiries from the HPHA's legal counsel regarding legal action shall be referred to the Office of the Executive Director and/or the Compliance Office. The Office of the Executive Director shall determine who is responsible for preparing and responding to inquiries regarding legal action.

3. The Chief Compliance Officer and the Chief Planner may engage in regular communication with the HPHA's legal counsel on all matters.

4. The Procurement Officer may engage in regular communication with the HPHA's legal counsel on all matters related to procurement and contracting.

5. Supervisors may communicate directly with HPHA's legal counsel regarding day-to-day matters, such as questions on notices to tenants and guidance on rule interpretation, or when directed by the Office of the Executive Director.

H. Community Groups

1. Communication with community groups shall be delegated to the Supervisors, except when it involves the interpretation of rules, regulations, or Board policy. The term "community groups" shall be broadly interpreted to mean non-profits, advocacy groups, organizations, or associations.

2. Supervisors may participate in community groups when required as part of their official duties, and are responsible to report their activities and participation to the Office of the Executive Director.

3. Questions regarding interpretation of rules, regulations, or Board policy should be referred to the Office of the Executive Director.

I. Sanctions

1. Employees who violate this policy may be subject to disciplinary action in accordance with applicable laws and/or their bargaining union agreement.

ACKNOWLEDGEMENT

My signature below acknowledges that I have received, read and understand the HPHA's management policy on Communication.

I agree that it is my responsibility to be familiar with and know how to apply these Policies and Procedures to my particular job responsibilities and that failure to do so may result in disciplinary action in accordance with applicable law(s) and/or the bargaining unit agreement.

If I do not understand the appropriate course of action to take during my employment, I will review the Policy on Communications, talk with my supervisor or, and take whatever other action is necessary.

_____

Name (Please Print)

_____

Signature Date

_____

Branch/Section/Unit/Office

040

NO HANDOUTS

REPORTS

A. Board Task Force Reports:

1. Personnel Task Force: Report on the Performance Evaluation of the Executive Director and Executive Assistant

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to personnel.

Executive Director's Board Status Report
September/October 2011

I. Accomplishments for the Month of September 2011

Major Programs

A. Public Housing

- As of September 30, 2011, rent collections for HPHA State properties was 101.08% (a decrease from 101.10% in August), and the total tenant occupancy rate was 95.71% (a slight decrease from 95.83% in August).

- As of September 30, 2011, rent collections for HPHA Federal properties were 121.75% (an increase from 98.06% in September), and the total tenant occupancy rate was 95.71% (an increase from 91.30% in August).

- Effective September 30, 2011, Hawaii Affordable Properties, Inc. was awarded the contract to oversee the day-to-day managing of AMP 49, Kauhale Nani, Wahiawa Terrace and Kupuna Home O'Waialua.

- **AMP 35:** Kalanihuia has successfully encouraged five (5) residents to accept temporary appointment to the Resident Association, until the next scheduled election in 6 months.

- **AMP 39 (Maui):** Makani Kai Hale proceeded with the nominations, voting and election of newly elected officers for their Resident Association. The residents at David Malo Circle are also interested in starting up a Resident Association. Planned meetings for this property are forthcoming.

B. Section 8 Subsidy Programs

- HPHA's SEMAP score for FYE 6/30/11 was a 93 (High Performer).
- See program report for additional outcomes.

C. Construction Management Branch

<u>Large Capacity Cesspools</u>

- Contract documents for Willocks Construction are being processed to initiate award and implementation of the work at Kealakehe, Hale Hauoli and Lokahi on the Big Island.
- Contractor for Hale Ho`olulu in Kilauea has resumed work on site and expects to complete work before the end of the month or early November.

042

Administrative Services

A. Compliance Office

- Resolved approximately 35 tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act;
- Prepared for public hearings on proposed policy for language access.

B. Planning and Evaluation Office

Media Inquiries

- Fielded inquiries regarding Denise Wise's departure
- Various articles were printed in the Star Advertiser regarding Mayor Wright Homes
- Article printed in Honolulu Magazine regarding MWH, referred to DHS for response.

Legislative

- Coordinated meeting at HPHA offices upon request by Representative Pono Chong to discuss status of CIP expenditures and proposed conversion to lump sum CIP during the next legislative session.

- Responded to information request from Representative Gil Riviere addressing constituent concerns regarding Waialua public housing.

Other

- Met with representatives from the Beijing Housing Management Fund Center. Meeting was held at HHDFC. HPHA and HHFDC talked about assisted housing and financing in the State of Hawaii.

C. Fiscal Management Office

2012 financial and single audit is ongoing; Auditor is KMH, LLP.

D. Contracts and Procurement

For Solicitations and Contracts Issued in September 2011 see Board Report:

E. Information Technology Office

- Coordinated onsite training for the Elite financial modules implementation, which included onsite assistance from an Emphasys financial consultant.
- Coordinated continued weekly remote Elite training for Section 8 personnel.

F. Personnel

<u>Summary of HPHA Staffing Turnover for FY 2012</u>

Staffing as of September 30, 2011, Full-Time Equivalent positions:

- Filled positions: 248
- Vacant positions: 102
- New Hires: 7

Recruitment:

- Interviews held, results/ start date/job offers:
  - Building Engineer IV. Pending start date from DHS
  - Chief Housing Planner. Pending start date from DHS
  - Contracts Specialist. Pending resolution of salary recommendations with DHS
  - Compliance Specialist. Pending recommendation.
  - Resident Services Specialist. Pending completion of background/reference check
  - Office Assistant III (Construction Branch). 89 day hire.
  - Office Assistant III (Section 8). Start date 10/03/11.
  - Account Clerk II (AMP 30). 9/19/11
  - General Construction and Maintenance Supervisor (AMP 33 and 34). Pending recommendation.
  - Building Maintenance Worker I (AMP 34). Start date 9/26/11.
  - Building Maintenance Worker I (AMP 38). Start December 2011.

- Eligible list received; interviews scheduled:
  - Public Housing Supervisor IV (AMP 30). Pending interviews.
  - Account Clerk II (AMP 32/33). Pending interview.
  - Carpenter I (AMP 33 and 35). Interviews scheduled the week of 10/24/111.
  - General Laborer II (2 positions/Amp 31). Interviews scheduled for 10/11 and 10/12/11.
  - General Laborer I (2 positions/AMP 34). Pending interviews.
  - General Laborer I (AMP 30). Pending Interviews.

- Continuous Recruitment thru NEOGOV:
  - Public Housing Supervisor VI (PMMSB).
  - Public Housing Supervisor V (Section 8)
  - Public Housing Specialist I (AMP 31)
  - Building Maintenance Worker I (AMP 38).
  - Welder I (Central Maintenance Services Section).

Safety/Workers Compensation:

- Received one injury with no lost time.

II. Planned Activities for the Month of October 2011

Major Programs

A. Public Housing

- Submittal of Calendar Year 2012 Operating Subsidy and Capital Fund Certification due November 2011.

- Nan McKay Public Housing Training for Managers and PMMSB personnel, scheduled for October 17 – 21.
- Coordinate response to the FYE 6/30/11 Single Audit
- Coordinate emergency response preparedness
- Schedule inspections for ADA assessment
- Re-establish Weed & Seed presence at Mayor Wright Homes; work with Department of Public Safety on sheriff in public housing
- Prepare presentation for Legislative Briefing on State Auditor's Legislative Audit covering the period of July1,2006 through June 30, 2010.

B. Section 8 Subsidy Programs

- Continue to monitor lease-up of tenant based vouchers; VASH vouchers; rent supplement program
- Continue to work with Michaels Development Company on the use of project based vouchers at Kuhio Park Terrace

C. Construction Management Branch

- Excess stockpiled soil of less than 100 cubic yards will be dispersed and graded at the adjacent vacant land at Hale Ho'olulu that is also owned by HPHA.
- Prepare 2012 - 2013 Capital Fund Program budget for inclusion in the PHA Plan
- Resolve issues/letter of demand to the Board of Water Supply regarding rock fall at Kalihi Valley Homes
- Continue to monitor expenditures of ARRA Capital Fund grant to close March 2012.
- Complete the procurement of an EPC consultant in November 2012. Solicitation to close mid-October.

Administrative Services

A. Compliance Office

- Administer contract with National Center for Housing Management for HPHA Self-evaluation and transition plan.

B. Planning and Evaluation Office

- Work with the HPHA Board and Office of the Governor to prepare for the upcoming legislative session.
- Assist PMMSB branch with Legislative Briefing presentation on State Legislative audit for the period of July 1, 2006 through June 30, 2010.
- Compile information and begin assembling information for PHA Plan

C. Fiscal Management Office

- Complete FYE financial and single audit.
- Continue to work with vendor and ITO on conversion to Elite.

D. Personnel

- Continue recruitment/hiring for critical and vacant positions. Continue to follow-up with DHS PERS to ensure offers are made to qualified candidates before they take other positions.
- Respond to inquiries from SSMC. (Staff requests that the Board go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to personnel.

III. Board Follow-Up

A. Questions/Inquiries from the Board of Directors (September 22, 2011)

1. AG's recommend tabling the motion on grievance procedures because the AGs made some substantive changes were recommended. Board requested that we inform the public about each of the hearing dates. Inform the Board of the dates of the meeting. (This item was tabled, pending AG's recommended revisions.)

   Response: Staff will comply and inform the Board of the public hearing dates.

2. Board inquired whether we submitted to the AG's for review the proposed amendments to RAB nominations.

   Response: Board adopted amended language of "...no less than 3 and no more than 5 nominees." Staff confirmed that any proposed statutory changes will be reviewed by the AG's and all appropriate parties.

3. Board inquired about what is the next step towards implementing the Weed & Seed effort.

   Response: The Executive Director explained that the HPHA should execute a memorandum of agreement, budget, expectations, etc. HPHA provided the Department of Public Safety a draft rental agreement to allow a Sheriff to occupy a unit at Mayor Wright Homes. DPS is reviewing the lease and discussing with the unions. HPHA is renovating the vacant unit for the Sheriff. Target date: November 2011.

4. Board inquired about the differences between tenants in the project based project at Palolo Homes and the public housing tenants in the newly owned Kuhio Park Terrace towers (i.e., units owned by the Michaels Development Company). There are questions related to tenant participation funds, membership on the Resident Advisory Board, and other public housing requirements.

   Response: Units funded under the project-based section 8 program are subject to different rules than the federal public housing program. For clarification, the project based units at Palolo are not eligible for resident participation funds, and do not participate in the Resident Advisory board. The public housing units at KPT will be eligible for resident participation funds, and will be able to participate on the

Resident Advisory Board through their recognized resident association.

5. Board inquired about status of the tenant monitor program.

   Response: HPHA is still working on the pilot program. Issues currently being addressed by staff: liability insurance; training; compensation/stipend, method of selection and communication.

6. HPHA submitted a request to HUD to extend the obligation date of the 2009 Capital Fund Program grant. Director Shimizu submitted a copy of the requested extension to Hawaii's Congressional delegation. Board requested a copy of the HUD approval of the extension of the Capital Fund Grant Program (CFP 719) to inform the delegation that the extension was granted.

   Response: Staff provided Director Shimizu a copy of the HUD extension as requested. HPHA was able to obligate 93% of the CFP 719 grant by the due date (CFP rules require 90% of the grant to be obligated by the due date.)

7. Board inquired about the random selection of unit inspected by REAC inspectors. There was an observation that the REAC inspector has visited the same units at Palolo for the last 3 years.

   Response: See HUD response below:
   Inspection protocol:
   1. The inspectors ask HPHA for the vacant unit information. The inspectors do not inspect vacant unit unless necessary.
   2. The inspection software generates the list of the units to be inspected from the total list minus the vacant units.
   3. The selection is a random selection so as to avoid picking and choosing and to come up with a fair and representative sample.
   4. The inspectors do not self-select, meaning that they do not choose only from units not inspected the previous years. Doing so would not be a random selection.
   5. For the units that are repeat selections, it provides HPHA and HUD with the opportunity to compare

Building	2011 - Unit	2010 - Unit	2009 - Unit
1	1E	1C	1A
2	2B	2F	2B
			2C
3	3D	3C	3D
4	4A	4C	4C
5	5D	5D	5A
6	6A	6F	6F
7	7C	7F	7A
			7C
			7D

8	8A	8B	8A
	8C		8C
9	9E	9A	9C
10	10D	10E	10D
	10F	10F	
11	11C		11B
	11E		
12	12A	12C	12C
13	13E	13E	13A
14	14C	14E	
15	15C	15B	15E
		15C *	
		15D	
16	16A	16D	16A
	16C	16F	
17	17A	17C	17F
18	18C	18D	18D
19	19A	19B	19D
20	20C	20F	20B

B. Questions and Inquiries from Previous Board Meetings

1. Board requested additional information on the Kuakini remnant parcel and discussions with Senator Chun-Oakland and the City & County for maintenance costs.

   Previous response: Staff continues to request/obtain information from the various stakeholders regarding this information.
   Update: No new information from the stakeholders was provided at the time of this report.

2. When the REAC inspections are completed the HPHA shall provide the Board with a full report on the REAC scores and any new/updated Corrective Action Plans for failing properties.

   Previous response: Staff will provide a report to the Board as scores are issued. Updated Target date: November 2011.

3. Board requested that HPHA examine whether there are procurement issues that are delaying the issuance of construction contracts. Requested that the HPHA put together an item for Board action on proposed changes to the procurement rules and/or legislative changes.

   Previous Response: HPHA staff met with the Comptroller and DAGs, Public Works Division staff to discuss procurement issues and various contracting options. Staff also discussed construction procurements with the DOE. The next step is to determine

whether there are other methods of procurement that HPHA can use to more efficiently manage the process and whether it requires statutory changes.

Update: Will request meeting with Comptroller, Pre-Audit. HPHA continues to gather solicitation and contract documents from other State agencies to determine whether there are other methods of solicitation that can work for HPHA.

4. Board wants HPHA to investigate the possibility of having a live-in resident manager at HPHA properties. Any proposal for resident live-in managers would be timely if the HPHA needs to request additional funding from the Legislature.

   Previous Response: Updated Target date November 2011

5. Board requested that they be briefed on best practices on security and enforcement.

   Previous Response: Target date November 2011

6. The Board requested that HPHA explore ways to address the increase in water/sewer fees for AMPs that currently have a budget deficit.

   Previous Response: Updated Target date November 2011

   Update: The HPHA 2011-2012 budget assumed a HUD Subsidy of 92% currently HUD has increased Subsidy to 100% of previous year's subsidy which should offset a portion of the utility increases. Also where possible the AMP Managers would implement a charge for excess utility usage to the tenants who have shown considerable increase from prior year's meter usage. FMO is currently investigating the possibility of requesting increase Subsidy from HUD because of the high utility costs in Hawaii. This would include the hiring of a consultant to certify the utility costs. HPHA will also take a look at AMPS with substantial utility increases for leaks and broken pipes in addition to tenant abuse of the occupancy rules. For future years, the implementation of the energy performance contract will help to reduce utility consumption.

NO HANDOUTS

Pages 050 to 053

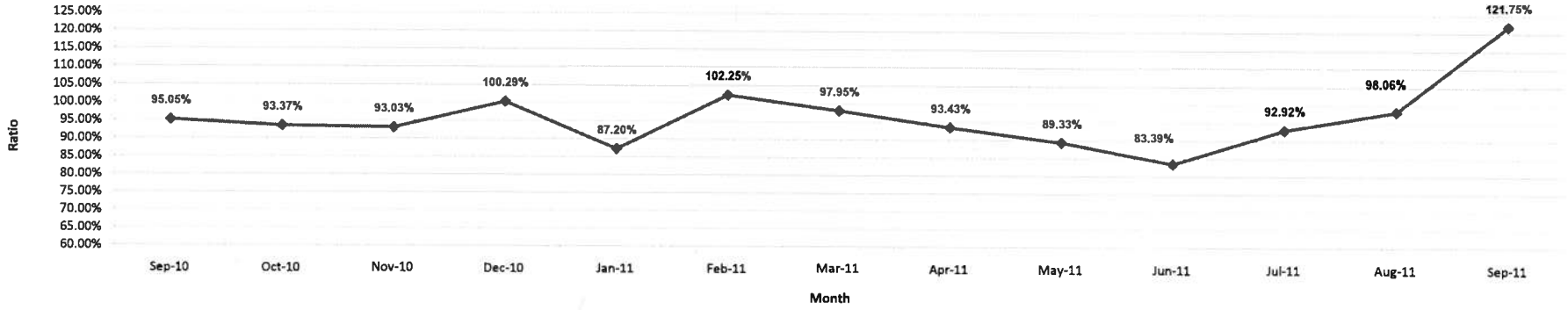
FEDERAL PUBLIC HOUSING

Rent Collection from September 2010 to September 2011

	Sep-10			Oct-10			Nov-10			Dec-10			Jan-11			Feb-11		
	Charges	Collected	Ratio	Charges	Collected	Ratio	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%
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%
Maui	$ 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%
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%
Total	$ 1,392,250.59	$ 1,323,348.37	95.05%	$ 1,377,436.95	$ 1,286,095.56	93.37%	$ 1,382,788.46	$ 1,286,423.52	93.03%	$ 1,377,001.71	$ 1,380,970.11	100.29%	$ 1,372,122.46	$ 1,196,435.82	87.20%	$ 1,364,503.17	$ 1,395,205.40	102.25%

	Mar-11			Apr-11			May-11			Jun-11			Jul-11			Aug-11			Sep-11		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 123,938.00	$ 116,949.67	94.36%	$ 122,543.00	$ 121,343.89	99.02%	$ 117,326.00	$ 111,523.98	95.05%	$ 115,734.00	$ 111,964.58	96.74%	$113,713.50	$111,319.98	97.90%	$115,666.00	$121,351.38	104.92%	$84,374.00	$115,921.69	137.39%
Kauai	$ 83,159.00	$ 76,059.50	91.46%	$ 79,632.00	$ 68,713.39	86.29%	$ 80,434.00	$ 69,028.50	85.82%	$ 79,977.00	$ 69,040.63	86.33%	$79,108.00	$63,237.00	79.94%	$77,537.00	$71,685.17	92.45%	$59,469.00	$69,959.18	117.64%
Maui	$ 38,867.00	$ 43,430.34	111.74%	$ 41,884.00	$ 42,337.92	101.08%	$ 41,843.00	$ 41,402.45	98.95%	$ 41,642.00	$ 40,666.84	97.66%	$42,037.00	$43,722.93	104.01%	$44,681.00	$48,814.87	109.25%	$34,889.00	$46,767.70	134.05%
Oahu	$ 1,119,526.49	$ 1,101,023.44	98.35%	$ 1,107,278.94	$ 1,030,103.12	93.03%	$ 1,090,577.98	$ 966,307.46	88.61%	$ 1,087,013.66	$ 882,733.02	81.21%	$908,990.06	$844,614.03	92.92%	$906,855.05	$880,691.57	97.11%	$732,192.65	$876,381.22	119.69%
Total	$ 1,365,490.49	$ 1,337,462.95	97.95%	$ 1,351,337.94	$ 1,262,498.32	93.43%	$ 1,330,180.98	$ 1,188,262.39	89.33%	$ 1,324,366.66	$ 1,104,405.07	83.39%	$ 1,143,848.56	$ 1,062,893.94	92.92%	$ 1,144,739.05	$ 1,122,542.99	98.06%	$ 910,924.65	$ 1,109,029.79	121.75%

Rent Collection Rate



Federal LIPH
HPHA Island Overview Report
October 2011

	Occupancy *							LIPH and Elderly Waiting List**				
Island	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	621	530	85	85.35%	11	3	6	Average Income	42	0.38%	6.67	3.33
Kauai	319	276	42	86.52%	0	1	1	Low Income (80%)	168	1.53%	2.90	1.93
Maui	196	149	46	76.02%	2	1	1	Very Low Inc. (50%)	1,052	9.58%	2.90	1.94
Oahu	3,554	3,328	212	93.64%	25	12	14	Extrmly Low Inc. (30%)	9,715	88.50%	2.54	1.76
Total	**4,690**	**4,283**	**385**	**91.32%**	**38**	**17**	**22**		**10,977**	**100.00%**	**2.59**	**1.78**

	Non Vacated Delinquencies***				Collection Rate		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	24	$ 7,878.80	31	$ 16,031.00	$ 84,374.00	$ 115,921.69	**137.39%**
Kauai	40	$ 13,691.75	40	$ 134,607.70	$ 59,469.00	$ 69,959.18	**117.64%**
Maui	2	$ 911.00	19	$ 5,698.93	$ 34,889.00	$ 46,767.70	**134.05%**
Oahu	222	$ 72,803.74	256	$ 298,187.49	$ 732,192.65	$ 876,381.22	**119.69%**
Total	**288**	**$ 95,285.29**	**346**	**$ 454,525.12**	**$ 910,924.65**	**$ 1,109,029.79**	**121.75%**

* Occupancy also counts Scheduled for Modernization Units.

* Occupancy reflects removal of KPT 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).

055

Federal LIPH
HPHA Project Overview Report
October 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	340	22	93.92%	0	0	0
31P-KVH	373	330	42	88.47%	4	1	1
32P-MWH	363	349	14	96.14%	1	1	0
33P-Kam/Kaamanu	371	358	11	96.50%	1	1	2
34P-Kalakaua	581	552	27	95.01%	4	3	2
35P-Kalanihuia	587	572	13	97.44%	6	1	2
37P-Hilo	320	250	68	78.13%	7	2	2
38P-Kauai	319	276	42	86.52%	0	1	1
39P-Maui	196	149	46	76.02%	2	1	1
40P-KPT	170	163	7	95.88%	2	2	0
43P-Kona	200	193	3	96.50%	2	1	4
44P-Leeward Oahu	258	228	27	88.37%	2	0	3
45P-Windward Oahu	225	218	4	96.89%	3	2	3
46P-Kamuela	101	87	14	86.14%	2	0	0
49P-Central Oahu	149	112	37	75.17%	0	0	0
50P-Palolo	115	106	8	92.17%	2	1	1
Total	4,690	4,283	385	91.32%	38	17	22

AMP	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	43	15,865.31	35	41,289.71	$ 103,317.00	$ 111,794.97	108.21%
31P-KVH	18	8,835.20	23	34,456.48	$ 67,305.00	$ 81,570.38	121.20%
32P-MWH	33	10,061.18	26	25,668.69	$ 92,643.33	$ 103,513.17	111.73%
33P-Kam/Kaamanu	34	9,466.05	37	36,889.24	$ 64,477.00	$ 82,242.49	127.55%
34P-Kalakaua	6	1,263.00	8	12,529.40	$ 101,398.00	$ 132,713.35	130.88%
35P-Kalanihuia	12	2,138.50	6	9,812.29	$ 112,314.38	$ 142,423.97	126.81%
37P-Hilo	10	1,533.00	9	5,670.00	$ 46,044.00	$ 63,325.43	137.53%
38P-Kauai	40	13,691.75	40	134,607.70	$ 59,469.00	$ 69,959.18	117.64%
39P-Maui	2	911.00	19	5,698.93	$ 34,889.00	$ 46,767.70	134.05%
40P-KPT	13	3,354.57	43	34,427.31	$ 59,612.00	$ 64,088.68	107.51%
43P-Kona	7	1,713.80	6	599.33	$ 26,249.00	$ 36,736.04	139.95%
44P-Leeward Oahu	36	12,922.00	46	57,156.96	$ 38,153.00	$ 44,894.22	117.67%
45P-Windward Oahu	12	4,168.00	18	14,802.05	$ 54,252.00	$ 62,900.46	115.94%
46P-Kamuela	7	4,632.00	16	9,761.67	$ 12,081.00	$ 15,860.22	131.28%
49P-Central Oahu	9	3,821.79	7	10,911.43	$ 23,802.00	$ 30,168.00	126.75%
50P-Palolo	6	908.14	7	20,243.93	$ 14,918.94	$ 20,071.53	134.54%
Total	288	$ 95,285.29	346	$ 454,525.12	$ 910,924.65	$ 1,109,029.79	121.75%

* Occupancy also counts Scheduled for Modernization Units.
* Occupancy reflects removal of KPT Units.
** Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).

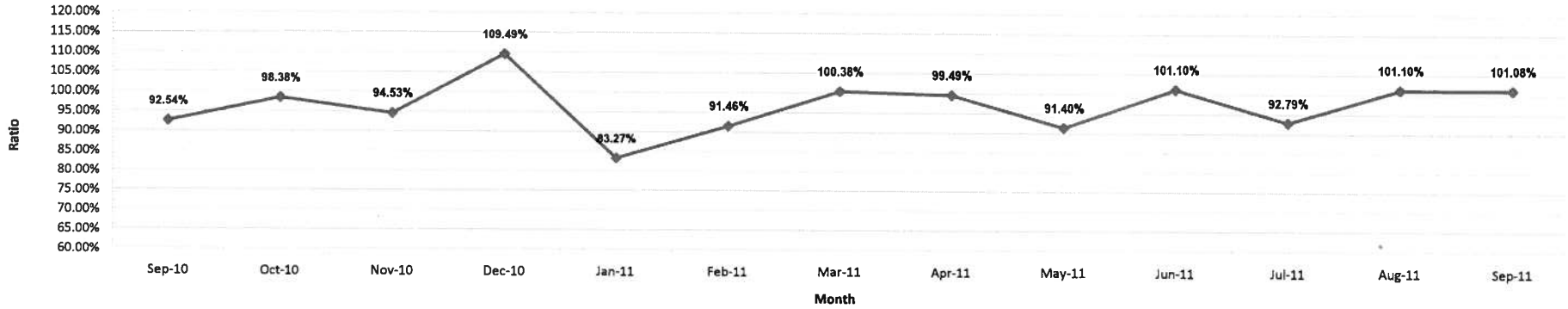
STATE PUBLIC HOUSING

Rent Collection from September 2010 to September 2011

	Sep-10			Oct-10			Nov-10			Dec-10			Jan-11			Feb-11		
	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%
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%
Maui	$ 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%
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%
Total	$ 247,600.00	$ 229,125.08	92.54%	$ 248,181.00	$ 244,159.75	98.38%	$ 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%

	Mar-11			Apr-11			May-11			Jun-11			Jul-11			Aug-11			Sep-11		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 11,813.00	$ 10,679.30	90.40%	$ 13,492.00	$ 13,372.00	99.11%	$ 13,190.00	$ 11,357.00	86.10%	$ 13,820.00	$ 11,564.00	83.68%	$ 14,198.00	$ 11,011.00	77.55%	$ 14,673.00	$ 13,607.60	92.74%	$ 12,542.20	$ 11,476.80	91.51%
Kauai	$ 5,368.00	$ 4,385.00	81.69%	$ 5,368.00	$ 4,504.00	83.90%	$ 5,243.00	$ 4,449.00	84.86%	$ 5,210.00	$ 3,640.00	69.87%	$ 5,336.00	$ 5,095.00	95.48%	$ 5,511.00	$ 4,705.00	85.37%	$ 3,899.00	$ 3,093.00	79.33%
Maui	$ 5,640.00	$ 5,570.00	98.76%	$ 5,562.00	$ 3,882.00	69.80%	$ 5,339.00	$ 5,014.00	93.91%	$ 5,470.00	$ 4,680.00	85.56%	$ 5,327.00	$ 5,744.00	107.83%	$ 5,305.00	$ 5,650.00	106.50%	$ 5,995.00	$ 6,340.00	105.75%
Oahu	$ 229,468.00	$ 232,605.36	101.37%	$ 228,396.00	$ 229,762.40	100.60%	$ 227,111.00	$ 208,478.54	91.80%	$ 228,510.00	$ 235,913.89	103.24%	$ 228,461.00	$ 213,201.40	93.32%	$ 228,214.00	$ 232,531.34	101.89%	$ 236,848.68	$ 241,166.02	101.82%
Total	$ 252,289.00	$ 253,239.66	100.38%	$ 252,818.00	$ 251,520.40	99.49%	$ 250,883.00	$ 229,298.54	91.40%	$ 253,010.00	$ 255,797.89	101.10%	$ 253,322.00	$ 235,051.40	92.79%	$ 253,703.00	$ 256,493.94	101.10%	$ 259,284.88	$ 262,075.82	101.08%

Rent Collection Rate



State LIPH
HPHA Island Overview Report
October 2011

	Occupancy*							LIPH and Elderly Waiting List**				
Island	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	48	7	85.71%	2	0	1	Average Income	27	0.34%	7.18	3.64
Kauai	26	24	2	92.31%	0	0	0	Low Income (80%)	83	1.03%	2.59	1.77
Maui	32	23	9	71.88%	0	0	0	Very Low Inc. (50%)	699	8.69%	2.85	1.91
Oahu	749	731	14	97.60%	4	0	4	Extrmly Low Inc. (30%)	7,237	89.95%	2.41	1.66
Total	863	826	32	95.71%	6	0	5		8,046	100.00%	2.47	1.69

	Non Vacated Delinquencies***				Collection Rate		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	7	$ 1,746.00	9	$ 16,036.17	$ 14,510.00	$ 12,019.40	82.84%
Kauai	2	$ 845.00	3	$ 13,012.46	$ 5,477.00	$ 5,194.80	94.85%
Maui	4	$ 726.00	19	$ 15,349.53	$ 5,499.00	$ 5,176.00	94.13%
Oahu	12	$ 5,478.00	51	$ 197,073.69	$ 229,161.00	$ 230,492.70	100.58%
Total	25	$ 8,795.00	82	$ 241,471.85	$ 254,647.00	$ 252,882.90	99.31%

* 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).

State LIPH
HPHA Project Overview Report
October 2011

	Occupancy *						
Project	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Transfers	Units Rent Ready
2201-Hauiki	46	44	2	95.65%	0	0	0
2202-Puahala Homes	128	119	8	92.97%	1	0	1
2204-Kawailehua	26	24	2	92.31%	0	0	0
2205-Kahale Mua	32	23	9	71.88%	0	0	0
2206-Lokahi	30	27	3	90.00%	0	0	0
2207-Ke Kumu Elua	26	21	4	80.77%	2	0	1
2401-Hale Po'ai	206	203	2	98.54%	1	0	1
2402-La'iola	108	105	2	97.22%	0	0	1
2403-Kamalu-Ho'olulu	220	220	0	100.00%	1	0	0
2404-Halia Hale	41	40	0	97.56%	1	0	1
Total	863	826	32	95.71%	6	0	5

	Non Vacated Delinquencies**				Collection Rate		
Project	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	2	$ 947.00	12	$ 78,245.51	$ 16,982.00	$ 15,325.27	90.24%
2202-Puahala Homes	9	$ 4,233.00	26	$ 114,553.26	$ 47,371.00	$ 43,943.43	92.76%
2204-Kawailehua	2	$ 845.00	3	$ 13,012.46	$ 5,477.00	$ 5,194.80	94.85%
2205-Kahale Mua	4	$ 726.00	19	$ 15,349.53	$ 5,499.00	$ 5,176.00	94.13%
2206-Lokahi	2	$ 430.00	2	$ 12,591.50	$ 9,150.00	$ 7,620.40	83.28%
2207-Ke Kumu Elua	5	$ 1,316.00	7	$ 3,444.67	$ 5,360.00	$ 4,399.00	82.07%
2401-Hale Po'ai	0	$ -	5	$ 2,284.00	$ 57,515.00	$ 61,719.00	107.31%
2402-La'iola	0	$ -	7	$ 1,986.52	$ 33,770.00	$ 34,395.00	101.85%
2403-Kamalu-Ho'olulu	1	$ 298.00	1	$ 4.40	$ 62,464.00	$ 63,557.00	101.75%
2404-Halia Hale	0	$ -	0	$ -	$ 11,059.00	$ 11,553.00	104.47%
Total	25	$ 8,795.00	82	$ 241,471.85	$ 254,647.00	$ 252,882.90	99.31%

* Occupancy also counts Scheduled for Modernization Units.

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

Section 8 Subsidy Programs Branch Monthly Report

VMS Data Collection Report		
From	7/1/2011	
To	8/1/2011	
As of	10/13/2011	
PHA Code	HI901	
PHA Name	Hawaii Public Housing Authority	
Point of Contact	Barbara Arashiro	
Point of Contact Phone	(808) 832-4694	
E-mail	barbara.e.arashiro@hawaii.gov	
	Jul-11	Aug-11
Litigation		
Litigation HAP		
1 Year Mainstream	156	174
1 Year Mainstream HAP	$132,645	$151,612
Homeownership	10	10
Homeownership HAP	$10,301	$9,981
New Home Owners - This Month		
Moving To Work Vouchers		
HAP Moving To Work Vouchers:		
Family Unification		
Family Unification HAP		
2008 and 2009 Family Unification		
2008 and 2009 Family Unification HAP		
2008 and 2009 Non-Elderly Disabled		
2008 and 2009 Non-Elderly Disabled HAP		
Portable Vouchers Paid	25	25
Portable Voucher HAP	$18,713	$18,924
Hope 6 Section 8 Vouchers		
Hope 6 Section 8 Vouchers		
Tenant Protection		
HAP Tenant Protection		
Enhanced Vouchers this Month		
Veteran's Affair Supported Housing (VASH)	114	125
Veteran's Affair Supported Housing (VASH)	$80,553	$87,064
DHAP to HCV Vouchers Leased		
DHAP to HCV Voucher HAP		
All Other Vouchers	1,428	1,420
HAP All Other Vouchers	$1,361,137	$1,358,753
FSS Escrow Deposits	$4,029	$3,181
All Voucher HAP Expenses After the First of	$11,040	$5,469
Total Vouchers	1,733	1,754
HAP Total	$1,618,418	$1,634,984
Number of Vouchers Under Leased (HAP Contract) on the last day of the Month	1,737	1,754
Temporary Housing Units to HCV Conversion -		
Temporary Housing Units to HCV Conversion -		
HA Owned Units Leased - included in the units		
New vouchers issued but not under HAP contracts as of the last day of the month	1	7
Portability - In	18	7
Portability - In	$17,055	$7,855

Number of Vouchers Covered by Project-Based AHAPs and HAPs	186	187
Mainstream 5-Year		
HAP Mainstream 5-Year		
Tenant Protection - New this Month		
Fraud Recovery - Amount Booked this Month	$720	$630
Interest or other income earned this month from the investment of HAP funds and Net	$25	$27
FSS Escrow Forfeitures		
Number of Hard-to-House Families Leased	24	16
Number of LBP Initial Clearance Tests		
Portable HAP Costs Billed and Unpaid - 90		
Number of LBP Risk Assessments		
FSS Coordinator	$10,505	$10,505
FSS Coordinator Expenses Not Covered by FSS	$11,774	$11,495
Administrative Expense	$72,349	$137,133
Audit		
Net Restricted Assets (NRA) as of the Last	$3,029,616	$3,029,616
Unrestricted Net Assets (UNA) as of the Last	$1,333,110	$1,333,110
Cash/Investment as of the Last Day of the Month - Voucher Program Only	$2,737,446	$2,897,571
Administrative Fee Earned		
Hard to House		
LBP Clearance Test		
LBP Risk Assessment		
Mobility Counseling		
Preliminary Fees		
Housing Conversion Fees		
Regional Opportunity Counseling		
Expense Amount 1		
Expense Description 1		
Expense Amount 2		
Expense Description 2		
Expense Amount 3		
Expense Description 3		
Expense Amount 4		
Expense Description 4		
Expense Amount 5		
Expense Description 5		
Comments		118 PBV unleased and unpaid.
Date	7/1/2011	8/1/2011

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 10/1/2011
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					
Kalakaua Home Phase 1	Elderly	1	1983	25	221	10	2		$460,733	FY09 Elevator CIP	Aug-08	May-11	Nov-11
		2	1983	25							Aug-08	Nov-11	Mar-12
Makua Alii Phase 1	Elderly	1	1967	41	211	20	2		$460,733	FY09 Elevator CIP	Aug-08	Jul-11	Nov-11
		2	1967	41							Aug-08	Nov-11	Jan-12
Kalanihuia Phase 2	Elderly	1	1968	40	151	15	2		$471,204	FY09 Elevator CIP	Aug-08	Jan-12	May-12
		2	1968	40							Aug-08	May-12	Jul-12
Paoakalani Phase 2	Elderly	1	1970	38	151	17	2		$445,026	FY09 Elevator CIP	Aug-08	Mar-12	Jun-12
		2	1970	38							Aug-08	Jul-12	Sep-12
Pumehana Phase 3	Elderly	1	1972	36	139	21	2		$465,968	FY09 Elevator CIP	Aug-08	Jul-12	Oct-12
		2	1972	36							Aug-08	Oct-12	Jan-13
Punchbowl Homes Phase 3	Elderly	1	1961	47	144	7	2		$371,728	FY09 Elevator CIP	Aug-08	Sep-12	Nov-12
		2	1961	47							Aug-08	Dec-12	Feb-13
Makamae Phase 4	Elderly	1	1971	37	124	4	2		$261,780	FY09 Elevator CIP	Aug-08	Feb-13	Apr-13
		2	1971	37							Aug-08	Apr-13	Jun-13
Wilikina Apts Phase 4	Family	1	1977	31	119	9	2		$424,712	FY09 Elevator CIP	Aug-08	Jan-13	Apr-13
		2	1977	31							Aug-08	Apr-13	Jul-13
Salt Lake Apts	Family	1	1970	38	28	8	1		$1,000,000	B-08-401-K			

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 10/1/2011
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					
Hale Poai	Elderly	1	1989	19	206	7		2	$320,000	Full Modernization not required, only installation of safety related items. Funding dependent on bids for major modernization listed above.			
		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				
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	28			1,949	149	17	10	$5,701,884				
	Average age of elevators			29									

ARRA ACTUAL/PROJECTED WORK-IN-PLACE SUMMARY SHEET

DATE	ACTUAL VALUE IN PLACE	PROJECTED VALUE IN PLACE	TOTAL TO DATE	AMOUNT REMAINING	% COMPLETE
ARRA GRANT				$16,245,443.00	0%
3/2010	$801,688		$801,688.00	$15,443,755.00	4.93%
4/2010	$589,557		$1,391,245.04	$14,854,197.96	8.56%
5/2010	$630,993		$2,022,237.80	$14,223,205.20	12.45%
6/2010	$1,058,698		$3,080,935.68	$13,164,507.32	18.96%
7/2010	$888,529		$3,969,464.43	$12,275,978.57	24.43%
8/2010	$1,221,299		$5,190,763.10	$11,054,679.90	31.95%
9/2010	$1,436,176		$6,626,939.08	$9,618,503.92	40.79%
10/2010	$1,090,633		$7,717,571.83	$8,527,871.17	47.51%
11/2010	$2,100,096		$9,817,667.99	$6,427,775.01	60.43%
12/2010	$1,477,647		$11,295,315.20	$4,950,127.80	69.53%
1/2011	$911,110		$12,206,425.59	$4,039,017.41	75.14%
2/2011	$677,684		$12,884,109.90	$3,361,333.10	79.31%
3/2011	$427,873		$13,311,982.98	$2,933,460.02	81.94%
4/2011	$317,772		$13,629,755.06	$2,615,687.94	83.90%
5/2011	$295,663		$13,925,418.06	$2,320,024.94	85.72%
6/2011	$374,030		$14,299,448.06	$1,945,994.94	88.02%
7/2011	$392,863		$14,692,310.93	$1,553,132.07	90.44%
8/2011	$239,923		$14,932,233.66	$1,313,209.34	91.92%
9/2011	$14,470		$14,946,703.66	$1,298,739.34	92.01%
10/2011		$805,471	$15,752,174.36	$493,268.64	96.96%
11/2011		$28,405	$15,780,579.78	$464,863.22	97.14%
12/2011		$424,448	$16,205,027.50	$40,415.50	99.75%
1/2012		$20,208	$16,225,235.25	$20,207.75	99.88%
2/2012		$20,208	$16,245,443.00	($0.00)	100.00%
3/2012			$16,245,443.00	($0.00)	100.00%

Note: The "actual" amounts on this report are reflective of the value of actual work-in-place or work that has been completed. The ARRA Expenditure report is based on actual checks that have been paid to the contractors. While this reports the value of work in place,contractors are deficient on payment draw requirements (such as submitting certified payroll, section 3 certification, etc.) precluding approval of their payment requests. CMB staff is working on bringing deficient contractors current on their requirements so that the ARRA grant can be drawn down to reflect the value of the work in place.

Contract & Procurement Office
Monthly Status Report for September 2011

Solicitations Issued in September 2011:

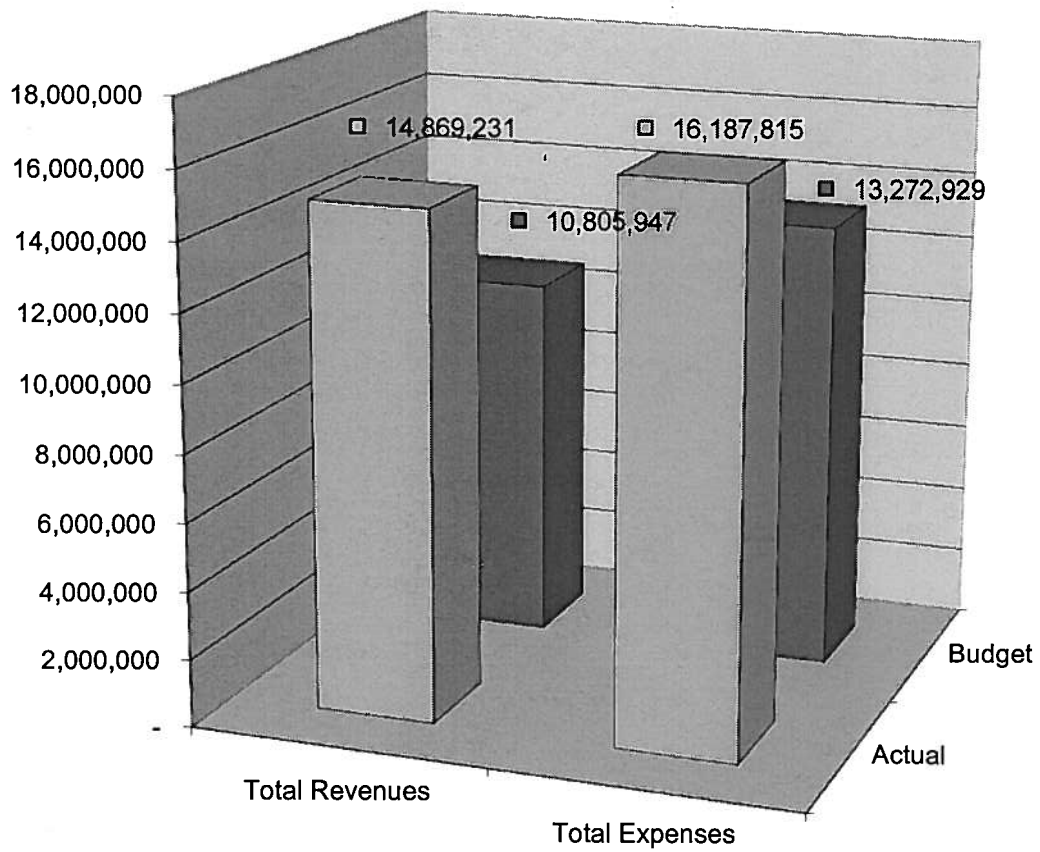
- None

Contracts Executed in September 2011:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CMS 11-13	KSC Construction, Inc. Provide Labor, Materials, and Equipment to Renovate 1 Vacant Unit at Kuhio Homes (AMP 40), 1 Vacant Unit at Palolo Valley Homes (AMP 50), and 5 Vacant Units at Mayor Wright Homes (AMP 32) on the Island of Oahu Completion Date: 200 Calendar Days from Notice to Proceed		$796,858.32
CMS 11-14	Color Dynamics, Inc. Provide Labor, Materials, and Equipment for Structural Repairs, Exterior Painting, Remove Damaged Planters, and Install Handrails at Makua Alii (AMP 34) on the Island of Oahu Completion Date: 300 Calendar Days from Notice to Proceed		$4,760,125.00
CMS 11-15	Society Contracting Provide Labor, Materials, and Equipment to Renovate 4 Vacant Units at Kauiokalani (AMP 44), 3 Vacant Units at Waimaha-Sunflower (AMP 44), 2 Vacant Units at Maili II (AMP 44), 4 Vacant Units at Nanakuli Homes (AMP 44), 2 Vacant Units at Kupuna Home O Waialua (AMP 49) and 17 Vacant Units at Wahiawa Terrace (AMP 49) on the Island of Oahu Completion Date: 210 Calendar Days from Notice to Proceed		$1,850,971.00
CMS 11-16	Artistic Builders Corporation Provide Labor, Materials, and Equipment for Site Improvements at Kawailehua – State (AMP 38) and Kawailehua – Federal (AMP 38) on the Island of Kauai Completion Date: 365 Calendar Days from Notice to Proceed		$3,207,586.25
CMS 11-17	InSynergy Engineering, Inc. Provide Design and Other Professional Services to Replace the Hot Water Systems at Mayor Wright Homes (AMP 32) on the Island of Oahu End Date: 142 Weeks from Notice to Proceed Date		$378,426.00

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CMS 11-18	Ushijima Architects, Inc. Provide Design and Other Professional Services for Reroof and Renovation to Ke Kumu Ekolu (AMP 46) and Ke Kumu Elua (AMP 46) on on the Island of Hawaii End Date: 760 Calendar Days from Notice to Proceed Date		$368,047.00
CMS 10-20-SC02	Alan Shintani, Inc. Provide Additional Labor, Materials and Equipment to Replace Existing Precast Concrete Valve Boxes at Lanakila Homes (AMP 37) on the Island of Hawaii Completion Date: April 29, 2012	$6,576.00	$1,963,989.00
PMB 09-03-SC02	City and County of Honolulu, Department of Community Services To Continue to Administer and Implement the Section 8 Family Self Sufficiency Program, Section 8 Homeownership Option Program and Low Income Public housing Family Self Sufficiency Program End Date: June 30, 2012	$406,087.09	$1,273,784.65

HPHA August 31, 2011 Actual VS Budget



	Total Revenues	Total Expenses
Actual	14,869,231	16,187,815
Budget	10,805,947	13,272,929

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 024, 181, 265, 318, 337
FOR PERIOD ENDING JULY 31, 2011
AGENCY TOTAL

ASSETS:		
Cash		41,564,559
Receivables:		
Accrued Interest	646,223	
Tenant Receivables	5,044,685	
Other	1,798,786	
Less Allowance for Doubtful Accounts	(3,777,867)	3,711,827
Total receivables		
Prepaid Expenses		1,728,546
Inventories		895,629
Interprogram Due From		13,804,210
Total Current Assets		61,704,771
Property, Plant & Equipment:		
Land	21,451,327	
Buildings	499,169,582	
Furniture & Equipment	6,140,472	
Motor vehicles	1,355,056	
Construction in Progress	9,265,865	
Less: Accumulated Depreciation	(302,148,869)	235,233,433
Notes, Loans & Mortgage Receivable-Non Current		426,100
Other Long term assets		-
Total Assets		297,364,304

068

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 024, 181, 265, 318, 337
FOR PERIOD ENDING JULY 31, 2011
AGENCY TOTAL

LIABILITIES AND EQUITY:		
Accounts Payable		193,589
Accrued Expenses		460,609
Accrued Salaries & Wages		594,065
Accrued Vacation		902,093
Tenant Security Deposits		777,945
Other Liabilities & Deferred Income		8,150,421
Interprogram Due To		7,329,314
Total Current Liabilities		18,408,036
Accrued Pension and OPEB Liability		6,804,258
Accrued Compensated Absences - Non Current		2,184,888
Accrued Expenses		137,387
Net Assets:		
Restricted Net Assets	3,029,617	
Unrestricted Net Assets	266,781,519	
Net Income Year to Date	18,599	269,829,735
Total Equity		
Total Liabilities & Equity		297,364,304

690

HAWAII PUBLIC HOUSING AUTHORITY
AGENCY TOTAL
ACTUAL VS BUDGET COMPARISON
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
(Amounts in Full Dollars)

MONTH OF AUGUST, 2011					YEAR TO DATE ENDING AUGUST 31, 2011						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ 1,372,508	$ 1,485,239	$ (112,731)	(0.08)	Dwelling Rental Income	$ 2,731,690	$ 2,969,710	$ (238,020)	(0.08)	$ 1,492,458	$ 1,239,232	0.83
5,408,790	3,093,374	2,315,416	0.75	HUD Operating Subsidies	10,837,951	6,187,107	4,650,844	0.75	5,449,962	5,387,989	0.99
352,847	404,518	(51,671)	(0.13)	COCC Fee Income	705,807	809,036	(103,229)	(0.13)	380,943	324,864	0.8[illegible]
157,282	104,426	52,856	0.51	General Fund	157,282	208,852	(51,570)	(0.25)	14,037	143,245	10.20
-	-	-	-	Grant Income	-	-	-	-	-	-	-
245,326	315,601	(70,275)	(0.22)	Other Income	436,501	631,242	(194,741)	(0.31)	509,832	(73,331)	(0.14)
7,536,752	**5,403,158**	**2,133,594**	**0.39**	**Total Revenues**	**14,869,231**	**10,805,947**	**4,063,284**	**0.38**	**7,847,232**	**7,021,999**	**0.89**
				EXPENSES							
772,810	1,064,025	291,215	0.27	Administrative	1,631,324	2,105,683	474,359	0.23	1,270,490	(360,834)	(0.28)
-	62,099	62,099	1.00	Asset Management Fees	-	124,198	124,198	1.00	-	-	-
298,127	303,452	5,325	0.02	Management Fees	596,378	606,904	10,526	0.02	648,137	51,760	0.08
54,719	52,264	(2,455)	(0.05)	Bookkeeping Fees	109,430	104,528	(4,902)	(0.05)	111,623	2,193	0.02
3,742,546	1,626,601	(2,115,945)	(1.30)	Housing Assistance Payments	7,417,802	3,253,202	(4,164,600)	(1.28)	7,416,066	(1,736)	-
-	23,678	23,678	1.00	Tenant Services	2,550	47,505	44,955	0.95	3,043	493	0.16
1,061,026	1,002,414	(58,612)	(0.06)	Utilities	2,060,722	2,004,828	(55,894)	(0.03)	2,375,602	314,880	0.13
867,111	1,278,132	411,021	0.32	Maintenance	1,918,102	2,547,465	629,363	0.25	2,430,575	512,473	0.21
22,746	108,538	85,792	0.79	Protective Services	79,539	217,076	137,538	0.63	153,589	74,050	0.48
61,214	77,662	16,448	0.21	Insurance	149,228	155,172	5,944	0.04	225,255	76,027	0.34
1,105,575	1,053,184	(52,391)	(0.05)	General Expenses	2,222,743	2,106,368	(116,375)	(0.06)	1,987,294	(235,449)	(0.12)
7,985,874	**6,652,049**	**(1,333,825)**	**(0.20)**	**Total Expenses**	**16,187,815**	**13,272,929**	**(2,914,886)**	**(0.22)**	**16,621,674**	**433,859**	**0.0[illegible]**
$ (449,122)	**$ (1,248,891)**	**$ 799,769**	**0.64**	**Net Income(Loss)**	**$ (1,318,584)**	**$ (2,466,982)**	**$ 1,148,398**	**0.47**	**$ (8,774,442)**	**$ 7,455,858**	**0.85**
				CASH BASIS:							
$ (449,122)	**$ (1,248,891)**	**$ 799,769**	**0.64**	Net Income(loss) per Above	**$ (1,318,584)**	**$ (2,466,982)**	**$ 1,148,398**	**0.47**	**$ (8,774,442)**	**$ 7,455,858**	**0.85**
				Add back non cash items:							
942,310	909,613	32,697	0.04	Depreciation Expense	1,884,620	1,819,226	65,394	0.04	1,939,375	(54,755)	(0.03)
4,610	13,669	(9,059)	(0.66)	Bad Debt Expense	7,582	27,338	(19,756)	(0.72)	2,866	4,717	1.65
$ 497,797	**$ (325,609)**	**$ 823,406**	**2.53**	**TOTAL CASH BASIS**	**$ 573,618**	**$ (620,418)**	**$ 1,194,036**	**1.92**	**$ (6,832,201)**	**$ 7,405,819**	**1.08**

STATE ELDERLY PROGRAM
ACTUAL VS BUDGET COMPARISON
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
(Amounts in Full Dollars)

MONTH OF AUGUST, 2011					YEAR TO DATE ENDING AUGUST 31, 2011						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ 164,639	$ 165,195	$ (556)	-	Dwelling Rental Income	$ 329,623	$ 330,390	$ (767)	-	$ 329,089	$ 534	-
-	-	-	-	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	-	-	-	-	-	-	-
5,261	8,518	(3,258)	(0.38)	Other Income	7,506	17,036	(9,530)	(0.56)	11,023	(3,516)	(0.32)
169,900	**173,713**	**(3,814)**	**(0.02)**	**Total Revenues**	**337,129**	**347,426**	**(10,297)**	**(0.03)**	**340,112**	**(2,982)**	**(0.01)**
				EXPENSES							
17,968	46,276	28,308	0.61	Administrative	34,675	92,042	57,367	0.62	7,141	(27,535)	(3.86)
-	-	-	-	Asset Management Fees	-	-	-	-	-	-	-
33,066	33,008	(58)	-	Management Fees	66,189	66,016	(173)	-	65,783	(406)	(0.01)
4,275	4,267	(8)	-	Bookkeeping Fees	8,558	8,534	(24)	-	8,505	(53)	(0.01)
-	-	-	-	Housing Assistance Payments	-	-	-	-	-	-	-
-	-	-	-	Tenant Services	-	-	-	-	-	-	-
107,545	136,272	28,727	0.21	Utilities	193,376	272,544	79,168	0.29	162,774	(30,602)	(0.19)
63,539	221,304	157,765	0.71	Maintenance	131,335	440,887	309,552	0.70	151,322	19,987	0.13
-	7,474	7,474	1.00	Protective Services	-	14,948	14,948	1.00	7,025	7,025	1.00
10,232	10,863	631	0.06	Insurance	20,465	21,576	1,111	0.05	22,896	2,431	0.11
115,172	98,187	(16,985)	(0.17)	General Expenses	230,343	196,374	(33,969)	(0.17)	230,835	491	-
351,796	**557,651**	**205,855**	**0.37**	**Total Expenses**	**684,941**	**1,112,921**	**427,980**	**0.38**	**656,280**	**(28,661)**	**(0.04)**
$ (181,897)	**$ (383,938)**	**$ 202,041**	**0.53**	**Net Income(Loss)**	**$ (347,812)**	**$ (765,495)**	**$ 417,683**	**0.55**	**$ (316,168)**	**$ (31,643)**	**(0.10)**
				CASH BASIS:							
$ (181,897)	**$ (383,938)**	**$ 202,041**	**0.53**	Net Income(loss) per Above	**$ (347,812)**	**$ (765,495)**	**$ 417,683**	**0.55**	**$ (316,168)**	**$ (31,643)**	**(0.10)**
				Add back non cash items:							
115,172	-	115,172	-	Depreciation Expense	230,343	-	230,343	-	230,800	(456)	-
-	-	-	-	Bad Debt Expense	-	-	-	-	35	(35)	(1.00)
$ (66,725)	**$ (383,938)**	**$ 317,213**	**0.83**	**TOTAL CASH BASIS**	**$ (117,468)**	**$ (765,495)**	**$ 648,027**	**0.85**	**$ (85,334)**	**$ (32,135)**	**(0.38)**

STATE LOW RENT
ACTUAL VS BUDGET COMPARISON
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
(Amounts in Full Dollars)

MONTH OF AUGUST, 2011					YEAR TO DATE ENDING AUGUST 31, 2011						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ 85,672	$ 92,662	$ (6,990)	(0.08)	Dwelling Rental Income	$ 174,185	$ 184,676	$ (10,491)	(0.06)	$ 163,050	$ 11,135	0.07
-	-	-	-	HUD Operating Subsidies	-	-	-	-	-	-	-
-	-	-	-	Management Fees	-	-	-	-	-	-	-
-	-	-	-	Bookkeeping Fees	-	-	-	-	-	-	-
-	-	-	-	Asset Management Fees	-	-	-	-	-	-	-
-	-	-	-	Capital Fund Admin Fee	-	-	-	-	-	-	-
-	-	-	-	CMSS Front Line Service Fee	-	-	-	-	-	-	-
-	-	-	-	ARRA Funds Admin Fee	-	-	-	-	-	-	-
-	-	-	-	COCC Fee Income	-	-	-	-	-	-	-
-	-	-	-	General Fund	-	-	-	-	-	-	-
-	-	-	-	Grant Income	-	-	-	-	-	-	-
3,959	2,701	1,258	0.47	Other Income	5,293	5,402	(109)	(0.02)	8,866	(3,572)	(0.40)
89,632	**95,363**	**(5,731)**	**(0.06)**	**Total Revenues**	**179,479**	**190,078**	**(10,599)**	**(0.06)**	**171,916**	**7,563**	**0.04**
				EXPENSES							
24,899	26,871	1,972	0.07	Administrative	44,055	53,742	9,687	0.18	33,754	(10,302)	(0.31)
-	1,930	1,930	1.00	Asset Management Fees	-	3,860	3,860	1.00	-	-	-
14,909	13,168	(1,741)	(0.13)	Management Fees	29,933	26,336	(3,597)	(0.14)	26,511	(3,423)	(0.13)
1,928	1,703	(225)	(0.13)	Bookkeeping Fees	3,870	3,406	(464)	(0.14)	3,428	(443)	(0.13)
-	-	-	-	Housing Assistance Payments	-	-	-	-	-	-	-
-	5	5	1.00	Tenant Services	-	10	10	1.00	-	-	-
31,758	69,399	37,641	0.54	Utilities	93,318	138,798	45,480	0.33	118,676	25,358	0.21
39,208	61,782	22,574	0.37	Maintenance	79,698	123,564	43,866	0.36	107,914	28,216	0.26
-	-	-	-	Protective Services	-	-	-	-	-	-	-
2,525	3,029	504	0.17	Insurance	5,050	6,058	1,008	0.17	5,046	(4)	-
39,854	276	(39,578)	(143.40)	General Expenses	83,082	552	(82,530)	(149.51)	63,832	(19,250)	(0.30)
155,081	**178,163**	**23,083**	**0.13**	**Total Expenses**	**339,006**	**356,326**	**17,320**	**0.05**	**359,159**	**20,154**	**0.06**
$ (65,449)	**$ (82,800)**	**$ 17,351**	**0.21**	**Net Income(Loss)**	**$ (159,527)**	**$ (166,248)**	**$ 6,721**	**0.04**	**$ (187,243)**	**$ 27,716**	**0.15**
				CASH BASIS:							
$ (65,449)	**$ (82,800)**	**$ 17,351**	**0.21**	Net Income(loss) per Above	**$ (159,527)**	**$ (166,248)**	**$ 6,721**	**0.04**	**$ (187,243)**	**$ 27,716**	**0.15**
				Add back non cash items:							
39,592	276	39,316	142.45	Depreciation Expense	79,184	552	78,632	142.45	64,179	15,005	0.23
262	-	262	-	Bad Debt Expense	549	-	549	-	(347)	896	2.58
$ (25,594)	**$ (82,524)**	**$ 56,930**	**0.69**	**TOTAL CASH BASIS**	**$ (79,794)**	**$ (165,696)**	**$ 85,902**	**0.52**	**$ (123,411)**	**$ 43,617**	**0.35**

FEDERAL LOW RENT PROGRAM
ACTUAL VS BUDGET COMPARISON
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
(Amounts in Full Dollars)

MONTH OF AUGUST, 2011					YEAR TO DATE ENDING AUGUST 31, 2011						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				REVENUES							
$ 1,122,196	$ 1,171,221	$ (49,025)	(0.04)	Dwelling Rental Income	$ 2,227,882	2,342,322	$ (114,440)	(0.05)	$ 2,586,965	$ (359,083)	(0.14)
1,559,812	1,418,672	141,140	0.10	HUD Operating Subsidies	3,117,625	2,837,703	279,922	0.10	3,530,833	(413,208)	(0.12)
-	-	-	-	COCC Fee Income	-	-	-	-	-	-	-
-	-	-	-	General Fund	-	-	-	-	-	-	-
-	-	-	-	Grant Income	-	-	-	-	-	-	-
40,826	47,696	(6,870)	(0.14)	Other Income	76,996	95,432	(18,436)	(0.19)	130,156	(53,161)	(0.41)
2,722,835	**2,637,589**	**85,246**	**0.03**	**Total Revenues**	**5,422,502**	**5,275,457**	**147,045**	**0.03**	**6,247,954**	**(825,452)**	**(0.13)**
				EXPENSES							
244,024	322,078	78,054	0.24	Administrative	549,385	643,654	94,269	0.15	554,208	4,824	0.01
-	59,169	59,169	1.00	Asset Management Fees	-	118,338	118,338	1.00	-	-	-
228,568	236,647	8,079	0.03	Management Fees	457,136	473,294	16,158	0.03	515,106	57,970	0.11
35,025	33,400	(1,625)	(0.05)	Bookkeeping Fees	70,050	66,800	(3,250)	(0.05)	74,228	4,178	0.06
-	-	-	-	Housing Assistance Payments	-	-	-	-	-	-	-
-	11,253	11,253	1.00	Tenant Services	2,550	22,655	20,105	0.89	3,043	493	0.16
906,902	786,372	(120,530)	(0.15)	Utilities	1,758,646	1,572,744	(185,902)	(0.12)	2,083,840	325,194	0.16
657,944	884,289	226,345	0.26	Maintenance	1,510,898	1,762,650	251,752	0.14	2,026,925	516,027	0.25
22,602	100,416	77,814	0.77	Protective Services	79,394	200,832	121,438	0.60	144,638	65,244	0.45
46,349	56,085	9,736	0.17	Insurance	119,498	112,168	(7,330)	(0.07)	170,924	51,427	0.30
924,898	839,076	(85,822)	(0.10)	General Expenses	1,824,882	1,678,152	(146,730)	(0.09)	1,662,965	(161,917)	(0.10)
3,066,312	**3,328,785**	**262,473**	**0.08**	**Total Expenses**	**6,372,438**	**6,651,287**	**278,849**	**0.04**	**7,235,878**	**863,440**	**0.12**
$ (343,478)	**$ (691,196)**	**$ 347,718**	**0.50**	**Net Income(Loss)**	**$ (949,936)**	**$ (1,375,830)**	**$ 425,894**	**0.31**	**$ (987,924)**	**$ 37,989**	**0.04**
				CASH BASIS:							
$ (343,478)	**$ (691,196)**	**$ 347,718**	**0.50**	Net Income(loss) per Above	**$ (949,936)**	**$ (1,375,830)**	**$ 425,894**	**0.31**	**$ (987,924)**	**$ 37,989**	**0.04**
				Add back non cash items:							
786,877	807,981	(21,104)	(0.03)	Depreciation Expense	1,573,754	1,615,962	(42,208)	(0.03)	1,643,985	(70,232)	(0.04)
4,347	13,669	(9,322)	(0.68)	Bad Debt Expense	7,033	27,338	(20,305)	(0.74)	3,178	3,855	1.21
$ 447,747	**$ 130,454**	**$ 317,293**	**2.43**	**TOTAL CASH BASIS**	**$ 630,851**	**$ 267,470**	**$ 363,381**	**1.36**	**$ 659,239**	**$ (28,388)**	**(0.04)**

HAWAII PUBLIC HOUSING AUTHORITY
FEDERAL LOW RENT PROGRAM BY AMPS
ACTUAL VS BUDGET COMPARISON
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
(Amounts in Full Dollars)

MONTH OF AUGUST, 2011				ACCRUAL BASIS	YEAR TO DATE ENDING AUGUST 31, 2011						
		Variance					Variance			Variance	
Actual	Budget	Amount	%		Actual	Budget	Amount	%	Prior Year	Amount	%
$ 234,613	$ 237,474	$ (2,861)	(0.01)	Asset Management Project - 30	$ 472,452	$ 475,307	$ (2,855)	(0.01)	$ 582,061	$ (109,609)	(0.19)
206,693	211,261	(4,568)	(0.02)	Asset Management Project - 31	421,049	422,522	(1,473)	-	393,535	27,514	0.07
255,664	253,586	2,078	0.01	Asset Management Project - 32	512,211	507,172	5,039	0.01	488,698	23,512	0.05
190,789	196,858	(6,069)	(0.03)	Asset Management Project - 33	385,322	393,716	(8,394)	(0.02)	314,902	70,421	0.22
303,749	299,154	4,595	0.02	Asset Management Project - 34	605,902	598,308	7,594	0.01	610,982	(5,080)	(0.01)
334,384	309,183	25,201	0.08	Asset Management Project - 35	660,520	618,366	42,154	0.07	691,905	(31,385)	(0.05)
147,848	150,237	(2,389)	(0.02)	Asset Management Project - 37	296,117	300,510	(4,393)	(0.01)	361,197	(65,080)	(0.18)
193,251	167,407	25,844	0.15	Asset Management Project - 38	386,094	334,814	51,280	0.15	368,537	17,557	0.05
104,175	100,415	3,760	0.04	Asset Management Project - 39	203,995	200,830	3,165	0.02	231,983	(27,989)	(0.12)
171,693	114,987	56,706	0.49	Asset Management Project - 40	344,351	229,974	114,377	0.50	1,108,121	(763,770)	(0.69)
113,416	117,085	(3,669)	(0.03)	Asset Management Project - 43	217,986	234,170	(16,184)	(0.07)	198,633	19,354	0.10
149,278	164,925	(15,647)	(0.09)	Asset Management Project - 44	295,480	329,850	(34,370)	(0.10)	256,237	39,243	0.15
116,472	104,463	12,009	0.11	Asset Management Project - 45	227,288	208,930	18,358	0.09	250,993	(23,706)	(0.09)
49,686	51,562	(1,876)	(0.04)	Asset Management Project - 46	96,848	103,004	(6,156)	(0.06)	87,663	9,184	0.10
78,652	81,485	(2,833)	(0.03)	Asset Management Project - 49	153,734	162,970	(9,236)	(0.06)	164,200	(10,466)	(0.06)
72,470	77,507	(5,037)	(0.06)	Asset Management Project - 50	143,155	155,014	(11,859)	(0.08)	138,307	4,847	0.04
$ 2,722,835	**$ 2,637,589**	**$ 85,246**	**0.03**	**Total Revenues**	**$ 5,422,502**	**$ 5,275,457**	**$ 147,045**	**0.03**	**$ 6,247,954**	**$ (825,452)**	**(0.13)**
				NET INCOME(LOSS)							
$ (122,002)	$ (132,804)	$ 10,802	0.08	Asset Management Project - 30	(254,406.17)	(265,327.00)	$ 10,921	0.04	$ (126,532)	$ (127,874)	(1.01)
(98,844)	(173,910)	75,066	0.43	Asset Management Project - 31	(186,494.70)	(347,820.00)	161,325	0.46	(192,163)	5,668	0.03
44,703	16,898	27,805	1.65	Asset Management Project - 32	88,067.81	33,796.00	54,272	1.61	90,439	(2,371)	(0.03)
(21,375)	(41,540)	20,165	0.49	Asset Management Project - 33	(55,160.53)	(83,080.00)	27,919	0.34	(104,788)	49,627	0.47
15,654	(44,069)	59,723	1.36	Asset Management Project - 34	31,109.26	(81,582.00)	112,691	1.38	20,530	10,579	0.52
31,186	(48,174)	79,360	1.65	Asset Management Project - 35	13,681.28	(96,348.00)	110,029	1.14	76,116	(62,435)	(0.82)
(117,123)	(127,699)	10,576	0.08	Asset Management Project - 37	(229,262.22)	(255,358.00)	26,096	0.10	(151,500)	(77,762)	(0.51)
27,384	23,541	3,843	0.16	Asset Management Project - 38	12,902.07	47,083.00	(34,181)	(0.73)	89,534	(76,632)	(0.86)
(10,832)	(10,812)	(20)	-	Asset Management Project - 39	(63,263.50)	(21,624.00)	(41,640)	(1.93)	(22,946)	(40,318)	(1.76)
4,796	2,550	2,246	0.88	Asset Management Project - 40	(22,515.51)	5,600.00	(28,116)	(5.02)	(169,543)	147,027	0.87
(14,454)	(48,399)	33,945	0.70	Asset Management Project - 43	(135,144.70)	(96,798.00)	(38,347)	(0.40)	(136,530)	1,385	0.01
(38,385)	(45,869)	7,484	0.16	Asset Management Project - 44	(82,915.55)	(91,738.00)	8,822	0.10	(121,273)	38,358	0.32
(45,966)	(58,316)	12,350	0.21	Asset Management Project - 45	(78,040.73)	(116,628.00)	38,587	0.33	(104,518)	26,478	0.25
(6,123)	(9,548)	3,425	0.36	Asset Management Project - 46	(2,933.41)	(19,916.00)	16,983	0.85	(76,170)	73,237	0.96
(14,509)	1,644	(16,153)	(9.83)	Asset Management Project - 49	(25,548.83)	3,288.00	(28,837)	(8.77)	(93,294)	67,745	0.73
22,414	5,311	17,103	3.22	Asset Management Project - 50	39,989.68	10,622.00	29,368	2.76	34,713	5,277	0.15
$ (343,478)	**$ (691,196)**	**$ 347,718**	**0.50**	**Total Net Income(Loss)**	**$ (949,936)**	**$ (1,375,830)**	**$ 425,894**	**0.31**	**$ (987,924)**	**$ 37,988**	**0.04**

HAWAII PUBLIC HOUSING AUTHORITY
FEDERAL LOW RENT PROGRAM BY AMPS
ACTUAL VS BUDGET COMPARISON
FOR THE TWO MONTHS ENDING AUGUST 31, 2011
(Amounts in Full Dollars)
CASH BASIS

MONTH OF AUGUST, 2011				YEAR TO DATE ENDING AUGUST 31, 2011						
		Variance				Variance			Variance	
Actual	Budget	Amount	%		Actual	Budget	Amount	%	Prior Year	Amount	%
				REVENUES							
$ 234,613	$ 237,474	$ (2,861)	(0.01)	Asset Management Project - 30	$ 472,452	$ 475,307	$ (2,855)	(0.01)	$ 582,061	$ (109,609)	(0.19)
206,693	211,261	(4,568)	(0.02)	Asset Management Project - 31	421,049	422,522	(1,473)	-	393,535	27,514	0.07
255,664	253,586	2,078	0.01	Asset Management Project - 32	512,211	507,172	5,039	0.01	488,698	23,512	0.05
190,789	196,858	(6,069)	(0.03)	Asset Management Project - 33	385,322	393,716	(8,394)	(0.02)	314,902	70,421	0.22
303,749	299,154	4,595	0.02	Asset Management Project - 34	605,902	598,308	7,594	0.01	610,982	(5,080)	(0.01)
334,384	309,183	25,201	0.08	Asset Management Project - 35	660,520	618,366	42,154	0.07	691,905	(31,385)	(0.05)
147,848	150,237	(2,389)	(0.02)	Asset Management Project - 37	296,117	300,510	(4,393)	(0.01)	361,197	(65,080)	(0.18)
193,251	167,407	25,844	0.15	Asset Management Project - 38	386,094	334,814	51,280	0.15	368,537	17,557	0.05
104,175	100,415	3,760	0.04	Asset Management Project - 39	203,995	200,830	3,165	0.02	231,983	(27,989)	(0.12)
171,693	114,987	56,706	0.49	Asset Management Project - 40	344,351	229,974	114,377	0.50	1,108,121	(763,770)	(0.69)
113,416	117,085	(3,669)	(0.03)	Asset Management Project - 43	217,986	234,170	(16,184)	(0.07)	198,633	19,354	0.10
149,278	164,925	(15,647)	(0.09)	Asset Management Project - 44	295,480	329,850	(34,370)	(0.10)	256,237	39,243	0.15
116,472	104,463	12,009	0.11	Asset Management Project - 45	227,288	208,930	18,358	0.09	250,993	(23,706)	(0.09)
49,686	51,562	(1,876)	(0.04)	Asset Management Project - 46	96,848	103,004	(6,156)	(0.06)	87,663	9,184	0.10
78,652	81,485	(2,833)	(0.03)	Asset Management Project - 49	153,734	162,970	(9,236)	(0.06)	164,200	(10,466)	(0.06)
72,470	77,507	(5,037)	(0.06)	Asset Management Project - 50	143,155	155,014	(11,859)	(0.08)	138,307	4,847	0.04
$ 2,722,835	**$ 2,637,589**	**$ 85,246**	**0.03**	**Total Revenues**	**$ 5,422,502**	**$ 5,275,457**	**$ 147,045**	**0.03**	**$ 6,247,954**	**$ (825,452)**	**(0.13)**
				NET INCOME(LOSS)							
(20,773)	(30,166)	$ 9,393	0.31	Asset Management Project - 30	(52,065)	(60,051)	$ 7,986	0.13	79,042	$ (131,106)	(1.66)
11,129	4,828	6,301	1.31	Asset Management Project - 31	33,828	9,656	24,172	2.50	64,904	(31,075)	(0.48)
58,926	48,170	10,756	0.22	Asset Management Project - 32	116,421	$96,340	20,081	0.21	146,495	(30,073)	(0.21)
31,206	10,734	20,472	1.91	Asset Management Project - 33	49,992	21,468	28,524	1.33	(10)	50,002	5,144.20
49,928	(9,787)	59,715	6.10	Asset Management Project - 34	99,734	(13,018)	112,752	8.66	96,699	3,034	0.03
75,733	17,083	58,650	3.43	Asset Management Project - 35	102,771	34,166	68,605	2.01	176,255	(73,484)	(0.42)
9,618	1,335	8,283	6.20	Asset Management Project - 37	24,083	2,710	21,373	7.89	95,660	(71,577)	(0.75)
52,321	47,969	4,352	0.09	Asset Management Project - 38	62,650	95,939	(33,289)	(0.35)	140,976	(78,326)	(0.56)
3,655	3,704	(49)	(0.01)	Asset Management Project - 39	(34,294)	7,408	(41,702)	(5.63)	9,002	(43,296)	(4.81)
7,642	4,481	3,161	0.71	Asset Management Project - 40	(18,374)	9,462	(27,836)	(2.94)	(168,335)	149,961	0.89
29,095	4,124	24,971	6.06	Asset Management Project - 43	(47,901)	8,248	(56,149)	(6.81)	(71,586)	23,685	0.33
49,029	22,620	26,409	1.17	Asset Management Project - 44	91,690	45,240	46,450	1.03	57,589	34,100	0.59
18,542	6,806	11,736	1.72	Asset Management Project - 45	50,929	13,616	37,313	2.74	31,528	19,401	0.62
22,049	(8,902)	30,951	3.48	Asset Management Project - 46	53,396	(18,624)	72,020	3.87	(28,234)	81,630	2.89
26,110	1,644	24,466	14.88	Asset Management Project - 49	55,797	3,288	52,509	15.97	(7,876)	63,673	8.08
23,535	5,811	17,724	3.05	Asset Management Project - 50	42,194	11,622	30,572	2.63	37,130	5,064	0.14
$ 447,747	**$ 130,454**	**$ 317,293**	**2.43**	**Total Net Income(Loss)**	**$ 630,851**	**$ 267,470**	**$ 363,381**	**1.36**	**$ 659,239**	**$ (28,388)**	**(0.04)**

NO HANDOUTS

FOR DISCUSSION/INFORMATION

A. For Information: *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)*

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 *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise in her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795)*

Approved by the Executive Director
October 20, 2011

FOR DISCUSSION

SUBJECT: Presentation/Training by the U.S. Department of Housing and Urban Development

I. FACTS

A. Attached are handouts provided by the U.S. Department of Housing and Urban Development

Attachment

To:
Cc:
Bcc:
Subject: Fw: Material for the October 20, 2011 HPHA Board Meeting

From: "Flores, Michael S" <Michael.S.Flores@hud.gov>
To: "'Barbara.E.Arashiro@hawaii.gov'" <Barbara.E.Arashiro@hawaii.gov>
Cc: "Okahara, Ryan T" <Ryan.T.Okahara@hud.gov>, "Chung, Jun" <jun.chung@hud.gov>, "Kaholokula, Darlene L" <DARLENE.L.KAHOLOKULA@hud.gov>, "Miguel-Cortez, Marie" <Marie.Miguel-Cortez@hud.gov>, "Tong, Mei" <Mei.Tong@hud.gov>
Date: 10/12/2011 03:21 PM
Subject: Material for the October 20, 2011 HPHA Board Meeting

---

Here are handouts for the October 20 meeting:

1. HUD Honolulu Key Staff
2. Public Housing Program Summary
3. Housing Choice Vouchers Summary
4. Asset Management Summary
5. HPHA 2010 PHAS Score Issued (attached e-Mail)
6. EcoWise Newsletter that contains articles on Energy Performance Contracts and Integrated Pest Management.
7. Information Sheets on Rental Assistance Demonstration (RAD) – 2 handouts
8. Housing Choice Voucher Utilization Tool
9. HPHA Baseline Units Aging Report
10. Mayor Wright Homes REAC Inspection Report

US Department of Housing and Urban Development
Key Staff

HUD Headquarters, Washington, DC
Shaun Donovan, Secretary, Department of Housing and Urban Development
Sandra Henriquez, Assistant Secretary, Public and Indian Housing

HUD Region IX, San Francisco, CA
Ophelia Basgal, Regional Administrator

HUD Honolulu Field Office
Ryan Okahara, Field Office Director, 808-522-8175x256, ryan.t.okahara@hud.gov
Michael Flores, Director, Office of Public Housing, 808-522-8175x226, michael.s.flores@hud.gov
Susan Lee-Hurd, Associate Regional Counsel, 808-522-8175x258, susan.m.lee-hurd@hud.gov
Mark Chandler, Director, Community Planning and Development, 808-522-8180x264, mark.a.chandler@hud.gov
Frank Castro, Supervisory Project Manager, Multifamily Housing, 702-366-2120, frank.j.castro@hud.gov
Jelani Madaraka, Lead, Civil Rights Analyst, 808-522-8182x269, jelani.m.madaraka@hud.gov

Office of Public Housing
Jun Chung, Public Housing Revitalization Specialist, 808-522-8175x260, jun.chung@hud.gov
Darlene Kaholokula, Public Housing Revitalization Specialist, 808-522-8175x240, darlene.l.kaholokula@hud.gov
Mei Tong, Financial Analyst, 808-522-8175x230, mei.tong@hud.gov
Marie Miguel-Cortez, Program Analyst, 808-522-8175x266, marie.miguel-cortez@hud.gov

Housing Choice Voucher Quality Assurance
Jane Adaniya, Quality Assurance Specialist, 808-522-8175x245, jane.m.adaniya@hud.gov

Public Housing Support Units and Specialists
REAC = Real Estate Assessment Center
SAC = Special Applications Center
OPHI = Office of Public Housing Investments
FMC = Financial Management Center

Public housing is a form of rental housing in which the property is generally owned and/or managed by local **public housing agencies (PHAs)** with the aim of providing affordable housing for **low-income families.** Under the program, the federal government, through HUD, provides subsidies to PHAs that rent housing to eligible low-income families. HUD also furnishes technical assistance in planning, developing and managing these developments. Public housing comes in all sizes and types, from **scattered site** single family houses to high rise apartments for elderly families.

LEGAL AUTHORITY

The public housing program was created by the United States Housing Act of 1937 ((the 1937 Act), P.L. 75-412, 50 Stat. 888, 42 USC 1437 et seq.) The act is also known as the Wagner-Steagall Housing Act (after Representative Henry B. Steagall, Democrat of Alabama, and Senate Robert F. Wagner, Democrat of New York). Definitions, as well as admissions and other occupancy requirements can be found at sections 3(b), 6, 9, and 16 of the 1937 Act (43 U.S.C. 1437a(b)). Regulations can be found in Title 24 of the Code of Federal Regulations (CFR) Chapters V and IX.

NATURE OF PROGRAM

HUD provides funding to PHAs to develop and operate housing for **low-income families.** A PHA determines resident **eligibility** based on statutory and regulatory criteria including: 1) annual gross income; 2) family type (e.g., elderly family, disabled family); and 3) U.S. citizenship or eligible immigration status. HUD also provides regulatory oversight over the occupancy (including admissions and termination) of public housing projects.

Under the 1937 Act HUD is authorized to provide funds on an annual basis for the operation, management and development of public housing projects. When the

program began only development funding was provided to PHAs, the idea being that federal subsidies would cover the costs to build the housing, and rent from tenants would cover the PHAs' operating costs. HUD provided funds in the form of a loan to develop public housing dwelling units. Funding was also provided in the form of annual contributions to pay the debt service on federally guaranteed tax-exempt bonds that were issued by PHAs to finance the construction of public housing. Eventually this loan program was converted to a grant program. In 1969 Congress enacted the Brooke Amendments that limited the rent that tenants could be charged to 25 percent of their income (later raised to the current 30 percent during President Ronald Reagan's term in 1980) and provided for operating subsidies (under section 9 of the 1937 Act) to cover operating expenses, and a funding stream (under section 14) to rehabilitate or modernize existing public housing.

The **basic legal requirements** of the public housing program are:

- The use of **public housing subsidy** in a housing development **creates a public housing project** subject to all applicable public housing requirements including a ten (10), twenty (20) or forty (40) year **use restriction**. requirement. The use of public housing Capital Funds (under section 9 of the 1937 Act) for the development of public housing projects (e.g., acquisition or construction) subjects the project to a forty (40) year use restriction beginning on the date the project is available for occupancy *(see sections 3(b)(1) and 9(d)(3)(A))*. The use of Capital Funds for the modernization of housing creates a public housing project subject to a twenty (20) year use restriction that begins on the date the modernization is completed. The use of Operating Funds subjects the public housing project to a 10 year restriction.

- A **prohibition against the demolition or disposition** of a public housing project without HUD approval. This prohibition and the use restrictions are enforced through a **Declaration of Trust** (a restrictive covenant) required under the ACC to be recorded against the property.

- A limitation on the amount contributed to **rent** that can be paid by a public housing tenant, as well as a **minimum rent** requirement. In 1969 the 1937 Act was amended (known as the Brooke Amendment) to provide that the rent of a public housing tenant may not exceed 25% of the family's adjusted income. The Act was further amended in 1981 and now provides that tenant rent may not exceed 30% of monthly adjusted income, or 10% of monthly annual income, or the welfare rent in as-paid" states, whichever is greatest. Later amendments have also provided for a minimum rent (no less that $25 and no more than $50) Section 3(b) of the 1937 Act.

The 1937 Act requires that the program be administered by a public housing agency (**PHA**) - which is defined under the Act to be "a public body, that is authorized to engage in or assist in the development or operation of public housing". Federal statutes and regulations recognize the primary responsibility of PHA's to administer public housing and section 8 programs, and the states' primary role in determining the powers and geographic jurisdiction of PHAs. PHAs are generally created by a unit of local government pursuant to state law. The majority of PHAs are created as quasi-public entities, and they are not divisions (agency or instrumentality) of the locality creating the PHA. However, there are PHAs that are established as a division of the creating locality. For example, the Boston Housing Authority is a division of the City of Boston. The Hawaii State Housing Authority is one of the few state-wide PHAs, and is a division of the state. The locality creating the PHA must enter into a cooperation agreement with the PHA. Under a cooperation agreement

the locality agrees to provide basic services such as sewer, police and fire protection and to accept a payment in lieu of taxes ("PILOT") as public housing projects must be tax exempt. Pursuant to statutory requirements localities accept as PILOT 10 percent of a PHA's rental collection for the services provided. See sections 3(b), and 5 of the 1937 Act.

The **terms and conditions** pursuant to which funding is provided by HUD and used by PHAs are embodied in an **annual contributions contract (ACC)** that is executed by HUD and the PHA. The ACC is essentially a **grant agreement,** the terms of which establish the relationship whereby HUD provides **formula** grant funds (i.e., Operating and Capital Funds) to a PHA, and the PHA administers its public housing program in accordance with public housing requirements. The administration of a PHA's public housing program must be in accordance with all applicable public housing requirements and other Federal housing requirements Such requirements include any public housing regulations, handbooks, and applicable Notices. Other Federal, State and local laws, including Fair Housing Laws and regulations may also apply. Generally, changes in applicable federal laws or regulations shall supersede provisions in conflict with PHA policies.

The PHA Plan is a comprehensive guide to PHA policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the **PHA Plan**: the 5-Year Plan, which each PHA submits to HUD once every 5th PHA fiscal year, and the Annual Plan, which is submitted to HUD every year. The plan covers any programs, including its **Section 8** program. All PHAs that are required to submit an Annual PHA Plan must sign and submit the form-HUD-50077 as a part of the Annual PHA Plan at the time prescribed by HUD in 24 CFR Part 903. An Annual PHA Plan will not be considered complete without the submission of this certification. By signing the form the PHA is certifying compliance with numerous Federal

and Public Housing requirements. Small PHAs (less than 250 public housing units) are subject to a simplified and streamlined requirements. Small PHAs, get substantial regulatory relief in the form of a streamlined Annual PHA Plans ("Small PHA Streamlined Annual Plan") and streamlined Annual Plans submitted in years in which a 5-year plan is also due ("Five-Year/Annual Plans"). These plans are streamlined to eliminate the standard plan requirement that small PHAs report on activities related to Management and Operations, Grievance Procedures, Audit Results, Pet Policies, Designated Housing, Public Housing Conversions, Safety and Crime, Community Service and Self-Sufficiency, and Asset Management. The **functions and responsibilities of the PHA** are laid out in its Admissions and Continued Occupancy Policy (**ACOP**), which is incorporated into the PHA Plan. Under section 5A of the 1937 Act, and applicable HUD regulations, PHAs must establish occupancy requirements (including requirements for the admissions and termination of assistance). The ACOP must be available for review by the public and the PHA's public housing residents. HUD requirements are the primary source of a PHA's policy, however, the ACOP must also be in accordance with State or local requirements, where such requirements do not conflict with Federal law. For example, the 1937 Act prohibits the admission to public housing of registered sex offenders. More specifically, it prohibits the admission of such persons who are subject to lifetime registration. However, it is State and local law that establishes what particular offenses are subject to a lifetime registration. Admission and occupancy regulations can be found at 24 CRF Parts 5, 960 and 966.

In 1998, with the passage of the **Quality Housing and Work Responsibility Act of 1998 (QHWRA**) Pub. L. No. 105- 276. 112 Stat. 2518 (codified as amended in scattered sections of title 42 of the U.S. Code) the Congress made sweeping changes to the public housing program, including establishing the Capital and Operating Fund Programs as formula grant programs. Under the **Operating Fund** pro-

gram HUD provides operating subsidy to PHAs for the operation and management of the PHA in connection with public housing projects. Expenses can include the costs for administration, routine maintenance, resident services, insurance and energy. The Operating Fund is authorized by section 9(e) of the 1937 Act (42 U.S.C. 1437g(e)). Operating Fund regulations are at 24 CFR Part 990. Under the **Capital Fund** HUD provides funding to cover development and some management expenses, which includes capital expenses related to the financing, construction, modernization of public housing projects. The Capital Fund is authorized by section 9(e) of the 1937 Act (42 U.S.C. 1437g(d)) Capital Fund regulations are at 24 CFR Part 968, and regulations for the development of public housing are at Part 941.

Demolition and disposition of public housing - Under the ACC, HUD agrees to provide annual subsidies to specific publicly owned housing units, in exchange for a commitment from the PHA to maintain those units for low-income use under the system of rules that governs federally funded public housing. The ACC prohibits PHAs from demolishing these units, disposing of them, or leasing them for periods longer than a year, without the approval of the Secretary. However, when public housing units have outlived their usefulness or can better serve the community in another form, **section 18 (42 USC 1437p)** of the Housing Act of 1937 provides the PHA with an avenue for seeking permission to dispose or demolition a project, or portion of a project. However, note that Section 18 is not the authority for all of the activities a PHA may take that that could result in the sale or transfer of public housing projects. For example, Section 18 does not apply to (1) the disposition of units under the section 32 homeownership program, (2) the conversion of public housing to section 8 assistance pursuant to sections 22 which may include a sale or transfer, (3) the disposition of severely distressed public housing units pursuant to a revitalization plan under section 24(g) of the 1937 Act.

HUD does not currently provide funds specifically for performing demolition or other disposition activities (although under the **HOPE VI program** grants were at one time competitively awarded for demolition activities); however, a PHA may use their Capital Funds for demolition activities needed within the course of performing rehabilitation or development. Regulations governing the demolition or disposition of public housing can be found at 24 CFR Part 970.

QHWRA also established new authority for a public housing **homeownership** program. Prior to QHWRA, section 5(h) of the 1937 Act provided PHAs with the authority to sell public housing rental units to public housing residents and other eligible low-income families. Section 5(h) was repealed, however, QHWRA added Section 32 to the 1937 Act to make public housing dwelling units available for purchase by low-income families for use only as principal residences. Under the Section 32 Homeownership program a PHA may (1) sell all , or a portion, of a public housing project to eligible public housing residents (or other low-income families); (2) provide Capital Fund assistance to public housing families to purchase homes; or (3) use Capital Fund assistance to acquire homes that will be sold to low-income families. The Section 32 program can be implemented in conjunction with the **Section 8(y) Homeownership program**. Regulations for the Section 32 Homeownership program can be found at at 24 CFR Part 906.

In addition to section 32, QHWRA also added other provisions that enable PHAs to develop homeownership units or to provide homeownership assistance to low-income families (i.e., sections 9 and 24).

Managing public housing - As part of QHWRA, the Congress also directed HUD to contract with Harvard University's Graduate School of Design to "conduct a study of the costs to operate well-run public housing." The "Cost Study" was completed in 2003 and was the basis for HUD's implementation of a business model similar to

multifamily housing, with project-based budgeting, project-based accounting, and project-based management. This business model became known as **"asset management."**

RECENT CHANGES in PUBLIC HOUSING

Title VII of the Housing and Economic Recovery Act of 2008 (Pub. L. 110- 289, H.R. 3221) (**HERA**) Sections 2701 and 2702 of Title VII, the Small Public Housing Authorities Paperwork Reduction Act, provides qualified public housing agencies an exemption from the requirement in section 5A of the United States Housing Act of 1937 (the Act) to submit an annual Public Housing Agency (PHA) Plan. A qualified public housing agency is defined by the Act as follows:

> A public housing agency meeting the following requirements: (1) the sum of public housing dwelling units administered by the agency and the number of vouchers under section 8(o) of the Act is 550 or fewer and (2) the agency is not designated as a troubled PHA under section 6(j)(2) and does not have a failing score under the Section 8 Management Assessment Program (SEMAP) during the prior 12 months.

The changes made by HERA are discussed in HUD Notice PIH 2008-41 http://www.hud.gov/offices/adm/hudclips/notices/pih/

On February 17, 2009, in response to the housing and economic conditions the President signed the American Recovery and Reinvestment Act of 2009 ("**the Recovery Act**") (PL 111-5). This legislation includes a $4 billion appropriation of Capital Funds to carry out capital and management activities for public housing agencies, as authorized under section 9(d) of the 1937 Act (42 U.S.C. 1437g). The Recovery Act requires that $3 billion of these funds be distributed as formula funds (Capital Fund Recovery Formula Grants, "CFRF grants") and the remaining $1 billion

be distributed through a competitive process (Capital Fund Recovery Competition Grants, "CFRC grants"). HUD obligated approximately $2.985 million in formula funds to PHAs on March 18, 2009 by Capital Fund ACC Amendments and provided guidelines to PHAs in PIH Notice 2009- In May 2009, HUD provided public notice in the Federal Register and by web publication information and instructions for making available $995 million in assistance through the CFRC grants.

Housing Choice Vouchers Summary

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from HUD to administer the voucher program.

A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA. When the voucher holder finds a unit that it wishes to occupy and reaches an agreement with the landlord over the lease terms, the PHA must inspect the dwelling and determine that the rent requested is reasonable.

A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family size and is limited to US citizens and specified categories of non-citizens who have eligible immigration status. In general, the family's income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75 percent of its voucher to applicants whose incomes do not exceed 30 percent of the area median income. Median income levels are published by HUD and vary by location.

The PHA determines a payment standard that is the amount generally needed to rent a moderately-priced dwelling unit in the local housing market and that is used to calculate the amount of housing assistance a family will receive. However the payment standard does not limit and does not affect the amount of rent a landlord may charge or the family may pay. A family which receives a housing voucher can select a unit with a rent that is below or above the payment standard. The housing voucher family must pay 30% of its monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard the family is required to pay the additional amount. By law, whenever a family moves to a new unit where the rent exceeds the payment standard, the family may not pay more than 40 percent of its adjusted monthly income for rent.

Once a PHA approves an eligible family's housing unit, the family and the landlord sign a lease and, at the same time, the landlord and the PHA sign a housing assistance payments contract that runs for the same term as the lease. This means that everyone -- tenant, landlord and PHA -- has obligations and responsibilities under the voucher program. The family signs a lease with the landlord for at least one year. The tenant may be required to pay a security deposit to the landlord. After the first year the landlord may initiate a new lease or allow the family to remain in the unit on a month-to-month lease.

The role of the landlord in the voucher program is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The dwelling unit must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments. In addition, the landlord is expected to provide the services agreed to as part of the lease signed with the tenant and the contract signed with the PHA.

The PHA administers the voucher program locally. The PHA provides a family with the housing assistance that enables the family to seek out suitable housing and the PHA enters into a contract with the landlord to provide housing assistance payments on behalf of the family. If the landlord fails to meet the owner's obligations under the lease, the PHA has the right to terminate assistance payments. The PHA must reexamine the family's income and composition at least annually and must inspect each unit at least annually to ensure that it meets minimum housing quality standards.

Asset Management

Asset Management Overview

The public housing program was established in 1937 to provide decent and safe rental housing for low-income families. Today, there are approximately 1.2 million public housing units, administered by over 3,100 local public housing agencies (PHAs).

In 1998, the Congress established a new Operating Fund Program. As part of that legislation, the Congress directed HUD to develop a formula for determining operating subsidies through negotiated-rulemaking with PHAs, industry groups, and other affected parties. The first round of negotiated-rulemaking occurred in 1999. Based on the recommendations resulting from these initial negotiated rulemaking sessions, the Congress further directed HUD to contract with Harvard University's Graduate School of Design to "conduct a study of the costs to operate well-run public housing."

The Harvard "Cost Study" was completed in 2003. It contained two major recommendations.

- First, it recommended that, based on a statistical model of operating costs in HUD's multifamily housing programs (Cost Model), public housing allowable expense levels be increased by around 6% nationwide.

- Second, it recommended that public housing adopt a business model similar to multifamily housing, with project-based budgeting, project-based accounting, and project-based management. This business model became known as "asset management." Following publication of the Cost Study, the Congress directed HUD to resume negotiated rulemaking. In 2004, HUD completed the second round of negotiated rulemaking. Essentially, the negotiated rulemaking committee agreed to both of Harvard's key recommendations, i.e., the adoption of the Cost Model (and new Operating Fund formula) and the conversion to asset management. In 2005, HUD published the "final rule" on the Operating Fund Program. For all practical purposes, the final rule reflected the results of negotiated rulemaking, including both the new funding formula and the need to convert to asset management.

Under the new formula, approximately 74% of PHAs experienced an increase in subsidy eligibility, while 26% experienced a decline in funding. To ease the transition to a new funding system, the final rule allowed for a five year phase-in for decliners and a two-year phase-in for gainers. HUD implemented the new formula for Calendar Year 2007.

Under the new Operating Fund formula, each public housing project is assigned a model-generated "Project Expense Level", or "PEL." The PEL represents the estimated cost to operate each project, exclusive of property taxes and utilities. The final rule contained a provision in which PHAs could appeal their PELs. As provided for in the final rule, the new formula was implemented in 2007 at the agency level (i.e., PELs were aggregated into a weighted-average for the PHA as a whole). In 2008, PHAs submitted subsidy worksheets on a project-by-project basis.

The second major recommendation by Harvard, adopted in negotiated rulemaking and included in the final rule, was the requirement that all PHAs of 250 or more units convert to asset management, consistent with the norms in the broader multifamily management industry (24 CFR 990.255(a)).There are five core elements or building blocks of asset management:

- Project-based Funding
- Project-based Budgeting
- Project-based Accounting
- Project-based Management
- Project-based Oversight and Performance Management

The first PHAs to implement project-based budgeting and accounting were those with fiscal years beginning July 1, 2007.

One of the major changes under asset management is the requirement that PHAs now charge a reasonable management fee to projects and programs for central office costs. PHAs must also now implement a fee-for-service model for any maintenance activities that are handled centrally. This fee-income that PHAs will charge their projects/programs is treated as "local" and not "program" funds.

Also to ease the transition, PHAs had until the second year of project-based budgeting/accounting to be in compliance with the new management fee and fee-for-services schedules; however, a PHA may have a two-year extension provided they include appropriate documentation in their Annual Plan.

Project-Based Funding

In contrast with funding PHAs at the entity level (pre-asset management), the final rule establishes a system of project-based funding, one of the first building blocks of asset management.

Under project-based funding, PHAs will complete a separate subsidy form for each project. A major component of a projects subsidy calculation will be its Project Expense Level, or PEL. The PEL is a model-generated estimate of the cost to operate the project, excluding utilities and taxes. It is based on the costs of operating other federally-assisted housing projects with similar characteristics (building type, location, number of bedrooms per unit, etc.)

Project-Based Budgeting

Along with project-based funding, PHAs will be required to undertake project-based budgeting, the next building block of asset management.

Essentially, project-based budgeting means that operating budgets will now be completed at the project-level as opposed to the PHA or entity-wide level.

- Primarily, project-based budgets will be used for internal PHA planning purposes.

- Project-based budgets must be approved by the PHA's Board prior to the start of each fiscal year.
- However, these budgets will not be subject to HUD approval, except in the case of non-performing properties.
- HUD does prescribe a specific budget format although the budget should reconcile to the updated Financial Data Schedule or FDS.

Project-Based Accounting

The third core reform under asset management is project-based accounting. Project-based accounting provides the ability to track financial performance at the project-level. Ultimately, project-based accounting provides the necessary information to make effective decisions at the project-level.

- As with other federally-assisted housing programs, PHAs will be required to submit to HUD year-end financial statements on each project. These financial statements will include revenue, expense, and balance sheet items.
- Further, PHAs will only be able to charge projects for services actually received. For example, in accounting for project costs, PHAs will not be permitted simply to spread the cost of central maintenance across projects.
- Lastly, any overhead fees and any fees for centrally-provided property management services, must be considered reasonable. This means that the costs must not exceed what other efficient operators would incur for those same services in the local market.

Project-Based Management

As part of asset management, PHAs must also convert to project-based management (PBM), the forth building block of asset management. As stated in 24 CFR 990.275:

PBM is the provision of property-based management services that is tailored to the unique needs of each property, given the resources available to each property. Under PBM, these property management services are arranged, coordinated or overseen by management personnel who have been assigned responsibility for the day-today operation of that property and who are charged with direct oversight of operations of that property. Property management services may be arranged or provided centrally; however, in those cases in which property management services are arranged or provided centrally, the arrangement or provision of these services must be done in the best interest of the property, considering such factors as cost and responsiveness.

Project-Based Oversight/Performance Assessment

The final core element of asset management is project-based oversight/performance assessment.

The current Public Housing Assessment System (PHAS) examines mostly PHA-wide activities, not project-specific activities. As such, HUD is revising PHAS to emphasize project-based performance and monitoring.

Under asset management and, therefore, the new PHAS, each project will be evaluated on its financial and management performance in addition to its physical condition. A central part of this new performance measurement structure will be a system of on-site management reviews of each project. PHAs will also be assessed in the obligation and expenditure of Capital Fund dollars.

As for internal PHA performance measurement, the final rule does not stipulate a specific frequency or manner. PHAs should develop internal mechanisms to monitor the performance of each property in such a frequency or manner that is consistent with best practices in multifamily housing.

U. S. Department of Housing and Urban Development
OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Report Date: 9/15/2011

Public Housing Assessment System (PHAS) Score Report for the Transition Year

PHA Code:	HI001
PHA Name:	Hawaii Public Housing Authority
Fiscal Year End:	6/30/2010

PHAS Indicators	Score	Maximum Score
Physical	17	30
Financial	17	30
Management	23	30
Resident	9	10
PHAS Total Score	**66**	**100**
PHAS Designation	**Troubled**	

Initial PHAS score issued date: **8/31/2011**

Financial Sub-Indicators **Submission Type: Audited/A-133**	Score	Maximum Score
1. Current Ratio	7.50	9.00
2. Months Expendable Funds Balance	7.50	9.00
3. Tenant Receivable Outstanding	0.00	4.50
4. Occupancy Loss	2.12	4.50
5. Net Income	1.50	1.50
6. Expense Management	1.50	1.50
Less: Audit Penalities	-2.92	
Total Financial Score	**17.20**	**30.00**

Notes:

1. The sum of the sub-indicator scores may not equal the overall score due to rounding.
2. PCNE adjustment will not display in REAC's on-line system.
3. REAC on-line system may display data which is more current than the data shown on this Score Report.

----- Message from PHAS <phas@hud.gov> on Thu, 15 Sep 2011 18:04:48 -0400 -----
To: "'denise.m.wise@hawaii.gov'" <denise.m.wise@hawaii.gov>
cc: "Flores, Michael S" <Michael.S.Flores@hud.gov>, "Miguel-Cortez, Marie" <Marie.Miguel-Cort
Subject: Troubled PHA PHAS Score Report - HI001 - 06/30/10 - JA

Dear Executive Director:

This letter is to advise you that the Public Housing Assessment System (PHAS) score for your public housing agency (PHA) has been issued **for the fiscal year end stated in the subject line of the email**. Attached is the PHA's PHAS Score Report showing the overall score and the four indicator scores.

A PHA may appeal its PHAS score pursuant to 24 CFR § 902.69 of the PHAS rule if an objectively verifiable and material error exists in the score of one or more of the PHAS indicators, which, if corrected, will result in a significant change in the PHAS score and designation. Please note that appeals must be submitted in writing within 30 days following the initial issuance of the PHAS score and addressed to:

Mr. David A. Vargas
Deputy Assistant Secretary
U.S. Department of Housing and Urban Development
Real Estate Assessment Center
550 12th Street S.W.
Suite 100
Washington, DC 20410

If we do not receive an appeal in accordance with the information above, the PHAS score and corresponding designation of troubled or substandard in one area (troubled) will be final 30 days from the date of this letter. That final score and corresponding designation will be reflected in HUD's next quarterly posting of PHAS scores and the Secretary's troubled status list.

Should you need any assistance regarding this matter, please do not hesitate to send an email to PHAS@hud.gov or contact the PIH-Real Estate Assessment Center (REAC) Technical Assistance Center (TAC) at 1-888-245-4860 from 7:00am to 8:30pm Eastern Daylight Time (EDT), Monday through Friday.

Johnson Abraham
Program Manager
Integrated Assessment Subsystem
US Department of Housing & Urban Development

Hub: 9HHON Honolulu Hub

Field Office: 9CPH HONOLULU HUB Office

Housing Agency: HI901 HPHA

PHA Fiscal Year End: 6/30/2011

Profile

Profile Number: 1

Points Earned: 135

Total Possible Points: 145

Overall Score(in %): 93

Overall Rating: High

Profile Status: Final Rating

Profile Type: None Selected

Indicator #	Previous Rating	Current Rating	HUD/FO Rating
1	NA	15	15
2	NA	20	20
3	NA	15	15
4	NA	5	5
5	NA	5	5
6	NA	10	10
7	NA	5	5
8	NA	5	5
9	NA	10	10
10	NA	5	5
11	NA	5	5
12	NA	10	10
13	NA	15	15
14	NA	10	10
Bonus	NA	0	0

Create New Profile

MTCS Extract Details

Hub: 9HHON Honolulu Hub

Field Office: 9CPH HONOLULU HUB Office

Housing Agency: HI901 HPHA

PHA Fiscal Year End: 6/30/2011

OMB Approval No. 2577-0215

SEMAP CERTIFICATION (Page 1)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Check here if the PHA expends less than $300,000 a year in federal awards ☐

Indicators 1 - 7 will not be rated if the PHA expends less than $300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than $300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

1 Selection from Waiting List (24 CFR 982.54(d)(1) and 982.204(a))

a. The HA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response **Yes**

b. The PHA's quality control samples of applicants reaching the top of the waiting list and admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response **Yes**

2 Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

a. The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into

consideration the location, size, type, quality, and age of the program unit and of similar unassisted units and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response **Yes**

b. The PHA's quality control sample of tenant files for which a determination of reasonable rent was required to show that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response **At least 98% of units sampled**

3 Determination of Adjusted Income (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files show that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response **80 to 89% of files sampled**

4 Utility Allowance Schedule (24 CFR 982.517)

The PHA maintains an up-to-date utility schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response **Yes**

5 HQS Quality Control (24 CFR 982.405(b))

The PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of cross section of inspectors.

PHA Response **Yes**

6 HQS Enforcement (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response **At least 98% of cases sampled**

7 Expanding Housing Opportunities.

(24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12))

Applies only to PHAs with jurisdiction in metropolitan FMR areas

Check here if not applicable ☐

099

a. The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response **Yes**

b. The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response **Yes**

c. The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response **Yes**

d. The PHA's information packet for certificate and voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response **Yes**

e. The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response **Yes**

f. The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response **Yes**

Go to Comments

Hub: 9HHON Honolulu Hub

Field Office: 9CPH HONOLULU HUB Office

Housing Agency: HI901 HPHA

PHA Fiscal Year End: 6/30/2011

SEMAP CERTIFICATION (Page 2)

Performance Indicators

8 Payment Standards(24 CFR 982.503)

The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes

FMR Area Name **Honolulu, HI MSA** FMR 1 of 1

Enter current FMRs and payment standards (PS)

0-BR FMR	1190	1-BR FMR	1396	2-BR FMR	1702	3-BR FMR	2470	4-BR FMR	2764
PS	1072	PS	1258	PS	1534	PS	2226	PS	2491

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, add similar FMR and payment standard comparisions for each FMR area and designated area.

9 Timely Annual Reexaminations(24 CFR 5.617)

The PHA completes a reexamination for each participating family at least every 12 months.(24 CFR 5.617)

PHA Response Yes

10 Correct Tenant Rent Calculations(24 CFR 982, Subpart K)

The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program (24 CFR 982,Subpart K)

PHA Response Yes

11 Pre-Contract HQS Inspections(24 CFR 982.305)

Each newly leased unit passes HQS inspection before the beginning date of the assisted lease and HAP contract.(24 CFR 982.305)

PHA Response Yes

12 Annual HQS Inspections(24 CFR 982.405(a))

The PHA inspects each unit under contract at least annually (24 CFR 982.405(a))

PHA Response Yes

13 Lease-Up

The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year

PHA Response Yes

14 Family Self-Sufficiency (24 CFR 984.105 and 984.305)
14a.Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required.
Applies only to PHAs required to administer an FSS program.
Check here if not applicable ☐

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.) **80**

Or, Number of mandatory FSS slots under HUD-approved exception **(If not applicable, leave blank)** **0**

b. Number of FSS families currently enrolled **97**

c. Portability: If you are the initial PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA **2**

Percent of FSS slots filled (b+c divided by a) **(This is a nonenterable field. The system will calculate the percent when the user saves the page)** **0**

14b. Percent of FSS Participants with Escrow Account Balances.The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances.(24 CFR 984.305)

Applies only to PHAs required
to administer an FSS program
Check here if not applicable ☐
PHA Response **Yes**

Portability: If you are the initial PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA **39**

15 Deconcentration Bonus
The PHA is submitting with this certification data which show that :

(1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;

(2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is atleast two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY; or

(3) The percent of Section 8 mover families with children who moved to low poverty census

tracts in the PHA's principal operating area over the last two PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.
PHA Response No

Go to Comments

Back to Page1

ECOWISE

October 2011 | Volume 9, Issue 10

www.hud.gov/offices/pih/programs/ph/phecc/newsletter/newsletter.cfm

IN THIS ISSUE

» Big Savings for Small PHAs Using Energy Performance Contracts

» Upcoming Events

» Bugged Out? Integrated Pest Management for Bed Bugs

» Resident's Corner | Don't Throw Money Out of the Window

Big Savings for Small PHAs Using Energy Performance Contracts

Public Housing Agencies (PHAs) everywhere are implementing energy efficient building improvements to help save the environment and money. While many believe that only large PHAs are capable of such costly undertakings, there is an increased interest in providing Energy Performance Contracts (EPCs) to small PHAs. This innovative financing technique allows PHAs to achieve energy savings without up-front capital expenses. The costs of the energy improvements are paid back from these savings within the operating fund. Such projects have generated millions of dollars saved for large and small PHAs nationwide.

The Housing Authority of the City of Meriden (HACM) in Connecticut manages 361 public housing units. Recently 140 of these units were included in an EPC finished construction. To develop the EPC, HACM contracted with an Energy Service Company (ESCo)—CTI Energy Services, of Amherst, MA. Through the EPC, the PHA replaced failing boilers and domestic hot water heaters. They then used the savings from their energy costs to complete a much needed replacement of two elevators at its mid-rise building. Elevators were on the list of capital needs, and the EPC allowed the work to be completed much sooner than it would have been otherwise. The EPC also allowed HACM to add additional exterior and common area interior lighting to enhance safety and security around the site.

Additional measures in the project included low-flow plumbing fixtures, LED exterior lighting, and minimal interior lighting. The total financed was $1,550,000; the measures performed are expected to reduce energy usage by 30% and water usage by 40% for the included units. By combining capital-intensive work with high savings measures, HACM was able to create a 20 year EPC that allowed it to simultaneously modernize and save energy.

The Bloomington Housing Authority (BHA) of Indiana is another small PHA making energy upgrades through EPCs. BHA manages 310 public housing units at three sites and has an EPC that is in its 3rd year of repayment. When Executive Director Jennifer Osterholt joined BHA in 2004, she wanted to improve the perception of the housing authority for both the residents and the community. One step was to improve buildings that were in need of significant repair due to deferred maintenance. The housing authority established a process to get back on track.

BHA contracted with Ameresco, Inc. of Framingham, Massachusetts, to develop and implement a plan. However, the PHA did not rely solely on the EPC to fund its improvements. BHA utilized funding from other sources such as the Capital Fund Financing Grant, Federal Home Loan Grant, and NIP Grant, to perform additional upgrades to the properties, including windows, landscaping, and welcome signs. By combining multiple funding sources in conjunction with the EPC, BHA successfully upgraded many aspects of its public housing sites and continues to do so in order to reach all of the goals set forth in its original plan.

The measures specific to BHA's EPC consisted of low-flow plumbing fixtures, common area and apartment lighting, refrigerators, furnaces, domestic hot water equipment, temperature controls, and attic insulation. The financed amount of the EPC totaled over $800,000, and, after 2 years, average annual savings of over $163,000 have been achieved - which exceed the guarantee provided by the ESCo.

These are just two examples of the diversity of innovative strategies that can be used to achieve substantial cost savings for PHAs of all sizes. To learn more about EPCs, visit:
http://www.hud.gov/local/shared/working/r9/cpd/guidelines.pdf

UPCOMING EVENTS

» **Northeastern IPM Center Grant Programs**
Urgent IPM Grant Application Due:
October 11, 2011
http://www.northeastipm.org/grant-programs/ipm-center-grants/

» **Workshop – Energy Efficient Housing Building: Current Best Practices**
October 28-29, 2011
Washington, MA
http://www.buildinggreen.com/ebn/calendar-item.cfm?EventID=79976

» **2012 ENERGY STAR Award Applications**
Applications Due:
December 2, 2011 at 8pm EST
http://www.energystar.gov/index.cfm?c=pt_awards.pt_es_awards

Bugged Out
Integrated Pest Management for Bed Bugs

Fifty-two percent of residents in public housing and project-based Section 8 housing report problems with indoor rodents and insects, according to the U.S. Department of Housing and Urban Development's (HUD) 2004 Resident Survey. Such critters can trigger asthma, contaminate food, and damage buildings. These pests can also cause stress, leading people to misuse and over-use pesticides

The best approach to stemming the spread of all pests including bed bugs is to prevent an infestation from occurring in the first place. PHAs are strongly encouraged to develop an Integrated Pest Management (IPM) Plan. Such plans describe the ongoing efforts the property management will take to prevent and respond to pests. A strong IPM plan for bed bugs would incorporate the following principles recommended by the EPA:

- Raising awareness through education on prevention of bed bugs
- Inspecting infested areas, plus surrounding living spaces
- Checking for bed bugs on luggage and clothes when returning home from a trip
- Looking for bed bugs or signs of infestation on secondhand items before bringing the items home and correctly identifying and reporting the pest
- Keeping records – including dates when and locations where pests are found
- Cleaning all items within a bed bug infested living area
- Reducing clutter where bed bugs can hide
- Eliminating bed bug habitats
- Physically removing bed bugs through cleaning and vacuuming
- Using pesticides carefully according to the label directions
- Following up inspections and possible treatments

In addition or as part of an IPM, PHAs are strongly encouraged to provide training for staff to identify bed bugs, and to perform ongoing prevention actions as outlined in the IPM. When a community is at high risk for bed bugs (for example, if the community has experienced prior infestations), periodic building inspections are recommended. Staff should also actively engage residents in efforts to prevent bed bugs. Education and involvement of project residents is a critical component of IPM for bed bugs. Bed bugs may often go undetected and unreported, because they are active at night, and tenants may not be aware of their presence. PHAs may wish to hold workshops for tenants to learn to identify bed bugs, to create unfriendly environments for pests, and to report suspicions of bed bugs as soon as possible. Finally, PHAs are encouraged to provide information on bed bugs and pest prevention during their orientations for new tenants and staff, and post signs and handouts.

For more detail on IPM, please see the online guide at **http://www.stoppests.org**

Another great resource is the HUD funded bed bug control and prevention video. Click here to view the video: **www.hud.gov/offices/pih/programs/ph/phecc/pestmang.cfm.**

More information on bed bug prevention may be found by accessing the below websites.

- **Healthy Homes Training:** *What's Working for Bed Bug Control in Multifamily Housing: Reconciling best practices with research and the realities of implementation.* **http://www.healthyhomestraining.org/ipm/NCHH_Bed_Bug_Control_2-12-10.pdf**
- **National Pest Management Association Bed Bug Hub:** **http://pestworld.org/pest-world-blog/the-bed-bug-hub-one-stop-shop-for-bed-bug-information**
- **Environmental Protection Agency:** **http://www.epa.gov/pesticides/bedbugs/**
- **National Pest Management Association Best Practices Website:** **http://www.bedbugbmps.org**

Resident's Corner | Don't Throw Money Out of the Window

There are many simple and affordable ways to reduce your energy bill. One of those is by adding energy efficient window treatments. Window treatments are coverings and decorative items such as blinds, drapes, and shades that are designed to be attached to a window. Residents can choose decorative options that will also minimize energy costs and help keep units warm in the winter and cool in the summer.

Window shades can be one of the simplest and most effective window treatments for saving energy. Lowering shades on the sunlit side of your unit in the summer, and raising shades on the south side of your unit in the winter during the daytime hours (and closing them at night) is an effective way of reducing energy costs.

Decorative drapes are another option for reducing energy costs although their ability to impact heat loss and gain depends on fabric type and color. Medium-colored drapes with white-plastic backings can reduce heat gain by 33%. Heat loss can also be managed with most conventional draperies resulting in reductions up to 10%. As with shades, during summer days, you should close draperies on windows receiving direct sunlight to most effectively prevent heat gain. In the winter, closing curtains at night and on windows that do not receive sunlight during the day is the most effective way to prevent heat loss.

Example of energy saving window treatments (cornice and draperies) that could reduce heat loss by up to 25%

There are additional steps you can take to reduce heat loss by up to 25%. These include hanging draperies as close to windows as possible and allowing them to fall onto the windowsill or floor. It is also beneficial to install a cornice at the top of a drapery or place the drapery against the ceiling and then seal the drapery at both sides and overlap it in the center. Finally, you can use Velcro or magnetic tape to attach drapes to the wall at the sides and bottom.

To learn more about energy-efficient window treatments, visit: http://www.lower-my-energybill.com/energy-saving-window-treatments.html

Contact Us:

Public and Indian Housing Information Resource Center (PIH IRC)
2614 Chapel Lake Drive
Gambrills, MD 21054
Toll free number: 1-800-955-2232
Fax number: 1-443-302-2084
E-mail: pihirc@firstpic.org (Put "EcoWise" in subject line)

Follow us on:
http://facebook.com/HUD
http://twitter.com/HUDnews
www.hud.gov

To unsubscribe from this mailing list, e-mail pihirc@firstpic.org with "unsubscribe EcoWise" in the body of the message. This monthly e-mail update is brought to you by HUD's Public Housing Management and Occupancy Division. Any training, conferences, products, study results or services contained in EcoWise are provided for informational purposes only and are not representative of an endorsement or sponsorship by HUD.

Rental Assistance Demonstration

Goals. HUD's FY12 budget request includes a Rental Assistance Demonstration that seeks to make rental assistance a more viable tool for the preservation of public and assisted housing while maintaining affordability and offering residential mobility. The Demonstration will allow for the voluntary conversion of units in the public housing (PH), Moderate Rehabilitation (MR), and Rent Supplement/Rental Assistance (RS/R) programs to long-term Section 8 contracts. Such conversions will advance the Department's goals of preservation, simplification, leverage, and increased access to opportunity.

Applicability. Only owners of PH, MR, and RS/R properties that voluntarily submit a proposal to participate and are selected for the Demonstration will be governed by its statutory requirements and program rules. The Demonstration will not affect other federally-assisted housing.

Two Rental Assistance Tracks. PHAs and owners of MR and RS/R properties will be offered the option of converting their current form of rental assistance to either a:

- ***Project Based Voucher (PBV) Contract,*** which is administered locally by PHAs. The Department will offer administrative flexibility under current authority and seek additional authority to waive current rules to make the PBV option easier to implement; or a
- ***Project Based Rental Assistance (PBRA) Contract,*** which is administered by HUD's Office of Multifamily Programs. The Department will seek legislative authority to offer to PH, MR, and RS/R properties a PBRA option that is eligible for renewal under the Multifamily Assisted Housing Reform and Affordability Act (MAHRA) statute.

Currently, expiring RS/R properties have no contract renewal option; instead, at contract termination, tenants become eligible for tenant-protection vouchers, which enable them to remain in their housing or move in search of different housing. Under legislative changes sought through the Demonstration, the assistance provided through these vouchers may instead be project-based through a PBV or PBRA contract, keeping the housing affordable. In the case of public housing, the conversion to a long-term Section 8 rental assistance contract will allow public housing agencies (PHAs) to access private debt and equity to address unmet capital needs.

Resident Choice–Mobility. At least 90 percent of the PH and MR units converted under the Demonstration will test options to provide residents the choice to move with continuing tenant-based rental assistance within a reasonable time after conversion. This recognizes that not all PHAs will have vouchers sufficient to support a choice-mobility option, and therefore a limited good-cause exception from this provision will be permitted.

Resident Rights, Procedures & Engagement. All conversions will be subject to resident review and comment. There will be no rescreening at conversion, and tenant contribution toward rent will be governed by Section 8 program rules. Residents in converted properties will have a right to organize and a right to due process reviews for tenancy-related issues. The Department will also identify funding to support PH residents living in converted properties to engage in the conversion process and ongoing matters related to their housing and tenancy.

Long-Term Affordability. Converted properties will be subject to long-term rental assistance contracts and use restrictions, which will survive any disposition of the property, including in the event of foreclosure or bankruptcy. Renewals of such contracts and use restrictions must be accepted by owners, although if there are material violations or substantial defaults with the contract resulting in a HUD enforcement action, the Secretary may transfer the contract to another owner or property to protect tenants and maintain the assistance and use restrictions. RS/R contract renewals will not be subject to continuous renewal and acceptance of contracts. All long-term Section 8 contracts will be subject to annual appropriations by Congress.

Ownership and Disposition Options. At initial conversion any public housing property will remain under the ownership or control of a PHA, other capable public or nonprofit entity identified by the PHA, or a limited partnership formed for purposes of accessing low-income housing tax credits – if a PHA chooses to relinquish ownership control to these other entities. In the event of foreclosure or bankruptcy action or a contract enforcement action, the Secretary may transfer the contract and use agreement to a capable public or nonprofit entity, and only when neither of these options is viable, to a for profit entity.

Budget Request & Impact. The $200 million budget request will support the cost of converting public housing units and MR and RS/R properties currently at risk of being lost from the inventory. This level of public investment is projected to leverage more than $6-7 billion in private debt and equity capital for properties participating in the Demonstration.

Evaluation. The Department will conduct an evaluation of the Demonstration to study the effect of conversion on access to private capital, on the physical condition of converted properties, and the extent to which choice-mobility was realized by residents who were offered it.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

PRESERVING PUBLIC HOUSING
THROUGH CONVERSION TO LONG-TERM SECTION 8 RENTAL ASSISTANCE CONTRACTS:
Two Recapitalization Examples Under HUD's 2012 Rental Assistance Demonstration

HUD's 2012 Budget requests Congressional approval for a rental assistance demonstration that would allow Public Housing Agencies (PHAs) to convert public housing to long-term Section 8 property-based contracts. One of the main objectives of the demonstration is to address the very large backlog of capital needs that has accumulated over the years for the nation's 1.2 million units of public housing. This backlog is estimated at $26 billion, or about $24,000 per unit.[1]

Today, the Capital Fund Program provides the primary source of funding for public housing repairs and renovations. Capital Fund annual appropriations, however, have consistently fallen below the amounts required to keep pace with basic capital needs. These chronic funding shortfalls have contributed to the loss of over 230,000 public housing units in the past fifteen years, only a little more than 80,000 of which have been redeveloped.[2]

Under the demonstration PHAs would, essentially, exchange operating and capital subsidies under the public housing program for long-term Section 8 project-based rental assistance contracts.[3] Property-based Section 8 contracts would provide PHAs access to private financing to renovate their properties, consistent with other Federally-assisted housing programs. Private financing could take the form of loan proceeds (debt) or equity (typically generated through Federal Low-Income Housing Tax Credits). HUD estimates that through conversion to project-based contracts, PHAs could leverage on the order of $35 billion in debt and equity proceeds to meet repair and replacement needs.

This paper illustrates the leveraging potential of converting public housing to project-based Section 8, using the fictitious Washington Park and Lincoln Fields projects. For Washington Park, we show a traditional debt model. For Lincoln Fields, we show a combination of debt and equity financing.

WASHINGTON PARK is a 100-unit public housing project for seniors that has not been renovated since it was built in 1975. It is clean and habitable but, like any un-restored building of that age, the project needs work. The steel-frame windows are drafty; the central boiler is unreliable; the roof is past its useful life; the parking lots require resurfacing; the building needs painting; and more. Overall, the project's backlog of repairs and improvements totals $2.5 million, or $25,000 per unit.

Washington Park Preservation Needs

Capital Needs	*Project*	*Per Unit*
Roofs	$250,000	$2,500
Kitchens	$550,000	$5,500
Windows	$250,000	$2,500
Site	$500,000	$5,000
Heating & Cooling	$450,000	$4,500
Plumbing	$300,000	$3,000
Community Facilities	$200,000	$2,000
Total	**$2,500,000**	**$25,000**

[1] See Capital *Needs in the Public Housing Program* (Cambridge, MA: Abt Associates. 2010)

[2] Most of the remaining hard units were replaced with vouchers.

[3] Nationally, while some projects would be able to convert without cost, the incremental cost of conversion would be about $85 per unit monthly ($1,020 per unit per annum).

The Capital Fund Program provides about $180,000 annually for this project, or 7.2% of the property's capital backlog amount. With this amount, the PHA is able to make piecemeal repairs to keep the building open, but has no funding to undertake the comprehensive improvements that are necessary for long-term sustainability and livability or to meet acceptable community standards.

Conversion: By contrast, conversion to a long-term, Section 8 property-based contract under the rental assistance demonstration would enable the PHA not only to eliminate the capital needs backlog with mortgage proceeds but to establish a replacement reserve account so that capital repair and replacement needs could be addressed as they arise going forward. In addition, the PHA would likely realize operating cost savings through the replacement of its windows, boiler, and insulation with more energy-efficient alternatives.

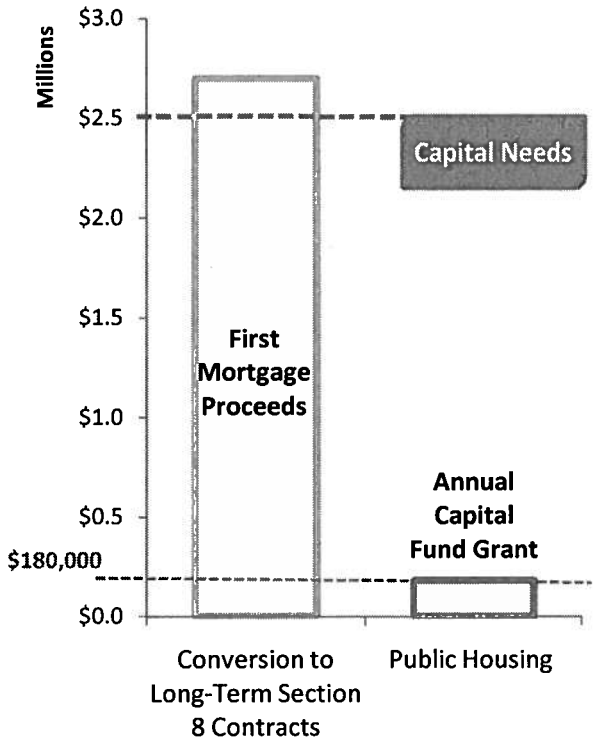
The market rents for Washington Park are $680 per unit monthly (PUM). After adjusting for vacancies, bad debt, and other income, and after deducting operating costs and a reasonable deposit for a new Replacement Reserves account, the project would have Net Operating Income (NOI) of $201 PUM, with which the PHA could support a first mortgage of more than $2.7 million. Under the public housing Capital Fund Program, the PHA would have to set-aside about 14 years of funding to reach this same dollar amount; however, in the meantime, additional capital repair and replacement needs would accumulate.

Washington Park Pro Forma with Project Based Rental Assistance

Income and Expenses	Project Annual	PUM
Gross Potential Rents	$816,000	$680
Adjustments (vacancies, etc)	(24,500)	($20)
Effective Gross Income	$791,500	$660
Operating Expenses	($500,000)	($417)
Annual Reserve Deposit	($50,400)	($42)
Net Operating Income	**$241,100**	**$201**
Annual Debt Service	($201,000)	($168)
Cash Flow	$40,100	$33
Total First Mortgage*	$2.71 million ($27,100 per unit)	

*See Pro Form Notes on page 4

Addressing Washington Park's Preservation Needs



LINCOLN FIELDS is a 200-unit public housing project for families that is 80% occupied. It needs many of the same systems upgrades and overdue replacements as Washington Park. In addition, the PHA would like to make marketability improvements to the property to address the small apartment sizes, inadequate parking, and the lack of community space. The total cost of rehabilitation is **$9 million**, or **$45,000 per unit**. Like Washington Park, the Capital Fund provided for this project falls far short of project needs.

Lincoln Fields Preservation Needs

Capital Needs	*Project*	*Per Unit*
Roofs	$500,000	$2,500
Kitchens	$1,100,000	$5,500
Windows	$500,000	$2,500
Site	$1,600,000	$8,000
Heating & Cooling	$900,000	$4,500
Plumbing	$600,000	$3,000
Community Facilities	$2,000,000	$10,000
Space Reconfiguration	$1,800,000	$9,000
Total	$9,000,000	$45,000

Conversion: At estimated post-rehabilitation market rents the project can support a $7 million first mortgage, or about three-fourths of its modernization needs. To fill the remaining gap, the PHA secures 4% low-income housing tax credits, which are available with tax-exempt financing from the local Housing Finance Agency. After paying associated financing and professional fees, **the PHA has enough capital to fully execute its $9 million rehabilitation plan.**

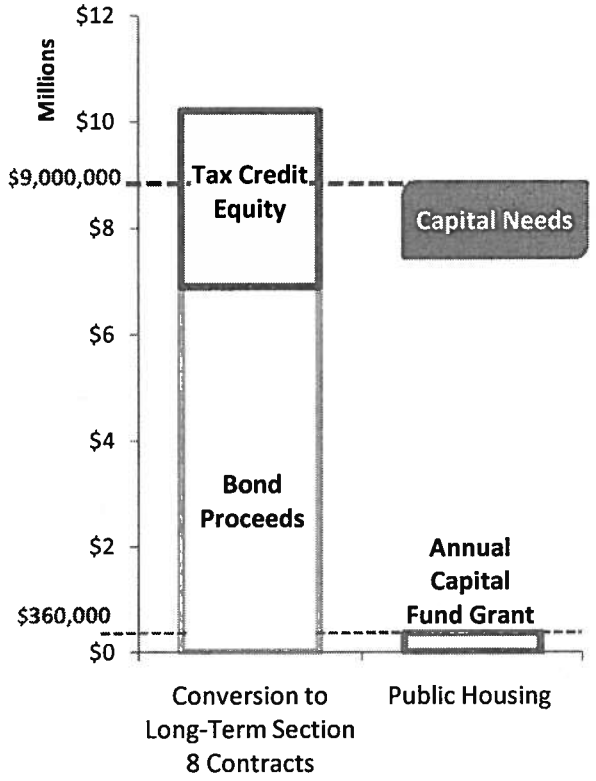
As with Washington Park, the conversoin to a long-term Section 8 contract allows Lincoln Fields to access needed rehab proceeds not possible under the public housing program.

Lincoln Fields Pro Forma with Project Based Rental Assistance, Tax-Exempt Bonds, & 4% LIHTC

Income and Expenses	*Project Annual*	*PUM*
Gross Potential Rents	$1,968,000	$820
Adjustments (vacancies, etc)	(137,760)	($57)
Effective Gross Income	$1,830,240	$763
Operating Expenses	($1,185,600)	($494)
Annual Reserve Deposit	($100,000)	($42)
Net Operating Income	**$543,969**	**$227**
Annual Debt Service	($453,308)	($189)
Cash Flow	$90,662	$38
Tax-Exempt Bond Proceeds	$6.9 million ($34,500 per unit)	
4% Low-Income Housing Tax Credit Equity	$2.1 million ($17,500 per unit)	
Debt & Equity Proceeds*	$9.0 million ($45,000)	

*See Pro Form Notes on page 4

Addressing Lincoln Fields' Preservation Needs



Washington Park Pro Forma Notes

1. *Terms of Loan:* 6.7% interest (including mortgage insurance premium), 35 year amortization, and debt service coverage of 1.20.
2. Current market interest rates are lower than used for this example; however, because current terms are historically low, we used slightly higher rates to provide a more conservative estimate.
3. In addition to capital repair costs, mortgage proceeds cover financing fees and an initial deposit into the capital replacement reserve account.

Lincoln Fields Pro Forma Notes

1. *Terms of Loan:* 5.7% on HFA-issued tax-exempt bond, 35 year amortization, and debt service coverage of 1.20.
2. Current tax-exempt bond rates are lower than used for this example; however, because current terms are historically low, we used slightly higher rates to provide a more conservative estimate.
3. Pro forma includes a 7% vacancy rate, which is standard in tax credit underwriting.
4. Tax credit equity shown is net of developer fees, financing fees, initial deposits into the capital replacement reserve and the operating reserve, and other soft costs associated with tax credits and tax-exempt bonds. In general, 4% tax credits are particularly effective when loan proceeds can support at least two-thirds of project rehab needs. Otherwise, a project would rely on 9% tax credits or other forms of federal or local equity to fill the financing gap.

HUB: 9HHON

FO Code: 9CPH

HAWAII HSG AND COMM DEV CORP

hi901

10/12/2011 12:00

Flags: *[Est. HAP Costs < CY ABA] UML rate is 54.19%*

If the box below is checked, the base Est. month used for projections will be based upon the latest 3-month (or less) Act. HAP PUC, HAP Costs & UMLs instead of the last month of Act. Data (Default Est.).

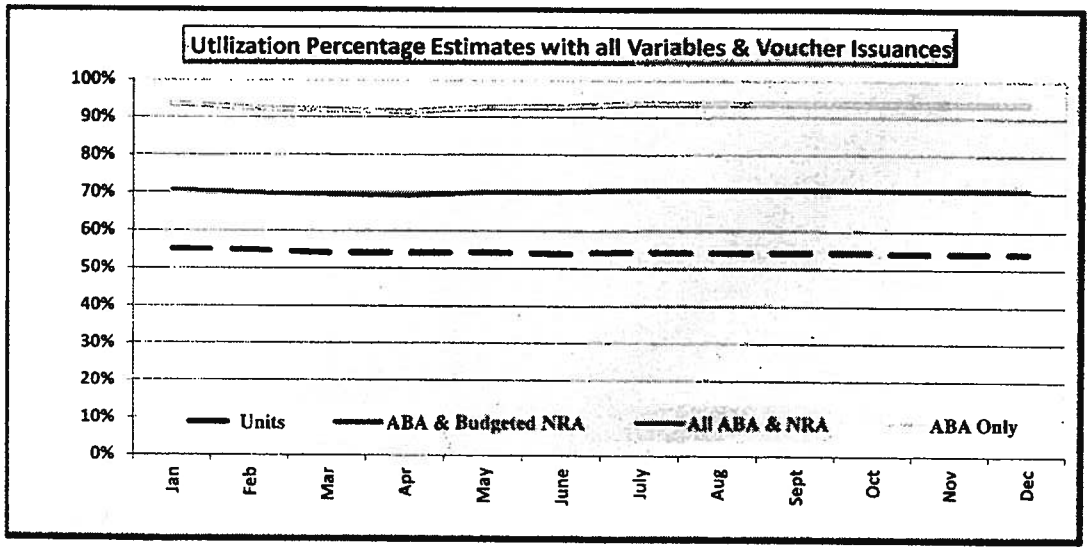
VMS submitted data

	UMA	UML	Leasing %	Estimated BA	HAP Costs	BA Utilization	PUC
Jan-11	3,203	1,762	55.01%	$1,727,595	$1,617,054	93.60%	$917.74
Feb-11	3,203	1,753	54.73%	$1,727,595	$1,596,698	92.42%	$910.84
Mar-11	3,203	1,728	53.95%	$1,727,595	$1,587,244	91.88%	$918.54
Apr-11	3,203	1,731	54.04%	$1,727,595	$1,579,999	91.46%	$912.77
May-11	3,203	1,737	54.23%	$1,727,595	$1,600,768	92.66%	$921.57
Jun-11	3,203	1,721	53.73%	$1,727,595	$1,603,075	92.79%	$931.48
Jul-11	3,203	1,733	54.11%	$1,727,595	$1,618,418	93.68%	$933.88
Aug-11			0.00%			0.00%	$0.00
Sep-11			0.00%			0.00%	$0.00
Oct-11			0.00%			0.00%	$0.00
Nov-11			0.00%			0.00%	$0.00
Dec-11			0.00%			0.00%	$0.00
YTD:	22,421	12,165	54.26%	$12,093,163	$11,203,256	92.64%	$920.94

Manual Entry

☐ 3-Mth Avg.

HAP Costs	UML	Last Act. 3-mth PUC
		$917.74
		$914.30
		$915.70
		$914.03
		$917.63
		$921.92
		$928.97
		$928.97
		$928.97
		$928.97
		$928.97
		$928.97
		Apr
No. Port-ins to absorb next Mth & Avg. HAP		



The CY Funding Amounts (Beg. NRA & CY ABA Eligibility) below come from the 'SummaryData_Flags' W\S					
Total Funds (Eligibility + NRA):	$27,510,347	*Utilization % Table using all variables & issuances to estimate HAP costs.*			
Beginning CY NRA:	$6,779,210	Unit (UML/UMA)	CY ABA & Set-Aside only	Total ABA + NRA	ABA & NRA Budget @ 0%
CY ABA Eligibility:	$20,731,137				
Set Aside	$0	54.19%	93.07%	70.14%	93.07%

Projections Used	UMA	UML	Under/(Over)	% Leased
No Variables or Voucher Issuances Included	38,436 Total Unit Months or 3,203 Units Available	20,830	17,606	54.19%
Attrition Variable Added		20,830	17,606	54.19%
Attrition & Voucher *issuances*		20,830	17,606	54.19%

The ABA annualized dollars from the VMS Table shows a Decrease of $0 from the CY Eligibilty shown in the funding table above.

	UML	Avg. Mthly Units Leased
Projected Leased Units (Actual and Estimated) - no variables added	20,830	1,735
Projected UML decrease from attrition	0	0
Projected UML increase from Vouchers outstanding & Port-Ins	0	0
Projected UML increase from Actual or projected voucher issuances	0	0
Total Projected Vouchers Leased	20,830	1,735

Optional AVG. PUCs
New Voucher Issuances
Outstanding Vouchers Still Searching

Actual New and\or Proposed Voucher Issuances (Assumes 1st of Mth)	
Jan	
Feb	
Mar	
Apr	
May	
June	
July	
Aug	
Sept	
Oct	
Nov	
Dec	
Total Used:	0

The last month Avg. PUC ($933.88) from data on VMS Table is used for variables.	No Variables Included in Projection.	Uses all variables in Projections (No Voucher Issuances).	Uses ALL variables PLUS Est. Vouch. Projection- New & Outstanding Vouchs.	
Total Projected HAP Expenses:	$19,295,346	$19,295,346	$19,295,346	
Bottom Line: Funds Left at Year End: HAP funds minus HAP Exp projected:	$8,215,001	$8,215,001	$8,215,001	
Projected Offset of 2011 ABA Eligibility:			$0	
	NOT Over-utilized in available ABA & NRA funding.	NOT Over-utilized in available ABA & NRA funding.	NOT Over-utilized in available ABA & NRA funding.	
Est. HAP for New Units	Potential units under-leased @95% Tot. Remaining Funds - uses Avg. PUC for all Est. months with variables	Potential units under-leased @95% Remaining Avail. Funds - uses Avg. PUC for all Est. months with variables	Potential units under-leased @95% Tot. Remaining Funds - uses Avg. PUC for all Est. months with variables	2 months of affected cost savings (when over-leased)
	(696)	*(696)*	*(696)*	
The UMA's are NOT exceeded by the UML's with this projection scenario (all variables) so any potential terminations of assistance are due to the over-utilization of the calculated available HAP ABA & NRA.				

Est. PUC Avg. last 3 mths of CY [w/variables]	PUC Avg. Last Month of CY	Est. Avg. PUC ALL 12 Mths [w/variables]	Avg. PUC for all 5 Estimated Mths [w/variables]	Funded Baseline PUC (Includes all Funding)	Act. Months Avg. PUC [No Variables]	Est. Avg. PUC ALL Mths [No variables]	Avg. PUC for all 5 Estimated Mths [No variables]
$933.88	$933.88	$926.32	$933.88	$715.74	$920.94	$926.32	$933.88

Detailed HAP Leased Table

Total Beginning NRA:	$6,779,210	Est. HAP Expenses through CY with no variables or voucher issuances applied:	$19,295,346
CY ABA Eligibility (Includes Set-Asides):	$20,731,137	Total HAP & PS changes and attrition variables applied:	$0
*Of the $0 in HAP changes noted above $0 is due to attrition loss, $0 is attributed to the monthly HAP change variable and $0 is attributed to the proposed PS change.		Proposed or actual voucher issuances X Avg PUC of all Est. months:	$0
Total CY Funding available:	$27,510,347	Act. outstanding uncontracted voucher issuances and Port-Ins X Avg PUC of all Est. months:	$0
Funding Availability ABA & Budgeted NRA:	$20,731,137	Total Actual and Estimated HAP Utilized - All Variables and Voucher Issuances:	$19,295,346

Following Year Estimated UMA Leasing & HAP Available Spending Alert

Eventual Est. Utilization, Unit & HAP data through 2011 CY with all variables and voucher issuances applied

ACC Unit Program Size	ACC UMA's	Leased Units	UML -includes 0 Attrited UM's lost & 0 New & Port UM's added	UMA minus UML	Based upon Est. HAP of FFY + Set-Aside (@70%) [430 units $4,446,216] + proj. NRA bal. at end of current year less .0% Offset & and a 0% 'Safety	In this projection scenario, the base Est. funding WILL support the Est. HAP costs for this year and the UML will be less than the UMA.	Projected HAP costs w/variables
3,203	38,436	1,733	20,796	17,640	$27,166,286		$19,420,968

NRA Balance as of 1/1/2011:	$6,779,210			Enter Opt. Over-ride to Beg. NRA
ABA YTD:	$12,093,163	These Over-ride NRA and CY ABA are only used in the calculations if amounts are entered in these boxes. This spreadsheet will identify the use of these amounts over the default spreadsheet amounts on the left in the 'FLAGS' text and the text on top of the 'Funding' Table.		
HAP Expenditures YTD:	$11,203,256			
Remaining NRA YTD:	$2,355,164			
Approved Set-Aside Funding:	$0			
CY Eligibility:	$20,731,137			Enter Opt. Over-ride to CY ABA
Remaining CY Eligibility:	$9,527,881		$16,307,091	Enter Comments or Notes Below
CY Months Remaining:	5		5	
Monthly CY Eligibility Remaining:	$1,905,576		$3,261,418	
Unit Months Available CY:	38,436			
Unit Months Leased CY:	12,165		Includes NRA	
Unit Months Remaining CY:	26,271			
Monthly Units Remaining CY:	5,254			
Unit Months Funding Would Support:	10,346		17,707	
Monthly Units Funding Would Support:	2,069		3,541	
Minimum of Available or Supportable:	10,346		17,707	
Minimum Avail. or Supportable Monthly:	2,069		3,541	

Inspection Summary Report - 363835

Inspection No: 363835
Property: (159972) PALOLO VALLEY HOMES
2107 AHE Street
HONOLULU, HI 96816-3001

Scattered Site?: No
PIH Project: HI001000050
Comments: 93% OCCUPANCY RATE, NO BED BUGS REPORTED

Inspection Date: 8/02/2011
Phone: (808) 973-0193
Fax: (808) 973-0197
E-Mail Address: janice.k.mizusawa@hawaii.gov
ACC#:
CA#:

Building Unit Count

	#Total	#Inspected
Buildings	20	20
Units	115	22

Scores

	Possible Points	Area Points	H & S Deduction
Site	20.9	8.3	0.0
Bldg Ext	17.6	8.8	0.0
Bldg Sys	17.4	17.4	0.0
CA	0.8	0.6	0.0
Units	43.3	35.9	4.8
Overall	100.0	70.9	4.8
Final Score = Area Points - H & S Deduction			**66 c**

Health and Safety Counts

Non-Life Threatening

	Site	Bldg	Unit	Total
Actual	0	0	4	4
%Inspected	---	100%	19%	---
Projected	0	0	21	21

Life Threatening

Actual	0	0	1	1
%Inspected	---	100%	19%	---
Projected	0	0	5	5

Smoke Detectors

Actual	0	0	0	0
%Inspected	---	100%	19%	---
Projected	0	0	0	0

Systemic Deficiencies:

	Area	Item	Defect	# with Defect	# Total	% of Bldgs / Units with Defect
Capital	None					
Ordinary	BldgExt	FHEO - Accessibility to Main Floor Entrance**	Obstructed or Missing Accessibility Route**	20	20	100%
		Walls	Missing Pieces/Holes/Spalling**	18	20	90%
			Stained/Peeling/Needs Paint	18	20	90%

Note: Capital items are repairs that generally require large cash outlays. (Items such as new roofs and new appliances).
Ordinary items are repairs that require smaller cash outlays. (Items such as light fixtures, fire extinguishers, and smoke detectors).

Participants:

Management Agent Hawaii HA	Fo, Stephanie L	Phone: Fax: E-Mail Address:	(808) 832-4696 (808) 973-0197 stephanie.l.fo@hawaii.gov	1002 N. School St. Honolulu, HI 96817
Owner/PHA Hawaii Public Housing Authority	Wise, Denise M	Phone: Fax: E-Mail Address:	(808) 832-6494 (808) 832-4679 denise.m.wise@hawaii.gov	1002 N. SCHOOL ST Honolulu, HI 96817
Site Manager Hawaii HA	Mizusawa, Janice	Phone: Fax: E-Mail Address:	(808) 973-0193 (808) 973-0197 janice.k.mizusawa@hawaii.gov	1545 Kalakaua Ave. Honolulu, HI 96826

Buildings/Units:

No	Name/Type/Reason UnInspectable		Year built	# Units	Address
1	1 Row/Town Houses		1957	6	2116 AHE Street HONOLULU HI 96816-3001
	E	3 Bedroom	Occupied		

Inspection Summary Report - 363835

2	2 Row/Town Houses		1957	6	2118 AHE Street HONOLULU HI 96816-3001
	B	>3 Bedrooms	Occupied		
3	3 Row/Town Houses		1957	6	2112 AHE Street HONOLULU HI 96816-3001
	D	3 Bedroom	Occupied		
4	4 Row/Town Houses		1957	6	2114 AHE Street HONOLULU HI 96816-3001
	A	2 Bedroom	Occupied		
5	5 Row/Town Houses		1957	6	2108 AHE Street HONOLULU HI 96816-3001
	D	>3 Bedrooms	Occupied		
6	6 Row/Town Houses		1957	6	2110 AHE Street HONOLULU HI 96816-3001
	A	3 Bedroom	Occupied		
7	7 Row/Town Houses		1957	6	2120 AHE Street HONOLULU HI 96816-3001
	C	>3 Bedrooms	Occupied		
8	8 Row/Town Houses		1957	6	2122 AHE Street HONOLULU HI 96816-3001
	A	3 Bedroom	Occupied		
	C	>3 Bedrooms	Not Occupied	*Vacant*	
9	9 Row/Town Houses		1957	5	2124 AHE Street HONOLULU HI 96816-3001
	E	1 Bedroom	Occupied		
10	10 Row/Town Houses		1957	6	2126 AHE Street HONOLULU HI 96816-3001
	D	>3 Bedrooms	Occupied		
	F	2 Bedroom	Occupied		
11	11 Row/Town Houses		1957	5	2134 AHE Street HONOLULU HI 96816-3001
	C	3 Bedroom	Occupied		
	E	1 Bedroom	Occupied	*No Keys*	
12	12 Row/Town Houses		1957	5	2130 AHE Street HONOLULU HI 96816-3001
	A	3 Bedroom	Occupied		
13	13 Row/Town Houses		1957	5	2136 AHE Street HONOLULU HI 96816-3001
	E	1 Bedroom	Occupied		

Inspection Summary Report - 363835

14	14 Row/Town Houses		1957	4	2107 AHE Street HONOLULU HI 96816-3001
Comments: OFFICE IS A , Resident office is B					
	C	>3 Bedrooms	Occupied		
15	15 Row/Town Houses		1957	6	2109 AHE Street HONOLULU HI 96816-3001
	C	>3 Bedrooms	Occupied		
16	16 Row/Town Houses		1957	6	2111 AHE Street HONOLULU HI 96816-3001
	A	3 Bedroom	Occupied		
	C	>3 Bedrooms	Occupied		
17	17 Row/Town Houses		1957	5	2123 AHE Street HONOLULU HI 96816-3001
Comments: Maint. Shop in Bldg. , 17E					
	A	2 Bedroom	Occupied		
18	18 Row/Town Houses		1957	6	2129 AHE Street HONOLULU HI 96816-3001
	C	>3 Bedrooms	Occupied		
19	19 Row/Town Houses		1957	6	2135 AHE Street HONOLULU HI 96816-3001
	A	2 Bedroom	Occupied		
20	20 Row/Town Houses		1957	8	2127 AHE Street HONOLULU HI 96816-3001
	C	>3 Bedrooms	Occupied		

Inspectable Items:

Inspected Item	NO/OD	Observation	Severity	Location/Comments	Ded.
Site				**Possible Points:**	**20.9**
Grounds	OD	Erosion/Rutting Areas**	Level 2		3.9
		Overgrown/Penetrating Vegetation	Level 2		2.9
Market Appeal	OD	Graffiti**	Level 1		1.3
Parking Lots/Driveways/Roads	OD	Potholes/Loose Material**	Level 1		1.3
Retaining Walls**	OD	Damaged/Falling/Leaning**	Level 2		3.1

Building 1 - Building Exterior				**Possible Points:**	**0.9**
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Cracks/Gaps**	Level 3	Location: LEFT WALL; Comments: CRACK APPROX 3/4 INCH AND 11 INCHES LONG	0.7
		Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Inspection Summary Report - 363835

Building 1 - Unit E					Possible Points: 2.2
Hot Water Heater	OD	Pressure Relief Valve Missing (NLT)	Level 3	Location: BACK PORCH; Comments: MISSING PRESSURE RELIEF EXTENSION	1.1
		Rust/Corrosion**	Level 1		0.1
Kitchen	OD	Refrigerator - Missing/Damaged/Inoperable	Level 1		0.2

Building 2 - Building Exterior					Possible Points: 0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 2 - Unit B					Possible Points: 2.2
Ceiling	OD	Peeling/Needs Paint**	Level 1		<0.05
Walls	OD	Damaged/Deteriorated Trim**	Level 1		<0.05
		Peeling/Needs Paint**	Level 1		<0.05

Building 3 - Building Exterior					Possible Points: 0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Cracks/Gaps**	Level 3	Location: LEFT WALL; Comments: CRACK APPROX 1 INCH WIDE AND 12 INCHES LONG	0.7
		Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 3 - Unit D					Possible Points: 2.2
Bathroom	OD	Water Closet/Toilet - Damaged/Clogged/Missing	Level 2		0.8
Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2
		Range/Stove - Missing/Damaged/Inoperable**	Level 1		0.2

Building 4 - Building Exterior					Possible Points: 0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Roofs	OD	Damaged Soffits/Fascia	Level 1		0.1
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 4 - Unit A					Possible Points: 1.8
Walls	OD	Damaged**	Level 1		<0.05

Building 5 - Building Exterior					Possible Points: 0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Roofs	OD	Damaged Soffits/Fascia	Level 1		0.1
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2

Inspection Summary Report - 363835

Walls	OD	Stained/Peeling/Needs Paint	Level 1		0.1

Building 5 - Unit D

Possible Points: 2.2

Hot Water Heater	OD	Rust/Corrosion**	Level 1		0.1
Kitchen	OD	Range/Stove - Missing/Damaged/Inoperable**	Level 2		0.4
		Refrigerator - Missing/Damaged/Inoperable	Level 1		0.2
Walls	OD	Damaged/Deteriorated Trim**	Level 1		<0.05
		Peeling/Needs Paint**	Level 1		<0.05

Building 5 - Unit D - Health & Safety

Infestation	OD	Insects (NLT)	Level 3	Location: KITCHEN; Comments: ROACHES OBSERVED	0.7

Building 6 - Building Exterior

Possible Points: 0.9

FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 6 - Unit A

Possible Points: 2.2

Doors	OD	Damaged/Missing Screen/Storm/Security Door**	Level 1		0.1
Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2
Outlets/Switches	OD	Missing/Broken Cover Plates	Level 1		<0.05

Building 7 - Building Exterior

Possible Points: 0.9

FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Roofs	OD	Damaged Soffits/Fascia	Level 1		0.1
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2

Building 8 - Building Exterior

Possible Points: 0.9

FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 8 - Unit A

Possible Points: 1.8

Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2

Building 9 - Building Exterior

Possible Points: 0.8

FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Cracks/Gaps**	Level 3	Location: LEFT WALL; Comments: CRACK GREATER THAN 3/8 INCH AND APPROX 14 INCHES LONG	0.6
		Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Inspection Summary Report - 363835

Building 10 - Building Exterior				Possible Points:	0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Roofs	OD	Damaged Soffits/Fascia	Level 1		0.1
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Missing/Damaged Caulking/Mortar	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 10 - Unit D				Possible Points:	1.8
Bathroom	OD	Lavatory Sink - Damaged/Missing**	Level 1		0.2
Ceiling	OD	Peeling/Needs Paint**	Level 2		<0.05
Doors	OD	Damaged Surface - Holes/Paint/Rusting/Glass**	Level 3	Location: ENTRY DOOR; Comments: SIGNIFICANT PEELING AT BOTTOM OF DOOR	0.2
Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2
		Range/Stove - Missing/Damaged/Inoperable**	Level 3	Location: KITCHEN; Comments: 2 BURNERS NOT WORKING	0.7
		Refrigerator - Missing/Damaged/Inoperable	Level 1		0.2
Outlets/Switches	OD	Missing/Broken Cover Plates	Level 1		<0.05

Building 10 - Unit F				Possible Points:	1.7
Ceiling	OD	Peeling/Needs Paint**	Level 1		<0.05
Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2
		Range/Stove - Missing/Damaged/Inoperable**	Level 2		0.4

Building 11 - Building Exterior				Possible Points:	0.8
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Roofs	OD	Damaged Soffits/Fascia	Level 1		0.1
Walls	OD	Cracks/Gaps**	Level 3	Location: REAR WALL; Comments: CRACK GREATER THAN 3/8 INCHES AND APPROX 16 INCHES	0.6

Building 11 - Unit C				Possible Points:	1.8
Bathroom	OD	Lavatory Sink - Damaged/Missing**	Level 1		0.2
Electrical System	OD	Missing Breakers/Fuses (LT)	Level 3	Location: BREAKER PANEL; Comments: MISSING BREAKER EXPOSING INTERIOR	1.1

Building 12 - Building Exterior				Possible Points:	0.8
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Cracks/Gaps**	Level 3	Location: REAR RIGHT WALL; Comments: CRACK GREATER THAN 3/8 INCHES AND APPROX 48 INCHES LONG	0.6
		Missing Pieces/Holes/Spalling**	Level 3	Location: RIGHT WALL; Comments: MISSING SECTION OF WALL EXPOSING REBAR	0.4
		Stained/Peeling/Needs Paint	Level 1		0.1

Inspection Summary Report - 363835

Building 12 - Unit A					Possible Points: 2.2
Walls	OD	Peeling/Needs Paint**	Level 1		<0.05

Building 13 - Building Exterior					Possible Points: 0.8
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 13 - Unit E					Possible Points: 1.7
Kitchen	OD	Range/Stove - Missing/Damaged/Inoperable**	Level 2		0.4

Building 14 - Building Exterior					Possible Points: 0.6
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.1
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 14 - Common Areas					Possible Points: 0.5
Community Room	OD	Doors - Missing Door	Level 1		0.1

Building 14 - Unit C					Possible Points: 1.8
Bathroom	OD	Lavatory Sink - Damaged/Missing** (NLT)	Level 3	Location: BATHROOM; Comments: COLD WATER HANDLE DAAMAGED WILL NOT OPERATE	0.7
		Plumbing - Leaking Faucet/Pipes	Level 1		0.2
Walls	OD	Peeling/Needs Paint**	Level 1		<0.05

Building 15 - Building Exterior					Possible Points: 0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 15 - Unit C					Possible Points: 1.8
Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2
		Range/Stove - Missing/Damaged/Inoperable**	Level 1		0.2
		Refrigerator - Missing/Damaged/Inoperable	Level 1		0.2

Building 16 - Building Exterior					Possible Points: 0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Stained/Peeling/Needs Paint	Level 1		0.1

Building 16 - Unit C					Possible Points: 2.2
Hot Water Heater	OD	Pressure Relief Valve Missing (NLT)	Level 3	Location: BACK PATIO; Comments: PRESSURE RELIEF VALVE MISING	1.1

Building 17 - Building Exterior				Possible Points:	0.8
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 17 - Common Areas				Possible Points:	0.2
Kitchen	OD	Refrigerator - Damaged/Inoperable	Level 1		0.1
Restrooms/Pool Structures	OD	Plumbing - Leaking Faucet/Pipes	Level 1		<0.05

Building 17 - Unit A				Possible Points:	2.2
Kitchen	OD	Plumbing - Leaking Faucet/Pipes	Level 1		0.2

Building 18 - Building Exterior				Possible Points:	0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 18 - Unit C				Possible Points:	1.8
Bathroom	OD	Water Closet/Toilet - Damaged/Clogged/Missing	Level 2		0.8
Outlets/Switches	OD	Missing/Broken Cover Plates	Level 1		<0.05

Building 19 - Building Exterior				Possible Points:	0.9
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.2
		Stained/Peeling/Needs Paint	Level 1		0.1

Building 19 - Unit A				Possible Points:	1.8
Walls	OD	Damaged**	Level 1		<0.05
		Peeling/Needs Paint**	Level 1		<0.05

Building 20 - Building Exterior				Possible Points:	1.2
FHEO - Accessibility to Main Floor Entrance**	OD	Obstructed or Missing Accessibility Route**		Location: EXTERIOR; Comments: NO MAIN FLOOR ACCESS	
Walls	OD	Missing Pieces/Holes/Spalling**	Level 2		0.3
		Stained/Peeling/Needs Paint	Level 1		0.1

NOTE: Score for any given building or unit can not be negative (if deductions are greater than possible points, the score is set to zero)

Approved by the Executive Director DW
October 20, 2011

FOR DISCUSSION

SUBJECT: Medical Use of Marijuana in Federal and State Public Housing Projects

I. FACTS

A. The Quality Housing and Work Responsibility Act of 1998 (QHWRA) requires PHAs to establish occupancy standards and lease provisions that will allow the PHA to terminate assistance for use of a controlled substance. The law does not compel PHAs to terminate assistance in such cases, and PHAs have discretion to determine continued occupancy policies that are most appropriate for their local communities.

B. Part IX of the Uniform Controlled Substances Act (Sections 329-121 through 329-128, Hawaii Revised Statutes(HRS))("Medical Marijuana Statutes"), permits the use of marijuana for specified medical conditions. The law removes state-level criminal penalties on the use, possession, and cultivation of marijuana by patients who possess a signed statement from their physician affirming that he or she suffers from a debilitating condition and that the "potential benefits of medical use of marijuana would likely outweigh the health risks."

C. Patients diagnosed with the following illnesses are afforded legal protection under this act: *cachexia*; *cancer*; *chronic pain*; *Crohn's disease*; *epilepsy and other disorders characterized by seizures*; *glaucoma*; *HIV or AIDS*; *multiple sclerosis and other disorders characterized by muscle spasticity*; and *nausea*. Other conditions are subject to approval by the Hawaii Department of Health.

D. Patients (or their primary caregivers) may legally possess up to 3 ounces of usable marijuana, and may cultivate no more than seven marijuana plants, of which no more than three may be mature. The law establishes a mandatory, confidential state-run patient registry that issues identification cards to qualifying patients.

E. On February 10, 2011 the Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development (HUD) issued a memorandum addressing the medical use of marijuana in public housing and housing choice voucher programs. The memorandum (Attachment A) states that new admissions of medical marijuana users are prohibited into the public housing and housing choice voucher programs

due to the preemption of state laws to the contrary by the Controlled Substances Act, which lists marijuana as a Schedule I drug,[1] as well as the QHWRA.

F. The HUD memorandum further states that PHAs in states that have enacted laws legalizing the use of medical marijuana must establish a standard and adopt a written policy regarding whether or not to allow continued occupancy.

II. DISCUSSION

A. The HPHA seeks to meet the requirements of this HUD memorandum by establishing written policy prohibiting the medical use of marijuana in federally assisted public housing, which has been the HPHA's practice based on federal law.

B. The HPHA seeks to maintain consistency between the federal and state public housing programs by establishing and implementing the same policy for both programs.

C. By letter dated September 7, 2011, stating "The Department of the Attorney General supports and will defend a HPHA policy validly adopted that prohibits tenants from the use, possession, and distribution of medical marijuana in state public housing", the Department of the Attorney General has expressed its support of the HPHA's proposed policy to prohibit the medical use of marijuana in state assisted public housing notwithstanding the Medical Marijuana Statutes.

D. To make this change to the federal and state housing program policies in accordance with the HUD memorandum, the HPHA must amend:

1. The Admissions and Continued Occupancy Policy for the Federally Assisted Public Housing Program (ACOP);

2. The PHA Plan; and

3. The Hawaii Administrative Rules (HAR).

E. The ACOP is the governing document mandated by HUD to set forth the policies of the federal public housing program.

1. To address the immediate issue of compliance with the HUD memorandum, the HPHA staff has developed a recommended draft

[1] Schedule I drugs are substances with a very high potential for abuse and no accepted medical use in the United States.

amendment to the current ACOP (Attachment B). In accordance with 24 CFR 966.5, prior to adoption by the Board, this amendment and the reasons for the amendment must be either:

a. Delivered directly or mailed to each tenant, or

b. Posted in at least three conspicuous places within each project in which the affected dwelling units are located, as well as in a conspicuous place at the project office,

at least 30-days prior to adoption.

2. The HPHA will provide this notice twice by including the recommended amendment in the rent inserts sent to each tenant in both federal and state housing programs, for the months of November and December, and posting the changes in the lobbies of HPHA projects. This will give each affected tenant 60 days to provide written comments to be taken into consideration by the HPHA prior to the revising the ACOP to disallow the medical use of marijuana in federal public housing.

F. Substantive changes to the ACOP will also be noted in the PHA Plan. In accordance with the public notice and hearing requirements in federal regulations (24 CFR 903.17 and 903.19), the HPHA will hold public hearings for the PHA Plan in February to March 2012.

G. The HAR is an agency statement of general or particular applicability and future effect that implements, interprets, or prescribes law or policy, which affects the private right of the public. The federal and state family and elderly public housing programs are governed by separate chapters of the HAR, thus changes must be made to each of these chapters.

1. Amendment of the HAR requires compliance with the public notice and hearing provisions of Chapter 91, HRS. Chapter 91 requires the rulemaking agency to hold public hearings and collect public testimony on proposed changes to the HAR.

2. The HPHA will hold public hearings to make these amendments to the HAR in February to March 2012, to coincide with the public hearings for the PHA Plan.

3. Recommended changes to the HAR governing the federal public housing program is attached (Attachment C). Similar amendments will be made to similar HAR provisions governing the State elderly and State family public housing programs (15-186-48 and 15-193-48, HAR, respectively).

H. The HPHA will inform the Resident Advisory Board of this HUD memorandum and recommended amendment to the ACOP.

Attachment A: Memorandum from HUD addressing medical marijuana

Attachment B: Chapter 12, ACOP, with recommended revision

Attachment C: Section 17-2028-59, HAR, with recommended revision

Prepared by: Nicholas Birck, Planner

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

ASSISTANT SECRETARY FOR
PUBLIC AND INDIAN HOUSING

February 10, 2011

MEMORANDUM FOR: All Field Offices and Public Housing Agencies (PHAs)

FROM: Sandra B. Henriquez, Assistant Secretary
for Public and Indian Housing

SUBJECT: Medical Marijuana Use In Public Housing
and Housing Choice Voucher Programs

Overview

The Department has recently received numerous inquiries regarding the use of medical marijuana[1] in the Public Housing (PH) and Housing Choice Voucher (HCV) programs[2]. This memorandum intends to serve as guidance for field offices and PHAs on admissions, continued occupancy, and termination policies in states that have enacted laws that allow the use of medical marijuana. Currently fourteen states (Alaska, California, Colorado, Hawaii, Maine, Michigan, Montana, Nevada, New Jersey, New Mexico, Oregon, Rhode Island, Vermont, and Washington) and the District of Columbia have laws that legalize medical marijuana use.

New Admissions

Based on federal law, new admissions of medical marijuana users are prohibited into the PH and HCV programs. The Controlled Substances Act (CSA) lists marijuana as a Schedule I drug, a substance with a very high potential for abuse and no accepted medical use in the United States. The Quality Housing and Work Responsibility Act (QHWRA) of 1998 (42 U.S.C. §13661) requires that PHAs administering the Department's rental assistance programs establish standards and lease provisions that prohibit admission into the PH and HCV programs based on the illegal use of controlled substances, including state legalized medical marijuana. State laws that legalize medical marijuana directly conflict with the admission requirements set forth in QHWRA and are thus subject to federal preemption.

Current Residents

For existing residents, QHWRA requires PHAs to establish occupancy standards and lease provisions that will allow the PHA to terminate assistance for use of a controlled substance. However, the law does not compel such action and PHAs have discretion to determine continued occupancy policies that are most appropriate for their local communities. PHAs can also determine whether to deny assistance to or terminate individual medical marijuana users, rather than entire households, for both applicant and existing residents when appropriate. PHAs have discretion to determine, on a case-by-case basis, the appropriateness of program termination of existing residents for the use of medical marijuana.

[1] The Department defines medical marijuana as marijuana which, when prescribed by a physician to treat a serious illness such as AIDS, cancer, or glaucoma, is legal under State law.
[2] Housing Choice Voucher programs include tenant-based vouchers and project-based vouchers.

PHAs in states that have enacted laws legalizing the use of medical marijuana must therefore establish a standard and adopt written policy regarding whether or not to allow continued occupancy or assistance for residents who are medical marijuana users. The decision of whether or not to allow continued occupancy or assistance to medical marijuana users is the responsibility of PHAs, not of the Department.

Food and Drug Administration Approved Drugs

PHAs should also be aware that the Food and Drug Administration (FDA) has approved drugs for medical uses which are comprised of marijuana synthetics, such as Marinol and Cesamet. These drugs are not medical marijuana and are legal under federal laws. These products have been through the FDA's rigorous approval process and have been determined to be safe and effective for their indications. They are therefore allowed in the public housing and voucher programs.

Thank you for your partnership and participation in the Department's programs, and for your attention to this important issue in providing quality housing and communities for all residents of public housing and voucher programs. Questions regarding this memorandum may be directed to Ms. Diane Yentel at 202-402-6051 or Diane.E.Yentel@hud.gov.

Chapter 12

RENTAL AGREEMENT TERMINATIONS

[24 CFR 966.4]

INTRODUCTION

The PHA may terminate tenancy for a family because of the family's action or failure to act in accordance with HUD regulations [24 CFR 966.4 (l)(2)], and the terms of the rental agreement. This Chapter describes the PHA's policies for notification of rental agreement termination and provisions of the rental agreement.

A. TERMINATION BY TENANT

The tenant may terminate the rental agreement by providing the PHA with a written twenty-eight (28) day advance notice as defined in the rental agreement.

B. TERMINATION BY PHA

Termination of tenancy will be in accordance with the PHA's most current rental agreement.

The rental agreement may be terminated by the PHA at any time by giving written notice for serious or repeated violation of material terms of the rental agreement, including, but not limited to the following:

- Nonpayment of rent, repeated chronic late payment of rent, failure to pay rent in full when due, and/or nonpayment of other charges (i.e. excess utilities, maintenance and towing charges) due under the rental agreement, or;

- Failure to obtain prior written consent of Management, to allow members of the household to engage in legal profit making activities in the dwelling unit, where Management determines that such activities are incidental to primary use of the unit for residence by members of the household;

- Failure to report changes in family income, assets, and employment and household composition as required by Management to determine Tenant's rental rate and eligibility for continued occupancy; changes shall be reported within ten (10) business days or

  (1) Discovery after admission of facts that made the tenant ineligible or
  (2) Discovery of material false information, information withheld, willful misstatements, or fraud by the Tenant at the time of admission, reexamination, interim, or at any other time;
  (3) Tenant is ineligible for continued occupancy;

- Permitting any person to occupy the dwelling unit other than persons listed on the most current household composition form(s), except that with prior written consent of Management, a foster child/adult or a live-in aide may reside in the unit;

- Failure to observe all applicable laws, rules, regulations, and ordinances of governmental authorities that pertain to and establish standards for residential occupants;

- Failure to abide by the Project Rules and all applicable rules, regulations, and supplemental agreements that shall be available at the Project Office and incorporated by reference in the Lease;

- Failure to pay for repair of all damages to the dwelling unit or to any appliances or equipment furnished by Management, in excess of ordinary wear and tear, and for any repairs to the Project buildings, facilities, or common areas, required because of the wrongful act or negligence of Tenant, Tenant's household, guests, or visitors;

- Committing or suffering any damage to the dwelling unit, any act that shall cause increase in the premiums for fire and other casualty insurance on the building, or any noise or nuisance to the disturbance of other Tenants of the Project;

- Making any alterations or additions to the dwelling unit, including the installation of any additional locks, bolts, screws or other fixtures, or any decorations therein which shall damage or deface the doors, windows, walls, or floors without obtaining Management's prior written consent;

- Assigning the rental agreement or subletting the dwelling unit;

- Failure to peaceably surrender the dwelling unit to Management in good order and condition, except for ordinary wear and tear, and return all keys thereto upon the termination of the tenancy for any cause;

- Failure to keep the dwelling unit and such other areas as may be assigned to Tenant for Tenant's exclusive use in a clean, sanitary and safe condition;

- Failure to dispose of all ashes, garbage, rubbish and other waste from the premises in a sanitary and safe manner;

- Failure to use only in a reasonable manner all electrical, plumbing, sanitary, ventilating, air conditioning and other facilities and appurtenances including

elevators;

- Failure to refrain from and cause Tenant household members and guests to refrain from destroying, defacing, damaging or removing any part of the premises or Project;

- Failure to agree to transfer to an appropriate size dwelling unit based on family composition, upon notice by Management that such a dwelling unit is available;

- Refusal to transfer or relocate for reasons including but not limited to, health & safety, repair, abatement, construction or renovation of the unit;

- Keeping or permitting to be kept any animal, as a pet or otherwise, in or about the dwelling unit, except as provided by law and, in all other housing, in accordance with the Pet Policy which is incorporated by reference in the rental agreement;

- Failure to refrain from storing any unlicensed, inoperable or abandoned vehicle on the Project premises; and if the vehicle is required to be towed by Management, upon billing, Tenant shall pay for any charges incurred by Management;

- Failure to comply with all obligations imposed upon Tenants by applicable provisions of building and housing requirements of applicable building codes, housing codes, health codes, materially affecting health and safety;

- Failure to comply with all HUD regulations pertaining to the requirement that all adult household members, unless exempt, participate for at least eight hours per month in community service or an economic self-sufficiency program; non-compliance will result in denial of rental agreement renewal; and

- Failure to be physically present and residing in the dwelling unit;

- Failure to accept Management's offer of a revision to the existing rental agreement. Such revision must be on a form adopted by the agency in accordance with regulations. Management must give Tenant written notice of the offer of revision at least sixty (60) calendar days before it is scheduled to take effect. The offer must specify a reasonable time limit within that period for acceptance by the Tenant;

- Failure to conduct himself and cause other persons who are on the premises with Tenant consent to conduct themselves in a manner which will not disturb Tenant neighbors' peaceful enjoyment of their accommodations and will be conducive to maintaining the Project in a decent, safe and sanitary condition, and not loiter or drink alcoholic beverages in the project's common areas as defined in the Project Rules;

- Failure to assure that Tenant, any member of the household, a guest or another person under Tenant control, shall not engage in:

  (1) Any criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of Management's public housing premises by other public housing residents or neighboring residents or employees of Management,

  (1)(a) "Alcohol abuse" means a tenant or any member of the tenant's household has engaged in abuse or a pattern of abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents, or furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers. The PHA will consider the alcohol abuse to be a *pattern* if there is more than one incident during the previous one (1) month.

  (2) The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug; or any drug-related criminal activity on or off such premises. The "illegal use of a drug", "possession of a drug with intent to manufacture, sell, distribute, or use the drug", and "drug-related criminal activity" include the use of medical marijuana prescribed pursuant to Sections 329-121 through 329-128, Hawaii Revised Statutes.

  (3) Any illegal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage;

Management will immediately seek termination of the rental agreement if it determines that any member of the household has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing. Any drug-related criminal activity in violation of this section shall be cause for termination of tenancy and for eviction from the unit. Management has the discretion to consider all the circumstances and effects of the violation.

A PHA may evict for criminal activity by administrative action if the PHA determines that the covered person has engaged in criminal activity, regardless of whether the person has been arrested or convicted of criminal activity and without satisfying the standard of proof used for a criminal conviction.

Note: For a criminal conviction the standard of proof is "beyond a reasonable doubt",

while for civil cases, such as evictions, the standard of proof is based on "the preponderence of the evidence". Note that a PHA cannot simply allege that criminal activity has occurred, however. Some sort of evidence will be required. For example, if the PHA claims that drug-related criminal activity has occurred, proof that illegal drugs were involved will be needed (i.e., testimony of a police officer).

In evaluating evidence of negative behavior, the PHA will give fair consideration to the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

The PHA may waive the requirement regarding drug-related criminal activity if:

- The person demonstrates successful completion of a credible rehabilitation program approved by the PHA, or
- The individual involved in drug-related criminal activity is no longer in the household and/or has been removed as a household member because the person is incarcerated.

The PHA may permit continued occupancy provided the family accepts imposed conditions that the involved family member(s) does not reside in the unit. The PHA may consider evidence that the person is no longer in the household such as a divorce decree/incarceration/death/copy of a new lease for the person including the owner's telephone number and address or other substantiating evidence.

C. NOTIFICATION REQUIREMENTS

Notice of Violation of Rental Agreement

In case of any default by the Tenant in the payment of rental or the observance and performance of any covenant under the Rental Agreement, the PHA shall notify the Tenant of the default in writing and shall specify the time within which the default and noncompliance must be remedied and corrected. If the Tenant fails to remedy and correct the default and noncompliance within the time specified in the notice, the PHA may terminate the rental agreement; however, the PHA shall not terminate or refuse to renew the rental agreement other than for serious or repeated violation of material terms of the agreement such as failure to make payments due under the rental agreement or to fulfill Tenant's obligations set forth under the rental agreement or for other good cause.

After the Notice of Violation is sent, if the Manager extends the time to cure, the extension must be justified by documentation or verification in the tenants file.

Tenants shall be notified of specified time to remedy the violation as follows:

TYPE OF VIOLATION	TIME TO REMEDY
Any member of the household has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing	0 Days
Any drug related criminal activity on or off the project premises	0 Days
Any member of the household has been convicted of a felony	0 Days
Where tenant has received notice from the United States Department of Housing and Urban Development that the tenant is no longer eligible to remain in the unit	0 Days
A history of chronic violations of any material term of the Rental Agreement (Chronic is defined as 3 notices of violation of the same provision of the Rental Agreement issued to the tenant within a 12 month period.)	0 Days
A history of chronic rent delinquency. (Chronic is defined as 3 notices of violation of the same provision of the rental agreement issued to the tenant within a 12 month period.)	0 Days
Any violation of any provision of the Rental Agreement that potentially threatens the health or safety of other residents or the Corporation's employees or their representatives (ex. Fire hazards, slip and falls, unsanitary conditions, vicious animals, etc.)	24 Hours
Non payment or failure to pay rent when due	14 Days
Any Other Violation	30 days in all other cases unless management can justify the deviation from the 30 days

D. NOTICE OF PROPOSED TERMINATION OF RENTAL AGREEMENT

The PHA must give written notice of proposed rental agreement termination. The notice to the tenant shall state specific grounds for termination, and shall inform the tenant of the tenant's right to make such reply as the tenant may wish. The notice shall also inform the tenant of the right (pursuant to Sec. 966.4 (m)) to examine PHA documents directly relevant to the termination or eviction. The notice shall also inform the tenant of the tenant's right to request a hearing in accordance with the PHA's grievance procedure. (See Chapter 13, Complaints, Grievances and Hearings.)

Notices of rental agreement termination shall be in writing and delivered to the tenant or adult member of the household or sent by first class mail properly addressed to the tenant. If the tenant is visually impaired, all notices must be in an accessible format, or put in accessible format if requested.

If the PHA proposes termination of the rental agreement, written notice must be given. (PHA may terminate the rental agreement as follows):

- The PHA will immediately proceed with termination of tenancy of persons convicted of manufacturing or producing methamphetamine on the premises of the assisted housing project in violation of any Federal or State law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.
- A reasonable time, defined in the lease as not to exceed thirty (30) days considering the seriousness of the situation: (1) If the health or safety of other residents, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; (2) If any member of the household has engaged in any drug-related or violent criminal activity; or (3) If any member of the household has been convicted of a felony
- 14 calendar days in the case of failure to pay rent;
- Thirty days in all other cases.

Any violation under section 201G-52, HRS, shall constitute cause for the project managers within each county to initiate eviction proceedings.

E. EVICTION BASED ON DELINQUENT RENT ACCOUNTS

Before the management unit (MU) can send the eviction referral, the MU must meet the following statutory requirements.

1. **WRITTEN NOTICE** – SB331 (Act 227) requires that written notice be sent to Tenant no later than 45 days from the date of delinquency, (NOTE: the RENT COLLECTION POLICY REQUIRES MANAGEMENT TO SEND IT ON OR ABOUT THE 15TH DAY OF THE MONTH). This written notice should contain the following information and attachments:

    1. Continued delinquency shall result in tenant's eviction

    2. Tenant has a right to apply for interim adjustment in rent

    3. Explain the steps of the grievance and eviction processes and how the processes protect the tenant

    4. Sample letter for demanding a grievance hearing

    5. Set forth location, date, and time of meeting which SHALL NOT BE SCHEDULED EARLIER THAN 14 DAYS FROM DATE OF THE WRITTEN NOTICE at which tenant may meet with corporation to discuss the delinquency in rent

    6. Tenant shall either attend meeting or contact the corporation before the meeting to reschedule

2. **MEETING**

    1. MU to discuss cause of Tenant's delinquency and may offer suggestions that are appropriate to address the cause(s) of tenant's delinquency

    2. Consider whether a reasonable payment plan is appropriate for the tenant's situation – if appropriate. If a repayment plan offered to tenant, it cannot exceed **SIX (6) months** pursuant to Hawaii Administrative Rules (HAR) section 17-2020 (Eviction Rules). The repayment period should NOT extend beyond six months.

    3. Inform tenant and explain that continued delinquency shall result in their eviction

    4. Inform tenant and explain their right to apply for an interim adjustment in rent

    5. Inform tenant and explain the grievance and eviction process and how the processes protect them

3. **CHECKLIST** – the corporation shall develop a checklist outlining the issues covered at the Meeting (i.e. cause of delinquency, suggestions from management, consideration of a

reasonable payment plan, consequence of continued delinquency, interim adjustment, grievance and eviction process)

1. Management AND tenant shall complete, sign and date the checklist to memorialize the meeting

If tenant fails to attend or reschedule the Meeting	**If tenant attends the Meeting**
1. MU sends tenant a **SECOND WRITTEN NOTICE** informing tenant that MU shall proceed to terminate the tenancy because of the outstanding rent delinquency and tenant's failure to respond to the written notice scheduling the Meeting 2. Tenant has 30 days from second written notice to request a grievance hearing 3. If tenant fails to request a grievance hearing within 30 days, MU has a right to proceed with the eviction hearing pursuant to section 201G-53, HRS	1. MU decides what action is appropriate for tenant's case and **NOTIFIES TENANT OF MU'S DECISION IN WRITING** 2. If decision is to terminate the tenancy the written notice shall inform tenant that a. Tenant has 30 days from receipt of the notice to request a grievance hearing b. If tenant fails to request a grievance hearing within 30 days, the corporation has the right to proceed with eviction pursuant to section 201G-53, HRS

F. EVICTION BASED ON NON-RENT VIOLATION

1. For non-rent violations received as a complaint, MU shall follow the HCDCH complaint procedure.

2. For non-rent violations observed by MU staff, MU shall conduct their investigation.

3. If the violation is not resolved after the investigation, the MU shall send the Tenant a written notice of the violation which shall include the following info:

- Specify the Rental Agreement provision violated
- Detailed description of the violation
- Time that Tenant should cure the violation, if applicable
- Notification that continued violation or failure to correct violation by the deadline may result in termination of the rental agreement

4. If the non-rent violation is not resolved or corrected, or calls for immediate termination of the Rental Agreement, MU shall send Tenant a Written Notice of Violation and Proposed Termination of the Rental Agreement which shall contain the following information and attachments:

- Specify the Violation
- Identify the Rental Agreement provision violated
- Explain steps of the grievance procedure and eviction process
- Attach sample letter for requesting grievance hearing
- Inform Tenant that MU shall proceed to terminate tenancy because violation continuing or not corrected or because violation calls for immediate termination of the Rental Agreement
- Tenant has 30 days to initiate Grievance Procedure
- If Tenant fails to request Grievance Procedure within 30 days, MU has right to proceed to eviction hearing pursuant to 201G-53, HRS

G. REFERRAL TO THE EVICTION BOARD

Via interoffice memorandum (IOM)

1. Violation of SPECIFIC Provision of the Rental Agreement – should be consistent with all the written notices to tenant informing them of the violation
2. Identify the Tenant, Address and Household
3. Provide some background of Tenant
4. Cite the rental agreement provisions
5. Cite SPECIFIC info supporting your allegations that tenant violated the RA (i.e. on March 21, 2004, management received a complaint from another resident that you were pulling fire alarms off the wall). The more specific your information, the better for your case.
6. Identify the number of times with specific dates that management sent notices to tenant regarding the violation and attach the notices to the IOM in its entirety and in chronological order.
7. Identify the number of meetings or telephone contacts with specific dates you've had with tenant regarding the violation and attach your notes of the contacts to the IOM in chronological order.

8. Recommendation to the Board
9. Manager or Deputy Manager's signature on the IOM – the Originator of the IOM should be a Manager or Deputy Manager. You will be testifying at the hearing.

H. ORDER OF DOCUMENTS IN REFERRAL

RENT CASES:

1. IOM
2. Updated Summary of Rent Payment Sheet - Prepare a summary sheet for the board to reference. (SEE EXAMPLE) Information should include month, charges, payments/credits, balance, and notes.
3. All relevant correspondence with oldest dated letter on the top and most recent dated letter on the bottom.
4. RA (include Grievance Procedure, project rules, pet policy and any other documents referenced on the Rental Agreement)
5. Form 4057

NON-RENT CASES:

1. IOM
2. Correspondence in chronological order.
3. Other supporting notes, incident reports, etc., in chronological order.
4. RA
5. Form 4057

I. SERVICE OF DOCUMENTS (Notice of Hearing, Findings, Writs)

Service of the documents is set forth in the HAR section 17-2020 - they are very specific and we must follow them or service is not valid – which means the case cannot be heard and we'd have to reschedule the hearing to arrange for valid service.

The Notice of Hearing must be served on the Tenant AT LEAST FIVE days before the hearing. For neighbor islands, HRO sends the Notices out at least 3 weeks before the hearing in case a posting has to be requested. MU should monitor the service with the process server.

Posting must be approved in writing by the Eviction board before you can post. HAR also requires the document to be mailed via first class mail in addition to posting, which HRO completes.

J. WRIT ENFORCEMENT

Manager or Deputy Manager should ALWAYS be present at the enforcement to answer questions about the issues at the hearing, the rights on appeal or arrangements for storage or retrieval of their belongings. Maintenance staff may be present to assist with changing locks and inventory, but do not send them alone.

When the PHA evicts an individual or family for criminal activity, the PHA shall notify the Post Office that the individual or family is no longer residing in the unit.

K. RECORD KEEPING

A written record of every termination and/or eviction shall be maintained by the PHA at the development where the family was residing, and shall contain the following information:

- Name of resident, Social Security number, race and ethnicity and identification of unit occupied;
- Date of the Notice of Lease Termination and any other notices required by State or local law; these notices may be on the same form and will run concurrently;
- Specific reason(s) for the Notices, citing the lease section or provision that was violated, and other facts pertinent to the issuing of the Notices described in detail (other than the Criminal History Report);
- Date and method of notifying the resident;
- Summaries of any conferences held with the resident including dates, names of conference participants, and conclusions.

Records for persons whose leases were terminated for any reason will be kept by the PHA indefinitely.

ATTACHMENT C

§17-2028-59 Rental agreement termination. (a) Tenant shall give the authority at least twenty-eight days written notice that the tenant will vacate the tenant's unit prior to the vacate date.

(b) The authority may terminate a rental agreement when tenant, any member of the tenant's household, or any guest or other person under the tenant's control:

(1) Fails to observe or perform any covenant or obligation of the rental agreement, or rule of the authority of housing project, or law or ordinance of a governmental agency that pertains to or establishes standards of occupancy;

(2) Engages in the illegal use of a controlled substance or gives the authority a reasonable cause to believe that the illegal use (or pattern of illegal use) of a controlled substance or abuse (or pattern of abuse) of alcohol may interfere with the health, safety, or right to peaceful enjoyment of a rental premises by other residents;

(3) Whose illegal use of a controlled substance, or abuse of alcohol, is determined by the authority to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents;

(4) Who the authority determines engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents;

(5) Who the authority determines engages in any drug-related criminal activity on or near the authority's property; ~~or~~ .

"Drug-related criminal activity" includes the use of medical marijuana prescribed pursuant to sections 329-121 through 329-128, HRS; or

(6) Tenant threatens or implies to threaten an employee/contractor or agency.

(c) The authority shall give a tenant written notice of the proposed termination of the rental agreement of not less than:

(1) Fourteen days in the case of failure to pay rent;

(2) A reasonable time commensurate with the exigencies of the situation in the case of creation or maintenance of a threat to the health or safety of other tenants or project employees; or

(3) Thirty days in all other cases. The authority shall terminate a rental agreement in accordance with chapter 356D.

[Eff SEP 04 2007] (Auth: §356D-15) (Imp: HRS §356D-52; 24 C.F.R. §966.4)

Approved by the Executive Director
October 20, 2011

FOR INFORMATION

SUBJECT: Report on the Hawaii Public Housing Authority's Unaudited Financial Data Submission to the U.S. Department of Housing and Urban Development and the Federal Audit Clearinghouse for the Fiscal Year Ended June 30, 2011

I. FACTS

A. All PHAs are required to electronically submit their year-end financial data to HUD, REAC in accordance with the submission requirements posted in the Federal Register (FR-4313-P-01).

B. Uniform Financial Reporting Standards (UFRS) rule and Financial Assessment Sub-system for Public Housing (FASS-PH) operating guidelines require two financial submissions – an unaudited submission two months after the PHA's Fiscal Year end (FYE) and an audited submission nine months after the PHA's FYE. For PHA's that close their books on a Fiscal Year ending June 30, the two month deadline for the FDS Submission would be August 31 to submit information.

C. Due to the complexity and importance of the Financial Data Schedule (FDS) the HPHA contracted with N&K CPA's to perform the unaudited and audited FDS submissions for the authority's fiscal year 2011.

D. PHA's who need extra time in order to make their submission by the due date may request additional time from HUD through an extension or waiver. Both the extension and waiver must be requested fifteen days (15) before the submission due date. HPHA filed a request for additional time and received a thirty (30) day extension. The new due date for the submission was September 30, 2011.

E. HPHA missed the deadline date for the submission. The FDS submission was submitted and transmitted on October 3, 2011 (3 days after the deadline). Although the submission was submitted late, a late penalty deduction of one (1) point is imposed on a PHA every fifteen (15) days the unaudited submission is late. (The maximum late penalty an unaudited FDS Submission can receive is a deduction of 5 points.) As such, HPHA should not be penalized any points for submitting after the deadline.

F. The FDS is a HUD prescribed template. The underlying data must be accounted for and reported in accordance with GAAP; however, the FDS may not be used as an entity's top-level financial statements. The format of the FDS does not allow for compliance with the presentation guidelines outlined within NCGA Statement #1 and GASB 34, nor does it include a statement of cash flows.

G. The PHA is required to report their financial data in the FDS in accordance with generally accepted accounting principles (GAAP), as required by the Uniform Financial Reporting Standards Rule (UFRS) at 24 CFR Par 5.

II. DISCUSSION

A. Once the PHA has submitted its FDS schedule, the submission will be reviewed by HUD. During the review, REAC's goal is a financial submission that is properly classified and data that is a fair reflection of the PHA's financial condition. There are two levels of review. The Analyst makes a recommendation and generally a FASS-PH manager makes the decision on whether the submission will be accepted, conditionally accepted or rejected.

B. Accepted and conditionally accepted submissions do not have to be resubmitted. Conditionally accepted submissions need to address issues cited on the audited submission. Rejected submissions need to be corrected and re-submitted within 15 days of rejection.

C. PHAs will receive status notification of acceptance via e-mail and NASS.

Attachment: FY 2010-2011 FASS-PH FDS submission notice

Prepared by: Clarence Allen, Fiscal Officer

PHA Financial Reporting Schedule

Fiscal Year End	9/30	12/31	3/31	6/30
Unaudited Extension Request Deadline	11/15	2/13	5/16	8/16
Unaudited Due Date[1,2]	11/30	2/28	5/31	8/31
Audited Due Date[3]	6/30	9/30	12/31	3/31

IMPORTANT:

[1] Due dates do not include extensions

[2] Late penalty: 1 point score deduction every 15 days the submission is late with a maximum late penalty deduction of 5 points

[3] No extensions allowed for audited Submissions

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Submit Edit Flags Reports Logout

PHA Information

PHA Code:	HI001 Fiscal Year End Date:06/30/2011
PHA Name:	Hawaii Public Housing Authority
Submission Type:	Unaudited/A-133

Submit

Certification Statement

This is to certify that, to the best of my knowledge and belief, the information contained in this submission - including but not limited to the accompanying FDS is accurate and complete for the period described on data element lines G9000-010, G2000-021, and G2000-031. By selecting Submit Financial Data, I declare that the foregoing is true and correct.

Congratulations! Your submission has been successfully transmitted to FASS-PH.

Date/Time: **Mon Oct 03 23:55:42 EDT 2011**
Confirmation Key: **3134000000.35686.56.8.RVS**

Line Item #	Description	Total
190	Total Assets	$411,334,575
600	Total Liabilities and Equity/Net Assets	$411,334,575
70000	Total Revenue	$126,695,603
96900	Total Operating Expenses	$73,188,395
97000	Excess of Operating Revenue over Operating Expenses	$53,507,208
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$-8,604,871

Please Click on 'My InBox' at the top to Return to your inbox.

Hawaii Public Housing Authority (HI001)
Honolulu, HI

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133 Fiscal Year End: 06/30/2011

	Federal Low Rent Program	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	7 Debt Service Fund	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	NEVSTRUCT VETERANS AFFAIRS SUPPORTIVE HOUSING (HUD-VASH) PROGRAM	14.246 Community Development Block Grants/Economic Development Initiative	14.870 Resident Opportunity and Supportive Services	14.885 Formula Capital Fund Stimulus Grant	5 Fiduciary	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$25,425,940	$1,492,354		$7,008,000	$1,269,994	$1,222,657		$4	$36			$8,971,635	$45,390,650		$45,390,650
112 Cash - Restricted - Modernization and Development															
113 Cash - Other Restricted		$2,684,102		$6,565,251		$11	$1,203,502					$12,634	$10,465,500		$10,465,500
114 Cash - Tenant Security Deposits	$585,990			$254,060									$840,050		$840,050
115 Cash - Restricted for Payment of Current Liabilities															
100 Total Cash	$26,011,930	$4,176,456	$0	$13,827,311	$1,269,994	$1,222,668	$1,203,502	$4	$36	$0	$0	$8,984,269	$56,696,200	$0	$56,696,200
121 Accounts Receivable - PHA Projects		$131,337											$131,337		$131,337
122 Accounts Receivable - HUD Other Projects	$1,210,709			$132,654		$299,920				$0			$1,643,283		$1,643,283
124 Accounts Receivable - Other Government			$40,623,041									$1,429	$40,624,470		$40,624,470
125 Accounts Receivable - Miscellaneous	$53,770		$2,722	$242,630		$499,686						$464,214	$1,263,022		$1,263,022
126 Accounts Receivable - Tenants	$3,964,644			$1,083,830									$5,048,474		$5,048,474
126.1 Allowance for Doubtful Accounts -Tenants	-$2,996,711			-$941,092									-$3,937,803		-$3,937,803
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	-$276,209		$0				$0		$0	-$276,209		-$276,209
127 Notes, Loans, & Mortgages Receivable - Current															
128 Fraud Recovery															
128.1 Allowance for Doubtful Accounts - Fraud															
129 Accrued Interest Receivable				$701,446	$33,994								$735,440		$735,440
120 Total Receivables, Net of Allowances for Doubtful Accounts	$2,232,412	$131,337	$40,625,763	$943,259	$33,994	$799,606	$0	$0	$0	$0	$0	$465,643	$45,232,014	$0	$45,232,014
131 Investments - Unrestricted															
132 Investments - Restricted															
135 Investments - Restricted for Payment of Current Liability															
142 Prepaid Expenses and Other Assets		$1,577,927	$56,769				$88,189					$5,500	$1,728,385		$1,728,385
143 Inventories	$812,853	$86		$126,261								$28,957	$968,157		$968,157
143.1 Allowance for Obsolete Inventories	-$73,897	$0		-$11,473								-$2,635	-$88,010		-$88,010
144 Inter Program Due From	$15,262,016	$1,754,391	$235,996	$3,244,219	$160,249	$216,003						$7,217,602	$28,090,476	-$28,090,476	$0
145 Assets Held for Sale															
150 Total Current Assets	$44,245,314	$7,640,227	$40,918,523	$18,129,572	$1,464,237	$2,238,277	$1,291,691	$4	$36	$0	$0	$16,699,366	$132,627,252	-$28,090,476	$104,536,776
161 Land	$13,093,629		$2,373,410	$9,931,469									$25,398,508		$25,398,508
162 Buildings	$421,540,104		$48,094,877	$103,288,253								$42,857	$572,966,091		$572,966,091
163 Furniture, Equipment & Machinery - Dwellings	$5,146,425		$1,090,456	$888,167									$7,125,048		$7,125,048
164 Furniture, Equipment & Machinery - Administration	$1,922,670		$107,313	$492,012	$1,728,368							$65,557	$4,215,918		$4,215,918
165 Leasehold Improvements															
166 Accumulated Depreciation	-$266,160,743		-$26,165,618	-$46,238,483	-$1,723,815							-$32,639	-$340,321,298		-$340,321,298
167 Construction in Progress	$34,216,657		$350,349	$2,420,426						$0			$36,987,432		$36,987,432
168 Infrastructure															
160 Total Capital Assets, Net of Accumulated Depreciation	$209,658,742	$0	$25,850,787	$70,781,644	$4,551	$0	$0	$0	$0	$0	$0	$75,775	$306,371,699	$0	$306,371,699
171 Notes, Loans and Mortgages Receivable - Non-Current				$426,100									$426,100		$426,100
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due															
173 Grants Receivable - Non Current															
174 Other Assets															
176 Investments in Joint Ventures															
180 Total Non-Current Assets	$209,658,742	$0	$25,850,787	$71,207,944	$4,551	$0	$0	$0	$0	$0	$0	$75,775	$306,797,799	$0	$306,797,799
190 Total Assets	$253,901,056	$7,640,227	$66,769,310	$89,337,516	$1,468,788	$2,238,277	$1,291,691	$4	$36	$0	$0	$16,775,141	$439,425,051	-$28,090,476	$111,334,575
311 Bank Overdraft															
312 Accounts Payable <= 90 Days	$68,109	$1	$2,937,270	$203,435									$3,208,815		$3,208,815
313 Accounts Payable >90 Days Past Due	$10												$10		$10

[illegible]	$501,793		$16,933	$41,004											
322 Accrued Compensated Absences - Current Portion	$659,113	$49,049		$25,535								$238,452	$604,158		$604,158
324 Accrued Contingency Liability	$53,062		$0	$18,309								$342,142	$1,075,839		$1,075,839
325 Accrued Interest Payable				$1,713									$71,371		$71,371
331 Accounts Payable - HUD PHA Programs	$338,195			$501,330		$11		$4	$36				$1,713		$1,713
332 Account Payable - PHA Projects													$339,576		$339,576
333 Accounts Payable - Other Government				$605,613											
341 Tenant Security Deposits	$585,990			$254,060									$605,613		$605,613
342 Deferred Revenues	$313,048			$51,587									$340,050		$340,050
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				$29,692								$6,690,756	$7,055,391		$7,055,391
344 Current Portion of Long-term Debt - Operating Borrowings													$29,692		$29,692
345 Other Current Liabilities	$339,146	$15,614	$0												
346 Accrued Liabilities - Other	$2,743,053	$95,727		$702,332		$275,696						$5,122	$409,882		$409,882
347 Inter Program - Due To	$8,960,019	$1,877,173	$128,909	$7,022,300	$95,436	$225,618	$21,369					$672,401	$4,489,209		$4,489,209
348 Loan Liability - Current												$9,759,652	$28,090,476	-$28,090,476	$0
310 Total Current Liabilities	$14,417,514	$2,037,564	$3,053,112	$9,456,910	$95,436	$501,325	$21,369	$4	$36	$0	$0	$17,708,525	$47,321,795	-$28,090,476	$19,231,319
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				$171,327									$171,327		$171,327
352 Long-term Debt, Net of Current - Operating Borrowings				$0									$0		$0
353 Non-current Liabilities - Other		$87,801		$53,202									$141,003		$141,003
354 Accrued Compensated Absences - Non Current	$910,368	$125,564	$220,115	$65,369								$550,767	$1,872,183		$1,872,183
355 Loan Liability - Non Current															
356 FASB 5 Liabilities	$244,063												$244,063		$244,063
357 Accrued Pension and OPEB Liabilities	$1,976,459											$4,583,736	$6,560,195		$6,560,195
350 Total Non-Current Liabilities	$3,130,890	$213,365	$220,115	$289,898	$0	$0	$0	$0	$0	$0	$0	$5,134,503	$8,888,771	$0	$8,888,771
300 Total Liabilities	$17,548,404	$2,250,929	$3,303,227	$9,746,808	$95,436	$501,325	$21,369	$4	$36	$0	$0	$22,843,028	$56,310,566	-$28,090,476	$28,220,090
508.1 Invested in Capital Assets, Net of Related Debt	$209,658,742		$25,850,787	$70,580,825	$4,551							$75,775	$306,170,680		$306,170,680
509.2 Fund Balance Reserved															
511.2 Unreserved, Designated Fund Balance															
511.1 Restricted Net Assets		$2,596,301		$6,565,251			$1,203,502						$10,365,054		$10,365,054
512.1 Unrestricted Net Assets	$26,696,910	$2,792,997	$37,615,301	$2,444,632	$1,368,801	$1,736,952	$66,820	$0	$0	$0	$0	-$6,143,662	$66,578,751		$66,578,751
512.2 Unreserved, Undesignated Fund Balance															
513 Total Equity/Net Assets	$236,355,652	$5,389,298	$63,466,088	$79,590,708	$1,373,352	$1,736,952	$1,270,322	$0	$0	$0	$0	-$6,067,887	$383,114,485	$0	$383,114,485
600 Total Liabilities and Equity/Net Assets	$253,904,056	$7,640,227	$66,769,315	$89,337,516	$1,468,788	$2,238,277	$1,291,691	$4	$36	$0	$0	$16,775,141	$439,425,051	-$28,090,476	$411,334,575
70300 Net Tenant Rental Revenue	$18,224,351			$4,335,966									$22,560,317		$22,560,317
70400 Tenant Revenue - Other	$445,269			$73,228									$518,497		$518,497
70500 Total Tenant Revenue	$18,669,620	$0	$0	$4,409,194	$0	$0	$0	$0	$0	$0	$0	$0	$23,078,814	$0	$23,078,814
70600 HUD PHA Operating Grants	$25,255,118	$21,543,877				$26,879,928	$1,188,252	$1,958	$132,833				$75,006,966		$75,006,966
70610 Capital Grants	$7,045,544												$7,045,544		$7,045,544
70710 Management Fee												$6,812,672	$6,812,672	-$6,812,672	$0
70720 Asset Management Fee															
70730 Book Keeping Fee												$634,186	$634,186	-$634,186	$0
70740 Front Line Service Fee												$450,642	$450,642	-$450,642	$0
70750 Other Fees															
70700 Total Fee Revenue												$7,947,500	$7,947,500	-$7,947,500	$0
70800 Other Government Grants			$9,964,065							$10,959,592			$20,923,657		$20,923,657
71100 Investment Income - Unrestricted	$44,385	$368		$31,440	$20,268	$114						$68,599	$165,192		$165,192
71200 Mortgage Interest Income	$108												$108		$108
71300 Proceeds from Disposition of Assets Held for Sale															
71310 Cost of Sale of Assets															
71400 Fraud Recovery		$18,382											$18,382		$18,382
71500 Other Revenue	$266,057	$21,921		$36,824	$10,496							$71,470	$456,768		$456,768
71600 Gain or Loss on Sale of Capital Assets	$160				-$274								-$114		-$114
72000 Investment Income - Restricted		$286											$286		$286
70000 Total Revenue	$51,280,992	$21,589,854	$9,964,065	$4,527,458	$30,488	$26,880,042	$1,188,252	$1,958	$132,833	$10,959,592	$0	$8,087,569	$134,643,103	-$7,947,500	$126,695,603
91100 Administrative Salaries	$1,740,554	$741,658	$61,201	$267,367								$2,679,815	$5,690,595		$5,690,595
91200 Auditing Fees	$206,477	$45,064	$24,570	$49,051	$2,639	$59,888		-$903	-$8,304			$77,778	$456,260		$456,260

91310 Book-keeping Fee	$444,116	$155,755	$6,813	$77,500									$5,457,086	-$5,457,086	$0
91400 Advertising and Marketing													$684,186	-$684,186	$0
91500 Employee Benefit contributions - Administrative	$775,994	$391,487	$16,169	$94,227								$17,888	$17,888		$17,888
91600 Office Expenses	$655,315	$47,995	$39,433	$60,073								$1,114,152	$2,392,029		$2,392,029
91700 Legal Expense	$73,433	$274	$2,880	$16,082		$146						$267,439	$1,070,155		$1,070,155
91800 Travel	$4,759	$1,198	$37,930	$612								$286,157	$378,972		$378,972
91810 Allocated Overhead	$14,572											$75,584	$120,083		$120,083
91900 Other	$1,189,778	$7,299		$273,475									$14,572		$14,572
91000 Total Operating - Administrative	$9,610,228	$1,636,922	$199,658	$1,531,051	$2,639	$80,034	$0	-$903	-$8,304	$0	$0	$10,513,114	$11,983,666	-$1,506,228	$10,177,438
												$15,231,927	$25,265,492	-$7,947,500	$20,317,992
92000 Asset Management Fee															
92100 Tenant Services - Salaries															
92200 Relocation Costs	$1,039														
92300 Employee Benefit Contributions - Tenant Services													$1,039		$1,039
92400 Tenant Services - Other	$14,139		$12,859,143			$1,185,646		$2,861	$141,137			$127	$14,203,053		$14,203,053
92500 Total Tenant Services	$15,178	$0	$12,859,143	$0	$0	$1,185,646	$0	$2,861	$141,137	$0	$0	$127	$14,204,092	$0	$14,204,092
93100 Water	$2,149,222	$419	$105	$339,966								$2,060	$2,491,772		$2,491,772
93200 Electricity	$3,942,878	$25,561	$34,906	$1,146,672								$103,334	$5,253,351		$5,253,351
93300 Gas	$2,186,820			$136,234									$2,323,054		$2,323,054
93400 Fuel	$32											$458	$490		$490
93500 Labor															
93600 Sewer	$2,668,100	$1,281	$321	$705,638								$6,286	$3,381,626		$3,381,626
93700 Employee Benefit Contributions - Utilities	$976,315												$976,315		$976,315
93800 Other Utilities Expense	$204												$204		$204
93000 Total Utilities	$11,923,571	$27,261	$35,332	$2,328,510	$0	$0	$0	$0	$0	$0	$0	$112,138	$14,426,812	$0	$14,426,812
94100 Ordinary Maintenance and Operations - Labor	$3,592,092			$467,763								$932,353	$4,992,213		$4,992,213
94200 Ordinary Maintenance and Operations - Materials and Other	$1,569,204	$556	$296,002	$33,081								$135,783	$2,034,626		$2,034,626
94300 Ordinary Maintenance and Operations Contracts	$5,662,817	$314,618		$1,047,907								$2,439,434	$9,464,774		$9,464,774
94500 Employee Benefit Contributions - Ordinary Maintenance	$1,411,272			$139,445								$261,738	$1,812,458		$1,812,458
94000 Total Maintenance	$12,235,385	$315,172	$296,002	$1,688,204	$0	$0	$0	$0	$0	$0	$0	$3,769,308	$18,304,071	$0	$18,304,071
95100 Protective Services - Labor															
95200 Protective Services - Other Contract Costs	$785,637	$803	$320,643									$10,840	$1,117,923		$1,117,923
95300 Protective Services - Other	$312												$312		$312
95500 Employee Benefit Contributions - Protective Services															
95000 Total Protective Services	$785,949	$803	$320,643	$0	$0	$0	$0	$0	$0	$0	$0	$10,840	$1,118,235	$0	$1,118,235
96110 Property Insurance	$537,071	$338	$124	$142,654								$5,346	$685,533		$685,533
96120 Liability Insurance	$24,586	$3,599	$149	$2,696								$16,445	$47,475		$47,475
96130 Workmen's Compensation	$190,892	-$53		$11,913								$43,727	$246,479		$246,479
96140 All Other Insurance	$15,350			$43,676								$2,211	$61,247		$61,247
96100 Total Insurance Premiums	$767,909	$3,884	$273	$200,939	$0	$0	$0	$0	$0	$0	$0	$67,729	$1,040,734	$0	$1,040,734
96200 Other General Expenses	$148,179	$9,906	$1,431,658	$281,548		$6,694						$840,776	$2,718,761		$2,718,761
96210 Compensated Absences	$637,451	$46,595		$24,258								$208,488	$916,823		$916,823
96300 Payments in Lieu of Taxes															
96400 Bad debt - Tenant Rents	$26,558			-$3,556									$23,002		$23,002
96500 Bad debt - Mortgages	$5,962												$5,962		$5,962
96600 Bad debt - Other															
96800 Severance Expense	$34,128	$12,292		$4,242								$56,575	$107,237		$107,237
96000 Total Other General Expenses	$852,338	$68,794	$1,431,658	$306,462	$0	$6,694	$0	$0	$0	$0	$0	$1,105,839	$3,771,785	$0	$3,771,785
96710 Interest of Mortgage (or Bonds) Payable				$4,674									$4,674		$4,674
96720 Interest on Notes Payable (Short and Long Term)															
96730 Amortization of Bond Issue Costs															
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$4,674	$0	$0	$0	$0	$0	$0	$0	$0	$4,674	$0	$4,674
96900 Total Operating Expenses	$36,190,558	$2,054,836	$15,142,919	$6,059,870	$2,639	$1,252,374	$0	$1,958	$132,833	$0	$0	$20,297,908	$61,135,895	-$7,947,500	$73,188,395
97000 Excess of Operating Revenue over Operating Expenses	$15,090,434	$19,535,018	-$5,178,854	-$1,532,412	$27,849	$25,627,668	$1,188,252	$0	$0	$10,959,592	$0	-$12,210,339	$53,507,208	$0	$53,507,208
97100 Extraordinary Maintenance	$6,238												$6,238		$6,238
97200 Casualty Losses - Non-capitalized															
97300 Housing Assistance Payments	$1,541	$18,594,817	$725,279			$25,155,731	$767,318						$45,244,686		$45,244,686
97350 HAP Portability-In	$5,031												$5,031		$5,031
97400 Depreciation Expense	$10,052,138		$1,963,553	$2,662,544	$9,959							$8,030	$14,696,234		$14,696,234
97500 Fraud Losses															
97600 Capital Outlays - Governmental Funds															

97000 Dwelling Units Rent Expense															
90000 Total Expenses	$46,255,506	$20,649,653	$17,931,751	$8,722,414	$12,608	$26,408,105	$767,318	$1,958	$132,833	$0	$0	$20,305,938	$141,088,084	-$7,947,500	$133,140,584
10010 Operating Transfer In	$11,157,666	$65,000		$920,339											
10020 Operating transfer Out			-$1,183,413							-$10,959,592			$12,143,005		$12,143,005
10030 Operating Transfers from/to Primary Government			-$1,736,821	$0									-$12,143,005		-$12,143,005
10040 Operating Transfers from/to Component Unit											-$423,069		-$2,159,890		-$2,159,890
10050 Proceeds from Notes, Loans and Bonds															
10060 Proceeds from Property Sales															
10070 Extraordinary Items, Net Gain/Loss															
10080 Special Items (Net Gain/Loss)															
10091 Inter Project Excess Cash Transfer In															
10092 Inter Project Excess Cash Transfer Out															
10093 Transfers between Program and Project - In															
10094 Transfers between Project and Program - Out															
10100 Total Other financing Sources (Uses)	$11,157,666	$65,000	-$2,920,234	$920,339	$0	$0	$0	$0	$0	-$10,959,592	-$423,069	$0	-$2,159,890	$0	-$2,159,890
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$16,183,152	$1,005,701	-$10,787,920	-$3,274,617	$17,880	$171,937	$420,934	$0	$0	$0	-$423,069	-$12,218,369	-$8,604,871	$0	-$8,604,871
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$220,172,500	$4,384,097	$74,254,003	$82,665,325	$1,355,472	$1,265,015	$849,383	$0	$0	$0	$423,069	$6,150,482	$391,719,356		$391,719,356
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		$0		$0						$0			$0		$0
11050 Changes in Compensated Absence Balance															
11060 Changes in Contingent Liability Balance															
11070 Changes in Unrecognized Pension Transition Liability															
11080 Changes in Special Term/Severance Benefits Liability															
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents															
11100 Changes in Allowance for Doubtful Accounts - Other															
11170 Administrative Fee Equity		$1,315,193											$1,315,193		$1,315,193
11180 Housing Assistance Payments Equity		$4,074,105											$4,074,105		$4,074,105
11190 Unit Months Available	61680	36696		4872		39600	1740						144788		144788
11210 Number of Unit Months Leased	57289	19709		4815		38891	1045						121749		121749
11270 Excess Cash	$26,221,698												$26,221,698		$26,221,698
11610 Land Purchases	$0											$0	$0		$0
11620 Building Purchases	$19,260,563											$0	$19,260,563		$19,260,563
11630 Furniture & Equipment - Dwelling Purchases	$0											$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0											$0	$0		$0
11650 Leasehold Improvements Purchases	$0											$0	$0		$0
11660 Infrastructure Purchases	$0											$0	$0		$0
13510 CFFP Debt Service Payments	$0											$0	$0		$0
13901 Replacement Housing Factor Funds	$0											$0	$0		$0

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Submit Edit Flags Reports Logout

BalanceSheet+

Income Statement+

PHA Information

PHA Code:	HI001	Fiscal Year End Date:06/30/2011
PHA Name:	Hawaii Public Housing Authority	
Submission Type:	Unaudited/A-133	
Project Name:	PUUWAI MOMI	
Project Status:	Validated	
Select Entity:		Program List Project List Other Project

Balance Sheet (readonly mode)

Line Item #	Description	Value	Details
Assets	**Current Assets Cash:**		
111	Cash - Unrestricted	$ 1625847	-
112	Cash - Restricted - Modernization and Development	$	-
113	Cash - Other Restricted	$	-
114	Cash - Tenant Security Deposits	$ 49945	-
115	Cash - Restricted for Payment of Current Liabilities	$	-
100	**Total Cash**	$ 1675792	-
	Receivables:		
121	Accounts Receivable - PHA Projects	$	-
122	Accounts Receivable - HUD Other Projects	$ 71827	[Details]
124	Accounts Receivable - Other Government	$	-
125	Accounts Receivable - Miscellaneous	$	[Details]
126	Accounts Receivable - Tenants	$ 252507	-
126.1	Allowance for Doubtful Accounts -Tenants	$ -183841	-
126.2	Allowance for Doubtful Accounts - Other	$ 0	-
127	Notes, Loans, & Mortgages Receivable - Current	$	-
128	Fraud Recovery	$	-
128.1	Allowance for Doubtful Accounts - Fraud	$	-
129	Accrued Interest Receivable	$	-
120	**Total Receivables, Net of Allowances for Doubtful Accounts**	$ 140493	-
131	Investments - Unrestricted	$	-
132	Investments - Restricted	$	-
135	Investments - Restricted for Payment of Current Liability	$	-
142	Prepaid Expenses and Other Assets	$	-
143	Inventories	$ 33360	-
143.1	Allowance for Obsolete Inventories	$ -3033	-
144	Inter Program Due From	$ 545298	-
145	Assets Held for Sale	$	-

150	**Total Current Assets**	$ 2391910	-
	NonCurrent Assets		
	Fixed Assets:		
161	Land	$ 2534474	-
162	Buildings	$ 34461992	-
163	Furniture, Equipment & Machinery - Dwellings	$ 117904	-
164	Furniture, Equipment & Machinery - Administration	$ 261873	-
165	Leasehold Improvements	$	-
166	Accumulated Depreciation	$ -26735183	-
167	Construction in Progress	$ 2874872	-
168	Infrastructure	$	-
160	**Total Capital Assets, Net of Accumulated Depreciation**	$ 13515932	-
171	Notes, Loans and Mortgages Receivable - Non-Current	$	[Details]
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$	[Details]
173	Grants Receivable - Non Current	$	-
174	Other Assets	$	[Details]
176	Investments in Joint Ventures	$	[Details]
180	**Total Non-Current Assets**	$ 13515932	-
190	**Total Assets:**	$ 15907842	-
Liabilities and Equity	**Liabilites**		
	Current Liabilities:		
311	Bank Overdraft	$	-
312	Accounts Payable <= 90 Days	$ 64760	-
313	Accounts Payable >90 Days Past Due	$ 10	-
321	Accrued Wage/Payroll Taxes Payable	$ 45865	-
322	Accrued Compensated Absences - Current Portion	$ 80273	-
324	Accrued Contingency Liability	$	-
325	Accrued Interest Payable	$	-
331	Accounts Payable - HUD PHA Programs	$	[Details]
332	Account Payable - PHA Projects	$	-
333	Accounts Payable - Other Government	$	-
341	Tenant Security Deposits	$ 49945	-
342	Deferred Revenues	$ 17686	[Details]
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$	[Details]
344	Current Portion of Long-term Debt - Operating Borrowings	$	-
345	Other Current Liabilities	$	-
346	Accrued Liabilities - Other	$ 309663	-
347	Inter Program - Due To	$ 612799	-
348	Loan Liability - Current	$	[Details]
310	**Total Current Liabilities**	$ 1181001	-
	NonCurrent Liabilities:		

152

351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$	[Details]
352	Long-term Debt, Net of Current - Operating Borrowings	$	-
353	Non-current Liabilities - Other	$	-
354	Accrued Compensated Absences - Non Current	$ 144129	-
355	Loan Liability - Non Current	$	[Details]
356	FASB 5 Liabilities	$	-
357	Accrued Pension and OPEB Liabilities	$ 321620	-
350	**Total Non-Current Liabilities**	$ 465749	-
300	**Total Liabilities**	$ 1646750	-
Equity	**Equity**		
508.1	Invested In Capital Assets, Net of Related Debt	$ 13515932	-
511.1	Restricted Net Assets	$	-
*512.1	Unrestricted Net Assets	$ 745160	-
513	**Total Equity/Net Assets**	$ 14261092	-
600	**Total Liabilities and Equity/Net Assets:**	$ 15907842	-

Note:
 # If you add or alter line items, press the SAVE button to save all your changes.
 # When you press the SAVE button, all totals fields will be calculated and displayed.
 # All fields marked with * are mandatory.

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Submit Edit Flags Reports Logout

BalanceSheet+

Income Statement+

PHA Information

PHA Code:	HI001 Fiscal Year End Date:06/30/2011
PHA Name:	Hawaii Public Housing Authority
Submission Type:	Unaudited/A-133
Project Name:	PUUWAI MOMI
Program Name:	Low Rent Public Housing Change Program
Select Entity:	Program List Project List Other Project

Income Statement (readonly mode)

Line Item #	Description	Value	Details
70300	Net Tenant Rental Revenue	$ 1637581	-
70400	Tenant Revenue - Other	$ 42659	-
70500	**Total Tenant Revenue**	$ 1680240	-
70600	HUD PHA Operating Grants	$ 1507340	-
70610	Capital Grants	$	-
70800	Other Government Grants	$	-
71100	Investment Income - Unrestricted	$ 4612	-
71200	Mortgage Interest Income	$	-
71300	Proceeds from Disposition of Assets Held for Sale	$	-
71310	Cost of Sale of Assets	$	-
71400	Fraud Recovery	$	-
71500	Other Revenue	$ 5730	-
71600	Gain or Loss on Sale of Capital Assets	$	-
72000	Investment Income - Restricted	$	-
70000	**Total Revenue:**	$ 3197922	-
	Expenses		
	Administrative:		
91100	Administrative Salaries	$ 204582	-
91200	Auditing Fees	$ 14436	-
91300	Management Fee	$ 409632	-
91310	Book-keeping Fee	$ 32043	-
91400	Advertising and Marketing	$	-
91500	Employee Benefit contributions - Administrative	$ 131195	-
91600	Office Expenses	$ 18678	-
91700	Legal Expense	$ 120	-
91800	Travel	$	-
91810	Allocated Overhead	$	-
91900	Other	$ 9912	-
91000	**Total Operating - Administrative**	$ 820598	-

92000	Asset Management Fee		-
	Tenant Services		
92100	Tenant Services - Salaries	$	-
92200	Relocation Costs	$	-
92300	Employee Benefit Contributions - Tenant Services	$	-
92400	Tenant Services - Other	$	-
92500	**Total Tenant Services**	$ 0	-
	Utilities		
93100	Water	$ 115632	-
93200	Electricity	$ 822548	-
93300	Gas	$ 30588	-
93400	Fuel	$	-
93500	Labor	$	-
93600	Sewer	$ 284142	-
93700	Employee Benefit Contributions - Utilities	$	-
93800	Other Utilities Expense	$	-
93000	**Total Utilities**	$ 1252910	-
	Ordinary Maintenance and Operations:		
94100	Ordinary Maintenance and Operations - Labor	$ 579483	-
94200	Ordinary Maintenance and Operations - Materials and Other	$ 103742	-
94300	Ordinary Maintenance and Operations Contracts	$ 217422	[Details]
94500	Employee Benefit Contributions - Ordinary Maintenance	$ 216531	-
94000	**Total Maintenance**	$ 1117178	-
95100	Protective Services - Labor	$	-
95200	Protective Services - Other Contract Costs	$ -4000	-
95300	Protective Services - Other	$	-
95500	Employee Benefit Contributions - Protective Services	$	-
95000	**Total Protective Services**	$ -4000	-
96110	Property Insurance	$ 34361	-
96120	Liability Insurance	$ 3748	-
96130	Workmen's Compensation	$ 1100	-
96140	All Other Insurance	$ 1916	-
96100	**Total Insurance Premiums**	$ 41125	-
	General Expenses:		
96200	Other General Expenses	$ 6094	-
96210	Compensated Absences	$ 76259	-
96300	Payments in Lieu of Taxes	$	-
96400	Bad debt - Tenant Rents	$ 1736	-
96500	Bad debt - Mortgages	$	-
96600	Bad debt - Other	$	-
96800	Severance Expense	$ -6271	-
96000	**Total Other General Expenses**	$ 77818	-

96710	Interest of Mortgage (or Bonds) Payable		-
96720	Interest on Notes Payable (Short and Long Term)	$	-
96730	Amortization of Bond Issue Costs	$	-
96700	**Total Interest Expense and Amortization Cost**	$ 0	-
96900	**Total Operating Expenses**	$ 3305629	-
97000	**Excess of Operating Revenue over Operating Expenses**	$ -107707	-
97100	Extraordinary Maintenance	$	-
97200	Casualty Losses - Non-capitalized	$	-
97300	Housing Assistance Payments	$ -1367	-
97350	HAP Portability-In	$	-
97400	Depreciation Expense	$ 1209870	-
97500	Fraud Losses	$	-
97800	Dwelling Units Rent Expense	$	-
90000	**Total Expenses**	$ 4514132	-
10010	Operating Transfer In	$	-
10020	Operating transfer Out	$	-
10030	Operating Transfers from/to Primary Government	$	[Details]
10040	Operating Transfers from/to Component Unit	$	-
10070	Extraordinary Items, Net Gain/Loss	$	-
10080	Special Items (Net Gain/Loss)	$	-
10091	Inter Project Excess Cash Transfer In	$	-
10092	Inter Project Excess Cash Transfer Out	$	-
10093	Transfers between Program and Project - In	$	-
10094	Transfers between Project and Program - Out	$	-
10100	**Total Other financing Sources (Uses)**	$ 0	-
10000	**Excess (Deficiency) of Total Revenue Over (Under) Total Expenses**	$ -1316210	-
	Memo Account Information:		
*11020	Required Annual Debt Principal Payments	$ 0	-
*11030	Beginning Equity	$ 14462072	-
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	$	[Details]
*11190	Unit Months Available	4332	-
*11210	Number of Unit Months Leased	4280	-
11270	Excess Cash	$ 905113	-
*11610	Land Purchases	$ 0	-
*11620	Building Purchases	$ 0	-
*11630	Furniture & Equipment - Dwelling Purchases	$ 0	-
*11640	Furniture & Equipment - Administrative Purchases	$ 0	-
*11650	Leasehold Improvements Purchases	$ 0	-
*11660	Infrastructure Purchases	$ 0	-
*13510	CFFP Debt Service Payments	$ 0	-
*13901	Replacement Housing Factor Funds	$ 0	-

Note:

 # If you add or alter line items, press the SAVE button to save all your changes.

 # When you press the SAVE button, all totals fields will be calculated and displayed.

 # All fields marked with * are mandatory.

Real Estate Assessment Center

Financial Assessment Subsystem (FASS-PH)

My Inbox PHA Info FDS DCF Submit Edit Flags Reports Logout

BalanceSheet+

Income Statement+

PHA Information

PHA Code:	HI001	Fiscal Year End Date:06/30/2011
PHA Name:	Hawaii Public Housing Authority	
Submission Type:	Unaudited/A-133	
Project Name:	PUUWAI MOMI	
Program Name:	Public Housing Capital Fund Program Change Program	
Select Entity:		Program List Project List Other Project

Income Statement (readonly mode)

Line Item #	Description	Value	Details
70300	Net Tenant Rental Revenue	$	-
70400	Tenant Revenue - Other	$	-
70500	**Total Tenant Revenue**	$ 0	-
70600	HUD PHA Operating Grants	$ 207311	-
70610	Capital Grants	$ 162511	-
70800	Other Government Grants	$	-
71100	Investment Income - Unrestricted	$	-
71200	Mortgage Interest Income	$	-
71300	Proceeds from Disposition of Assets Held for Sale	$	-
71310	Cost of Sale of Assets	$	-
71400	Fraud Recovery	$	-
71500	Other Revenue	$	-
71600	Gain or Loss on Sale of Capital Assets	$	-
72000	Investment Income - Restricted	$	-
70000	**Total Revenue:**	$ 369822	-
	Expenses		
	Administrative:		
91100	Administrative Salaries	$	-
91200	Auditing Fees	$	-
91300	Management Fee	$	-
91310	Book-keeping Fee	$	-
91400	Advertising and Marketing	$	-
91500	Employee Benefit contributions - Administrative	$	-
91600	Office Expenses	$ 23478	-
91700	Legal Expense	$	-
91800	Travel	$	-
91810	Allocated Overhead	$	-
91900	Other	$ 180	-
91000	**Total Operating - Administrative**	$ 23658	-

92000	Asset Management Fee		-
	Tenant Services		
92100	Tenant Services - Salaries	$	-
92200	Relocation Costs	$	-
92300	Employee Benefit Contributions - Tenant Services	$	-
92400	Tenant Services - Other	$	-
92500	**Total Tenant Services**	$ 0	-
	Utilities		
93100	Water	$	-
93200	Electricity	$	-
93300	Gas	$	-
93400	Fuel	$	-
93500	Labor	$	-
93600	Sewer	$	-
93700	Employee Benefit Contributions - Utilities	$	-
93800	Other Utilities Expense	$	-
93000	**Total Utilities**	$ 0	-
	Ordinary Maintenance and Operations:		
94100	Ordinary Maintenance and Operations - Labor	$	-
94200	Ordinary Maintenance and Operations - Materials and Other	$	-
94300	Ordinary Maintenance and Operations Contracts	$	[Details]
94500	Employee Benefit Contributions - Ordinary Maintenance	$	-
94000	**Total Maintenance**	$ 0	-
95100	Protective Services - Labor	$	-
95200	Protective Services - Other Contract Costs	$	-
95300	Protective Services - Other	$	-
95500	Employee Benefit Contributions - Protective Services	$	-
95000	**Total Protective Services**	$ 0	-
96110	Property Insurance	$	-
96120	Liability Insurance	$	-
96130	Workmen's Compensation	$	-
96140	All Other Insurance	$	-
96100	**Total Insurance Premiums**	$ 0	-
	General Expenses:		
96200	Other General Expenses	$	-
96210	Compensated Absences	$	-
96300	Payments in Lieu of Taxes	$	-
96400	Bad debt - Tenant Rents	$	-
96500	Bad debt - Mortgages	$	-
96600	Bad debt - Other	$	-
96800	Severance Expense	$	-
96000	**Total Other General Expenses**	$ 0	-

96710	Interest of Mortgage (or Bonds) Payable		-
96720	Interest on Notes Payable (Short and Long Term)	$	-
96730	Amortization of Bond Issue Costs	$	-
96700	**Total Interest Expense and Amortization Cost**	$ 0	-
96900	**Total Operating Expenses**	$ 23658	-
97000	**Excess of Operating Revenue over Operating Expenses**	$ 346164	-
97100	Extraordinary Maintenance	$	-
97200	Casualty Losses - Non-capitalized	$	-
97300	Housing Assistance Payments	$	-
97350	HAP Portability-In	$	-
97400	Depreciation Expense	$	-
97500	Fraud Losses	$	-
97800	Dwelling Units Rent Expense	$	-
90000	**Total Expenses**	$ 23658	-
10010	Operating Transfer In	$ 769066	-
10020	Operating transfer Out	$	-
10030	Operating Transfers from/to Primary Government	$	[Details]
10040	Operating Transfers from/to Component Unit	$	-
10070	Extraordinary Items, Net Gain/Loss	$	-
10080	Special Items (Net Gain/Loss)	$	-
10091	Inter Project Excess Cash Transfer In	$	-
10092	Inter Project Excess Cash Transfer Out	$	-
10093	Transfers between Program and Project - In	$	-
10094	Transfers between Project and Program - Out	$	-
10100	**Total Other financing Sources (Uses)**	$ 769066	-
10000	**Excess (Deficiency) of Total Revenue Over (Under) Total Expenses**	$ 1115230	-
	Memo Account Information:		
*11020	Required Annual Debt Principal Payments	$ 0	-
*11030	Beginning Equity	$ 0	-
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	$	[Details]
*11610	Land Purchases	$ 0	-
*11620	Building Purchases	$ 162501	-
*11630	Furniture & Equipment - Dwelling Purchases	$ 0	-
*11640	Furniture & Equipment - Administrative Purchases	$ 0	-
*11650	Leasehold Improvements Purchases	$ 0	-
*11660	Infrastructure Purchases	$ 0	-
*13510	CFFP Debt Service Payments	$ 0	-
*13901	Replacement Housing Factor Funds	$ 0	-

Note:
 # If you add or alter line items, press the SAVE button to save all your changes.
 # When you press the SAVE button, all totals fields will be calculated and displayed.
 # All fields marked with * are mandatory.

Approved by the Executive Director
October 20, 2011

FOR DISCUSSION

SUBJECT: Management Audit of the Hawaii Public Housing Authority by the Office of the Auditor, State of Hawaii

I. FACTS

A. During the 2009 Legislative Session, Senate Concurrent Resolution No. 31, (SD2, HD1) and House Concurrent Resolution No. 94 (HD1, SD 1) requested a management audit of the Hawaii Public Housing Authority (HPHA).

B. The audit was conducted by the Office of the Auditor for the period July 1, 2006 through June 30, 2010.

C. A copy of the audit findings and HPHA's response is attached.

D. The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) 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.

Prepared by: Barbara E. Arashiro, Executive Assistant

Management Audit of the Hawai'i Public Housing Authority

A Report to the Governor and the Legislature of the State of Hawai'i

Report No. 11-01
June 2011

THE AUDITOR
STATE OF HAWAI'I

Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawai'i State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

Under its assigned missions, the office conducts the following types of examinations:

1. Financial audits attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.

2. Management audits, which are also referred to as performance audits, examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called program audits, when they focus on whether programs are attaining the objectives and results expected of them, and operations audits, when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.

3. Sunset evaluations evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.

4. Sunrise analyses are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.

5. Health insurance analyses examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.

6. Analyses of proposed special funds and existing trust and revolving funds determine if proposals to establish these funds are existing funds meet legislative criteria.

7. Procurement compliance audits and other procurement-related monitoring assist the Legislature in overseeing government procurement practices.

8. Fiscal accountability reports analyze expenditures by the state Department of Education in various areas.

9. Special studies respond to requests from both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawai'i's laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.

THE AUDITOR
STATE OF HAWAI'I
Kekuanao'a Building
465 S. King Street, Room 500
Honolulu, Hawai'i 96813

Management Audit of the Hawai'i Public Housing Authority

Report No. 11-01, June 2011

Tenant welfare can be improved if performance monitoring and asset management are prioritized

Office of the Auditor
465 S. King Street
Rm. 500
Honolulu, HI 96813
Ph. (808) 587-0800

Marion M. Higa
State Auditor
State of Hawai'i

HPHA by the Numbers

Total units:	**6,195**
Unrepaired units:	**233**
Families on wait list:	**9,000+**
Wait time:	**2-5 yrs**

Recommendations

Responses

Previous Audits

For the full text of this and other reports, visit our website: http://www.state.hi.us/auditor

Oversight of housing projects erratic

The authority administers 5,331 public housing units in 67 federally-funded buildings and 864 units in 14 state-funded buildings. During FY2007-2010, the authority lacked staff with the resources and time to sufficiently monitor project managers' performance. Oversight for rent collection, federal reporting, and issues affecting tenants' daily lives—such as building conditions, property upkeep, and timely addressing of repair and maintenance problems—was erratic.

Both state- and privately-run housing projects reported backlogs in repair and maintenance. Turnaround on vacant units was slow, adversely impacting families on the waiting list as well as rent collections. As of February 15, 2011, the authority had a total of 233 vacant units that either had pending maintenance work or were available for rent; overall, these units had been vacant an average of six months. With approximately 9,000 families on the waiting list and an average wait time of two to five years, delays in turning around vacant units negatively impacts families waiting for public housing, rent revenues, and overall funding available to the authority.

Turning the ship around

The authority is severely behind schedule in implementing the U.S. Department of Housing and Urban Development-mandated "asset management" system. Despite the directive's issuance in 2005, the authority has yet to reach a first-year implementation level. Asset management is a method of managing public housing projects intended to improve operational efficiency and effectiveness by shifting accountability from the central housing authority to individual housing project managers. The method encourages managers to operate their properties as businesses, monitoring rent revenues and managing related expenditures to accrue capital for long term asset preservation and growth.

The deadline for meeting two of the five components of this model was in 2007; full implementation of all components is required by June 30, 2011. While the authority's executive director is aware the authority cannot realistically meet this deadline, she has begun to determine what is reasonable to implement, assign responsible parties, and develop a plan of action. We cannot comment on the results of her planning effort, but note the contrast with the efforts under the previous executive director, whose tenure ended in March 2010. The new action represents a concerted effort to rectify the substantial lag in implementing the asset management model.

The authority has many challenges ahead. It must improve its monitoring of project managers to ensure tenants' needs are addressed and the State's assets are protected for future users. It must also implement the federally-mandated asset management system model of operation. Any further delays in implementation may put federal funds at risk; for an agency already suffering from backlogs of deferred maintenance and staffing constraints, such a loss would be devastating.

Agency response

The authority did not take issue with our findings. According to the executive director, our findings are compatible with her "to do" list and her action plans will address some of our recommendations. These include a comprehensive operations manual to ensure consistent enforcement of policies. The authority is converting to asset management by improving its budgeting and accounting processes and utilizing the technical assistance plan provided by Econometrica, Inc.

Management Audit of the Hawai'i Public Housing Authority

A Report to the Governor and the Legislature of the State of Hawai'i

Submitted by

THE AUDITOR
STATE OF HAWAI'I

Report No. 11-01
June 2011

Foreword

This is a report on our management audit of the Hawai'i Public Housing Authority in response to Senate Concurrent Resolution No. 31, Senate Draft 2, House Draft 1, and House Concurrent Resolution No. 94, House Draft 1, Senate Draft 1, of the 2009 legislative session. We conducted the audit pursuant to Section 23-4, Hawai'i Revised Statutes, which requires the Auditor to conduct postaudits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions. Additionally, Chapter 103D, Hawai'i Revised Statutes requires the State Auditor to periodically audit procurement practices within the government.

We wish to express our appreciation for the cooperation and assistance extended to us by the board of directors, executive director, and staff of the Hawai'i Public Housing Authority, and others whom we contacted during the course of the audit.

Marion M. Higa
State Auditor

Table of Contents

Chapter 1 Introduction

Background 1
Objectives of the Audit 15
Scope and Methodology 15

Chapter 2 Tenant Welfare Can Improve By Prioritizing Performance Monitoring and Asset Management

Summary of Findings 18
The Authority's Ineffective Oversight of State- and Privately-Managed Housing Projects Impacts Tenant Welfare 18
The Authority Has Not Yet Implemented the Federally-Mandated Asset Management System 37
Conclusion 44
Recommendations 45

Response of the Affected Agency 47

List of Exhibits

Exhibit 1.1 Hawai'i Public Housing Authority—Program Appropriations, FY2008–FY2011 3
Exhibit 1.2 Federal and State Housing Projects, by Island 4
Exhibit 1.3 Public Housing Projects in Hawai'i 5
Exhibit 1.4 Breakdown of Projects and Units, by Manager, as of June 30, 2010 6
Exhibit 1.5 Hawai'i Public Housing Authority Organization Chart 8
Exhibit 2.1 Physical Assessment Scores, by AMP 24
Exhibit 2.2 Closed Work Order Statistics, Selected AMPs, FY2010 26
Exhibit 2.3 Open Work Orders, Selected AMPs, January 1, 2004 Through February 1, 2011 26
Exhibit 2.4 Current Vacancies, Selected AMPs Through February 15, 2011 28

Exhibit 2.5 AMP 49, Wahiawā, Unit Vacated July 2010 29
Exhibit 2.6 AMP 30, Pu'uwai Momi, Unit Vacated July 2010 30
Exhibit 2.7 AMP 44, Wai'anae, Units Damaged by Fire in 2005 and 2008 31
Exhibit 2.8 Ongoing Construction Projects at AMP 40, Kūhiō Park Terrace 32
Exhibit 2.9 Inventory at AMP 38, Kaua'i 34
Exhibit 2.10 Inventory at AMP 45, Kāne'ohe 35

Chapter 1
Introduction

Background

Concerned about the management of public housing facilities in Hawai'i, in 2009 the Legislature made two separate requests for an audit of the Hawai'i Public Housing Authority (HPHA). House Concurrent Resolution No. 94, House Draft 1, Senate Draft 1 of the 2009 Regular Session asked the Auditor to conduct a review of the management of the Pu'uwai Momi and West O'ahu housing facilities to compare the performance of state- versus privately-operated public housing projects. The resolution also asked that we determine the relative contributions of funding levels, mismanagement, and tenant and visitor actions toward these properties' failure to meet performance standards.

Simultaneously, the 2009 Legislature passed Senate Concurrent Resolution No. 31, Senate Draft 2, House Draft 1 requesting the Auditor to conduct a management and financial audit of the authority's maintenance contracts. The resolution asked the Auditor to review the management of those contracts and investigate reports of disrepair, noncompliance with the federal Americans With Disabilities Act, and other concerns of residents. It asked that we take into account the newly implemented U.S. Department of Housing and Urban Development's Deficiency Report Checklist. And it also asked that we focus on contracts and facilities with high dollar value, volume of complaints, contractual terms not strong enough to protect the State's interests, serious lack of internal controls, or other screening approach to scope the audit into a manageable size.

History, mission, and funding of HPHA

The Hawai'i Public Housing Authority's mission is to promote adequate and affordable housing over the long term for low-income individuals. Although its general purpose has changed little over the years, its name and purview have been altered a number of times.

In 1935, the Territorial Legislature created the Hawai'i Housing Authority (HHA) to provide safe and sanitary housing for low-income residents of Hawai'i. In 1976 the Hawai'i Community Development Authority (HCDA) was established to guide the revitalization of Honolulu's Kaka'ako district. Hawai'i Community Development Authority's responsibilities included planning the installation of infrastructure as well as planning and regulating development in the district. A specific mission of HCDA is to increase the amount of low income housing in Kaka'ako. Hawai'i Community Development Authority is still extant.

In 1987 the Housing Finance and Development Corporation (HFDC) was created to assume housing development and financing functions from HHA in order to streamline and expedite the supply of affordable rental and for-sale housing for low- to moderate-income people. In 1997 HHA and HFDC were consolidated into a new entity, the Housing and Community Development Corporation of Hawai'i (HCDCH), effective July 1, 1998. The Housing and Community Development Corporation of Hawai'i's mission was to serve as a catalyst to provide Hawai'i's residents with affordable housing and shelter opportunities in a balanced and supportive environment.

In 2005 the subject of this audit, the Hawai'i Public Housing Authority (HPHA), was born when HCDCH's functions were split into two new agencies effective July 1, 2006. The other agency is the Hawai'i Housing Finance and Development Corporation (HHFDC), which is tasked with developing and financing low- and moderate-income housing projects and administering homeownership programs. Most recently, in 2010, HPHA's mandate was narrowed to remove responsibility for homeless programs.

Mission

Public housing authorities across the country are responsible for managing and operating public housing programs. This includes assuring compliance with leases (including rent collections); setting other charges, such as security deposits and excess utility consumption fees; reexamining tenants' income at least once a year; and maintaining housing developments in decent, safe, and sanitary conditions. Like other public housing authorities, HPHA's mission is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. HPHA is charged with managing federal and state public housing programs, including the federal Housing Assistance Payment Program pursuant to the Housing and Community Development Act of 1974 (known as the "Section 8" program) and elderly housing.

Funding

Hawai'i's public housing projects receive the majority of their funding through the U.S. Department of Housing and Urban Development's (HUD) federal grants, as shown in Exhibit 1.1. Capital improvement project (CIP) funds are also provided for various capital projects at public housing properties throughout the state.

Exhibit 1.1
Hawai'i Public Housing Authority—Program Appropriations, FY2008–FY2011

HMS 220: Rental Housing Assistance	FY2008	FY2009	FY2010	FY2011
General Funds	$10,194,240	$5,039,240	$4,414,556	$4,414,556
Federal Funds	$43,869,465	$43,869,475	$33,718,184	$32,945,694
Revolving Funds	$3,992,323	$3,992,323	$3,914,984	$3,865,232
Total	**$58,056,028**	**$52,901,038**	**$42,047,724**	**$41,225,482**
Federal funds as a percent of total operating funds	*76%*	*83%*	*80%*	*80%*
Lump sum for statewide public housing capital improvement projects (CIP)	$25,000,000	$16,410,000	$7,913,000	$4,500,000
Total Appropriations	**$83,056,028**	**$69,311,038**	**$49,960,724**	**$45,725,482**

Source: Office of the Auditor analysis of Session Laws of Hawai'i

Public housing projects–what HPHA oversees

The Hawai'i Public Housing Authority owns, manages, and maintains both federal and state public housing projects as well as the state supplemental rent program. Tenants' acceptance into public housing facilities and their rental rates are based on their annual gross income; whether they qualify as elderly, disabled, or a family; and their citizenship status (i.e., whether they are U.S. citizens or qualified immigrants).

"Low income" means eligible applicants earn 80 percent or less of the median income for their relevant area; "very low income" means they earn 50 percent or less. Rental rates for state public housing projects are set to produce revenues sufficient to pay all management, operational, and maintenance expenses.

Unlike in federal housing projects, tenants of state public housing projects must be Hawai'i residents. In addition, while state moneys can be used for state or federal public housing projects, federal funds can be used only for federal projects. Exhibit 1.2 shows the number of federal and state housing projects throughout the state.

Exhibit 1.2
Federal and State Housing Projects, by Island

	Federal		State		Totals	
	No. Projects	No. Units	No. Projects	No. Units	No. Projects	No. Units
O'ahu	33	4,145	10	750	43	4,895
Kaua'i	10	321	1	26	11	347
Maui and Moloka'i	6	196	1	32	7	228
West and North Hawai'i	9	305	1	26	10	331
East Hawai'i	9	364	1	30	10	394
Totals	**67**	**5,331**	**14**	**864**	**81**	**6,195**

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

Hawai'i's public housing projects are organized into 17 groups. Sixteen of these are known as "asset management projects," or AMPs. They are primarily federally funded, grouped together based on geographic proximity, and inspected annually based on HUD criteria. The last group of public housing projects, known as a "management unit," or MU, is comprised of state elderly housing on O'ahu and is primarily state-funded. Exhibit 1.3 details all public housing projects in the state.

Exhibit 1.3
Public Housing Projects in Hawai'i

No.	Project Name – Asset Management Project (AMP) or Management Unit (MU)	No. Federally-Funded Units	No. State-Funded Units	Total No. Units	Managed By
1	AMP 30: Pu'uwai Momi	363	-	363	State
2	AMP 31: Kalihi Valley Homes	373	174	547	State
3	AMP 32: Mayor Wright Homes	364	-	364	State
4	AMP 33: Kamehameha Homes	373	-	373	State
5	AMP 34: Kalākaua Homes	583	-	583	State
6	AMP 35: Punchbowl Homes	587	-	587	State
7	AMP 37: Lanakila Homes	364	30	394	Hawai'i Affordable Properties
8	AMP 38: Kaua'i	321	26	347	State
9	AMP 39: Kahekili Terrace	196	32	228	State
10	AMP 40: Kūhiō Park Terrace	748	-	748	Realty Laua
11	AMP 43: Ka Hale Kahalu'u	202	-	202	Hawai'i Affordable Properties
12	AMP 44: Wai'anae	260	-	260	'Ewa Pointe Realty
13	AMP 45: Kāne'ohe	226	-	226	Realty Laua
14	AMP 46: Noelani	103	26	129	Hawai'i Affordable Properties
15	AMP 49: Wahiawā	150	-	150	State
16	AMP 50: Pālolo Valley Homes	118	-	118	State
17	MU 42: Hale Pō'ai	-	576	576	Hawai'i Affordable Properties
	Total	5,331	864	6,195	

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

Exhibit 1.4 illustrates the number of projects, units, and percentage of total statewide units managed by each private contractor and the State.

Exhibit 1.4
Breakdown of Projects and Units, by Manager, as of June 30, 2010

Manager	No. Projects Managed	No. Units Managed	Percent of Total Units Managed
'Ewa Pointe Realty	1	260	4.2%
Hawai'i Affordable Properties	4	1,301	21.0%
Realty Laua, LLC	2	974	15.7%
State of Hawai'i	10	3,660	59.1%
Total	**17**	**6,195**	

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

Rental payments and subsidies

The State's Rental Supplement Program helps eligible families with part of their monthly rent. All families pay at least 30 percent of their adjusted family income in rent; the difference between their share and the total rent, up to a maximum of $160 per month, is paid by the rental supplement program.

Rental payments and federal subsidies are paid into HPHA's three revolving funds. The federal Low-Rent Revolving Fund accounts for the proceeds from federal contributions for the development of rental property as well as rental income and federal operating subsidies from such properties. The Housing Revolving Fund accounts for various state multifamily housing projects. The Housing for Elders Revolving Fund accounts for various state elderly housing projects throughout Hawai'i.

HPHA's ancillary responsibilities

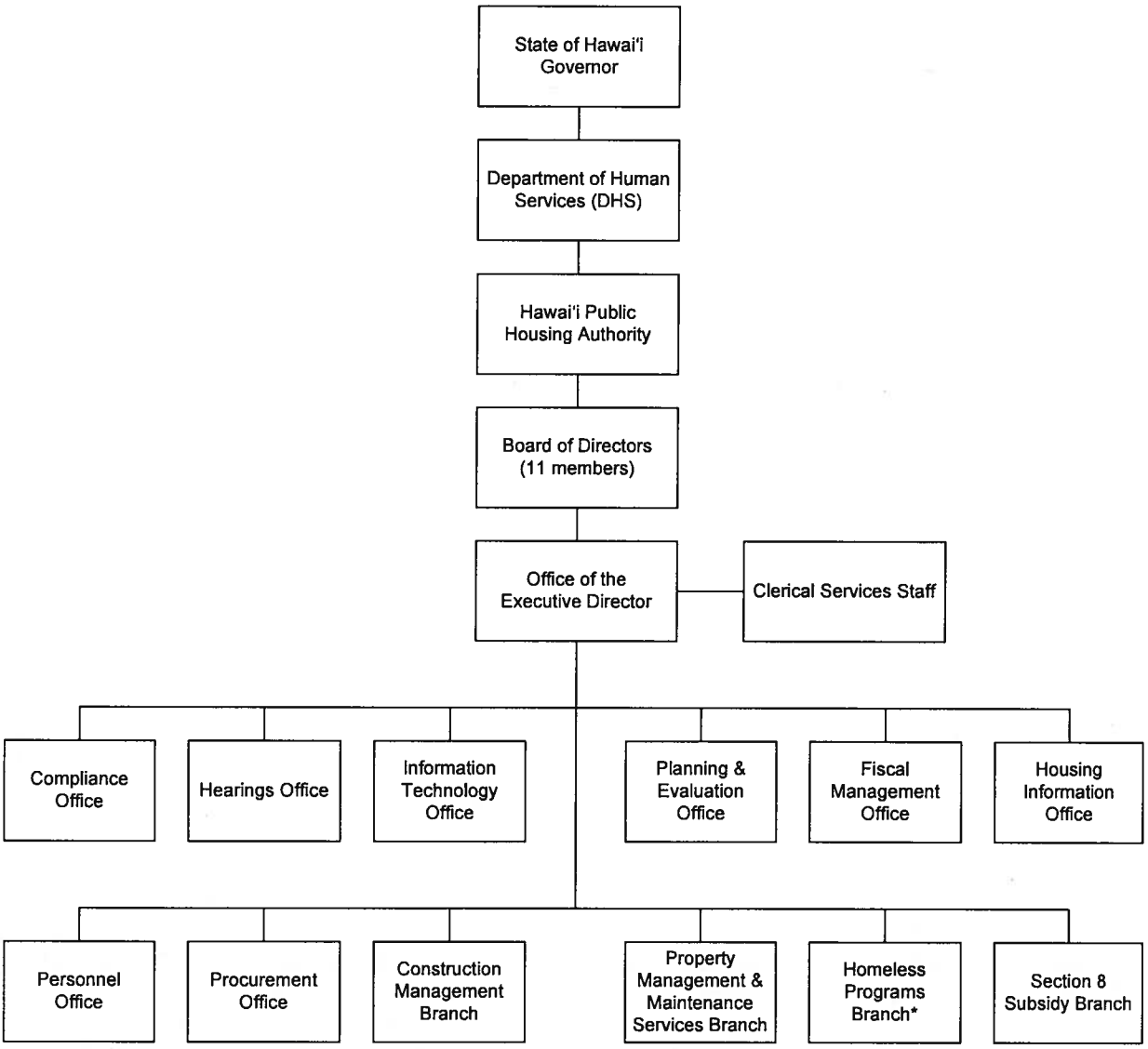
In addition to public housing, HPHA is also responsible for the federal Section 8 Housing Choice Voucher Program, which assists low-income families, elderly, and disabled persons to afford decent, safe, and sanitary housing in the private market. Participants in this program find their own housing and a subsidy is paid directly to the landlord by HPHA. Participants pay the difference between the actual rent and the subsidy.

Until July 1, 2010, HPHA was also responsible for the State's Homeless Assistance Program, which provides federal and state funding to agencies to provide various services. The services include emergency or transitional shelter, case management, meals or cooking facilities, basic survival, counseling and referral, and housing placement. Recognizing that this level of housing services is best met by the Department of Human Services, the Legislature removed this responsibility from HPHA's purview effective July 1, 2010.

Organization

The HPHA is administratively attached to the Department of Human Services. It is headed by an 11- member board of directors and comprised of the Office of the Executive Director, eight support offices, and four branches. As of June 30, 2010, the authority had 262 employees and a total of 328 approved positions. By December 2010, the authority had 325 approved positions, of which 255 were filled. Exhibit 1.5 shows the authority's organizational structure. The offices and branches relevant to this audit are described below.

Exhibit 1.5
Hawai'i Public Housing Authority Organization Chart



*Note: Effective July 1, 2010, the responsibilities of the Homeless Programs Branch were transferred to the Department of Human Services.

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

The **Board of Directors** is responsible for establishing policies and executive direction for the authority. The board approves program activities and actions taken by the authority and adopts and revises its administrative rules and procedures. The board also employs the authority's executive director.

The **Office of the Executive Director** provides overall administration and management of all functions and activities for daily operations. The executive director is responsible for delivering housing services to the state.

The **Compliance Office** provides oversight to ensure programs and activities operate according to federal and state requirements, agency policies, and fair housing laws and regulations.

The **Fiscal Management Office** provides administrative assistance and advisory services in fiscal management, budget, and accounting services. The office oversees the authority's assets–including real property–and formulates policies, procedures, and standards for administering central accounting, asset management, and contract monitoring activities.

The **Planning and Evaluation Office** provides housing research, needs assessments, and overall planning support functions. The office is responsible for evaluating implementation of the authority's objectives and policies, and assists in the development of housing studies and reports.

The **Procurement Office** provides centralized procurement, storekeeping, and inventory services for the authority statewide. The office is also responsible for ensuring compliance with applicable federal and state procurement laws, rules, regulations, policies, and procedures.

The **Construction Management Branch** provides overall administration of the State's public housing rehabilitation and modernization programs. The branch coordinates and conducts periodic physical needs assessments of existing facilities, develops short- and long-range plans for modernization, capital improvement, and extraordinary repairs and maintenance of facilities. It also provides construction management, technical assistance, and architectural and engineering support.

The **Property Management & Maintenance Branch** provides for the management and maintenance of federal and state low-income public housing, vacant land, equipment, and various other properties owned or managed by the authority. The branch develops and establishes management and maintenance plans, assesses the adequacy and effectiveness of management, maintenance, and resident programs, and makes necessary adjustments to meet residents' needs.

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) was created in 1965 and administers federal aid to public housing authorities nationwide that manage housing developments for low-income residents

at affordable rents. The U.S. Department of Housing and Urban Development also provides technical and professional assistance in planning, developing, and managing such developments.

The U.S. Department of Housing and Urban Development provides the majority of funding and oversight for public housing projects in Hawai'i. As shown in Exhibit 1.1, federal moneys account for between 76 and 83 percent of the authority's budget. Because of its vested interest in Hawai'i's public housing projects, HUD heavily scrutinizes HPHA's expenditures and management. The federal housing agency provides regulations regarding the development of public housing projects, eligibility of residents, and management and maintenance of housing projects. The agency annually grades public housing authorities' performance based on compliance with its regulations.

HUD Corrective Action Order

The authority and its predecessors have historically had problems with procurement. In 2002 HUD placed HPHA's predecessor under a corrective action order (CAO) for non-compliance with federal procurement procedures. Among other things, the authority budgeted funds for management improvements but used them on other items, did not meet deadlines for obligating funds, and failed to properly evaluate prospective professional consultants as required by federal law.

The corrective action order required the authority to submit certain documentation to HUD prior to approving any contract greater than $25,000. The required documents relate to the solicitation and selection of contractors and employees for managerial positions, proposed contracts, and proposed contract modifications for professional services, equipment, or management services. The purpose of the CAO was to prevent and mitigate the effects and recurrence of the deficiency; failure to comply could result in financial sanctions for the authority.

The corrective action order is still in effect, but has recently been modified. In November 2010 HUD advised that, except for property management contracts, the authority is no longer required to submit the above-specified documentation to HUD prior to issuing approval.

Recent litigation

At the time we began this audit, the authority was involved in two class action lawsuits. On December 18, 2008, the tenants of Kūhiō Park Terrace and Kūhiō Homes filed two complaints against the State of Hawai'i, the Hawai'i Public Housing Authority, and Realty Laua, LLC.

The *Faletogo* litigation was filed in the Circuit Court of Hawai'i. Tenants claimed the defendants violated the warranty of habitability

implied in all residential leases; breached express terms of the leases between the tenants and the authority; breached terms of the management agreements between Realty Laua and the authority, of which the tenants are intended beneficiaries; and violated numerous state and county health and safety regulations, constituting unfair trade practices, arising from the defendants' ownership, operation, control, and management of Kūhiō Park Terrace.

The *McMillon* litigation was filed in the U.S. District Court. Tenants claimed the authority violated the Americans With Disabilities Act of 1990 (ADA), the Rehabilitation Act of 1973, and the Fair Housing Amendments Act of 1988 (FHAA); and that Realty Laua had violated the ADA and FHAA. Tenants alleged the defendants failed to provide safe and accessible housing, prepare and implement evacuation plans, remedy hazardous environmental conditions, maintain safe and accessible elevators, or implement an effective system for receiving and responding to requests for accommodations at Kūhiō Park Terrace and Kūhiō Homes.

Both lawsuits have settled. The order granting preliminary approval of the *Faletogo* settlement was made on December 6, 2010. The court noted that both the defendants and plaintiffs acknowledged that several of the conditions at Kūhiō Park Terrace that were the basis of the lawsuit have purportedly been, or are in the process of being, remediated. These include installation of a new fire alarm system, elevator modernization, and garbage chute replacement; and the authority has procured and entered into contracts for each of these projects. While the elevator modernization is in progress, the authority is also to make a freight elevator available for tenants if necessary to ensure each tower is served by two elevators during peak hours. The authority has also developed a fire disaster and preparedness plan for Kūhiō Park Terrace and is to provide tenants with a fire evacuation notice. Lastly, the authority is to make reasonable efforts to ensure Kūhiō Park Terrace is maintained in safe, sanitary, and habitable condition; and enforce the provisions of its management contract with Realty Laua. That contract requires Realty Laua to maintain the overall physical appearance and condition of the properties, including maintenance and upkeep of the individual units.

The order granting preliminary approval of the *McMillon* settlement was made on December 16, 2010. The settlement terms include all of those described above in relation to *Faletogo* as well as a monetary payment to the plaintiffs. In addition, the authority is to:

- Retain or engage a consultant for a minimum of two years to monitor compliance with the ADA and FHAA at Kūhiō Park Terrace and Kūhiō Homes, review policies and procedures

regarding ADA and reasonable accommodations, conduct training for management personnel, and review any construction or alteration plans before they are carried out;

- Make all reasonable accommodation modifications for tenants in accordance with state and federal law, accommodations which do not endanger a housing project's physical structure, create undue financial or administrative burden, or result in fundamental alteration of the program;

- Install bathroom grab bars for tenants upon request and without verification of medical need;

- Remove or reasonably mediate any barriers to the management offices which prevent, impede or hinder disabled residents from entry or exit; and

- Install three crosswalks at Linapuni Street and regularly inspect the Koko Head sidewalk between the terrace towers, and patch and smooth any cracks there.

Prior audits

This is our first audit of the Hawai'i Public Housing Authority in its present form. However, we have conducted a number of audits and studies related to housing in Hawai'i and the authority's predecessors. Relevant issues are summarized below.

In Report No. 90-07, *Audit of the Rent Supplement Program of the Hawai'i Housing Authority* (HHA) (January 1990), we found that the program had not kept pace with changes in housing needs. Policies on how the program assessed need and eligibility and where it concentrated its efforts required clarification. We questioned the program's providing support to non-immigrant student aliens and persons already receiving other types of housing subsidies. We found there were some obsolete and unnecessary provisions in the statutes and rules that required attention, questionable limits on income and assets, and inadequate efforts to verify information provided by applicants. We also found that of the program's appropriation for FY1990, HHA set aside $1 million for other uses while cutting back on supplement payments. It also did not transfer certain moneys to the Housing Revolving Fund for proper accountability.

In Report No. 91-14, *Review of the Hawai'i Housing Authority's Repair and Maintenance Program* (February 1991), we found that:

- The authority did not collect sufficient information about the physical condition of its housing projects to plan appropriate

levels of funding for repair and maintenance. There was therefore no baseline data on the physical condition of the entire housing stock.

- The authority did not have a program of preventive maintenance to ensure housing was kept decent, safe, and sanitary. Improved communication between engineering and housing management branches was needed to establish priorities and assign responsibilities.

- Many older housing projects needed major repairs. Work was deferred, funds for extraordinary maintenance were not always spent, and planning for major repairs was not systematic. The authority had funds that could have been used for these repairs, but were not. The Housing Management and Engineering Branches developed separate budgets—regarding federal and state low rent programs, and federally funded repairs and maintenance and modernization work, respectively—but had no system to coordinate their efforts.

- It was anticipated that state funds would be needed to correct long-standing maintenance problems, but the authority lacked a commission-approved maintenance plan and attendant budget. We found the authority needed to present the Legislature with more complete financial data on its housing programs. At the time of our study, operating revenues for both the federal and state low-rent programs were insufficient to cover program needs as reported by area managers, and general funds were needed to cover the shortfall.

In our Report No. 95-2, *Financial Audit of the Hawai'i Housing Authority* (January 1995), we found that the authority was using the unrestricted administrative fees it earned for operating HUD's federal Section 8 Rent Subsidy Program to purchase equipment and appliances for housing projects. We again recommended that the authority use these funds for maintenance programs. We also found that the managing agents of the Banyan Street Manor and Wilikina Apartment Projects had not kept detailed fixed asset records as required under their management agreements, and we recommended the authority enforce these agreements.

We issued Report No. 95-7, *A Preliminary Study of a Proposed Department of Housing* (February 1995), in response to a resolution from the 1994 legislative session requesting that the Auditor examine the feasibility of establishing a Department of Housing by consolidating the Hawai'i Housing Authority (HHA), the Hawai'i Community

Development Authority (HCDA), and the Housing Finance and Development Corporation (HFDC). In this, the first of a two-phase report, we found that the three agencies perform some overlapping functions for different target groups. We concluded that various issues needed to be reconsidered, such as target client groups, housing goals, and strategies to achieve these goals before a decision was made on the how the State's housing efforts should be organized.

In our Report No. 96-7, *A Study of a Proposed Department of Housing—Final Phase* (February 1996), we reported that the State needed a clearer idea of its housing role in order to determine whether a housing department was needed. We concluded that consolidation of the HHA, HCDA, and HFDC had the potential to improve the effectiveness and efficiency of the State's efforts to achieve its housing policy goals. However, we noted that the State must evaluate its housing policies and goals in conjunction with a realistic assessment of the housing market to ensure that such a consolidation would result in operational efficiencies. We also noted that the governance and operations of such a new entity must be clearly determined and the transition well planned to address housing programs and services during the merger period, reclassification of personnel, and the need for legislation to restructure funding and organizational structure.

In Report No. 01-14, *Financial Audit of the Housing and Community Development Corporation of Hawai'i* (September 2001), the financial auditor KPMG LLP found that although the 1997 and 1998 Legislatures appropriated $800,000 and $8.7 million, respectively, for design and construction of roofing improvements for four state-owned low-income housing projects, in one instance the corporation did not execute a design consultant contract until 23 months after the funds became available. Three other projects faced similar delays, and this was attributed to poor communication between the board and the staff. The corporation did not dispute the findings and stated that it had established a process for prioritizing capital improvement projects and that it had instituted bi-weekly meetings to monitor the status of board-approved projects.

On March 18, 2010 we issued the *Hawai'i Public Housing Authority—June 30, 2009 Financial Statements and Single Audit Report*. The financial auditor KMH LLP found four material weaknesses related to HPHA as a whole. Specifically, a lack of appropriate management leadership and a shortage of adequate staffing in the Fiscal Management Office continued to impact significantly HPHA's ability to perform its core accounting functions, a condition which had been noted in prior years. Although the "Emphasys" system was being used as a general ledger, there was a lack of monthly financial statements; reconciliation of detailed fixed assets and CIP to the general ledger was not performed during the year; there was a lack of information to perform budget to

actual comparisons regarding sufficiency of funds to adequately cover operations; and there was a lack of information to perform monthly cost analyses at the management unit or asset management project (MU or AMP) level to identify causes of overruns. There was also a lack of clear policies and procedures, as had been noted in 2008. These included regarding cash reconciliations, tenant accounts receivable reconciliations, general accounts payable processing, HPHA's reporting, capital fund monitoring, and financial reporting procedures including HUD's Real Estate Assessment Center's electronic submission filing.

Lastly, on March 25, 2011, we issued the *Hawai'i Public Housing Authority - June 30, 2010 Financial Statements and Single Audit Report.* The financial auditor KMH LLP found nine material weaknesses related to HPHA as a whole. In addition to repeating the four material weaknesses noted above, the report noted additional problems related to the Section 8 Housing Choice Vouchers Program.

Objectives of the Audit

1. Assess and compare the Hawai'i Public Housing Authority's management of state and privately operated public housing projects in Hawai'i.

2. Assess the degree to which the authority has implemented the federally required asset management system.

3. Make recommendations as appropriate.

Scope and Methodology

The concurrent resolutions asked the Auditor to compare the performance of state versus privately operated public housing projects and to conduct a management and financial audit of the authority's maintenance contracts. At the same time, due to the economic condition of the State, the Legislature also asked that we look for ways to eliminate costs of the audit and prioritize our efforts by scoping the audit to a manageable size. We therefore did not perform a separate financial audit, since the authority has an annual financial audit conducted by a certified public accounting firm; we procure and administer that financial audit.

Our audit focused on the authority's management of its public housing projects, including its communication with project managers and its planning, execution, and monitoring of contracts with private project managers. We compared the performance and management of selected state- and privately-run housing projects. We also focused on the degree to which selected housing projects had implemented the federally required asset management system, including the authority's and the

board's guidance and initiative in that effort. We particularly looked at communication between the board, the authority, and individual housing project managers. We did not evaluate any housing voucher choice (Section 8) or homeless programs. Our audit covered the authority's activities from July 1, 2006 through June 30, 2010. We also took into account developments from July 1, 2010 through the close of our fieldwork in February 2011.

We conducted interviews with authority management and key staff, federal oversight officials, legislators, board members, and representatives of public housing management companies. We reviewed planning documents relating to governance, policy formation, procurement, and repairs and maintenance conducted within the public housing projects. We examined federal and state guidelines; internal policies, procedures, and memos; contracts and amendments; and procurement and expenditure documentation. We reviewed procedures and transactions for compliance with applicable laws, regulations, and contract provisions.

We also conducted site visits at six housing projects around the state. Of the housing projects we visited, one was managed by the State, three by private contractors, and two by both state and private contractors at different times during the period under audit.

Based on the authority's list of private contractors managing housing facilities for FY2007 through FY2009, we judgmentally selected asset management projects to include all contractors who had worked with the authority during the relevant time period. This sample covered approximately 77 percent of the privately managed housing units in the state.

Our audit was performed from June 2009 through March 2010 and December 2010 through February 2011. Our audit was conducted according to the Office of the Auditor's *Manual of Guides* and generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Chapter 2

Tenant Welfare Can Improve By Prioritizing Performance Monitoring and Asset Management

This audit was conducted as a result of two concurrent resolutions that focused on the Hawai'i Public Housing Authority's management of its units and contracts. We found there was no significant difference in either the performance or management of the Pu'uwai Momi versus West O'ahu housing projects or any of the other state-run versus privately-run housing projects that we reviewed. Instead, our greater concern was with how the authority monitors all of its public housing projects and its lack of progress in implementing the federally required asset management model of operation.

Further, on the authority's monitoring of its public housing projects, we found that for the period under audit (July 1, 2006 through June 30, 2010) the authority's oversight was ineffective. The Property Management and Maintenance Services Branch, which is responsible for managing the authority's housing projects—specifically, for overseeing their individual managers—lacked staff with the resources and time to sufficiently monitor project managers' performance to ensure they achieved expectations and that any problems were identified and resolved. Thus, oversight was erratic regarding rent collection and federal reporting requirements, as well as issues directly affecting tenants' daily lives. Those issues included building conditions, property upkeep, and the amount of time taken to address repair and maintenance problems. Contract monitoring was also inconsistent, with performance deficiencies not always identified or corrected.

In relation to asset management, we found the authority is severely behind schedule. In 2005 the U.S. Department of Housing and Urban Development (HUD) issued a rule that public housing agencies that own and operate 250 or more units are required to convert from an agency-centric management model to an asset-based management model. The deadline for meeting the accounting and budgeting components of this model was June 30, 2007; full implementation of all components of the asset management model is required by June 30, 2011. Due to the authority's late start, it will be extremely challenging to meet this deadline.

Summary of Findings

1. The Hawai'i Public Housing Authority's ineffective oversight of state- and privately-managed housing projects impacts tenant welfare.

2. The authority has not yet implemented the federally mandated asset management system.

The Authority's Ineffective Oversight of State- and Privately-Managed Housing Projects Impacts Tenant Welfare

The Hawai'i Public Housing Authority (HPHA)'s ineffective oversight of state- and privately-managed housing projects means the authority cannot ensure it is fulfilling its mission to "promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination." We found that the authority's monitoring of its housing project managers, both state and private, is sporadic and therefore lacks robustness. Both state- and privately-run housing projects have backlogs of repair and maintenance issues. Turnaround on vacant units at both state and privately run housing projects is slow, adversely impacting families on the waiting list as well as rent collections. Inventory procedures vary considerably between housing projects and hamper managers' ability to effect quick repairs. There is no uniform method for addressing tenant complaints, which means trends cannot be extrapolated or rectified.

The authority administers both federal- and state-funded public housing projects. Statewide, there are 5,331 public housing units in 67 federally funded buildings and 864 units in 14 state-funded buildings. These units and buildings are organized into 16 federal asset management projects (AMPs) and one state management unit (MU). A few state buildings are grouped within otherwise federal AMPs.

As the vast majority of public housing in Hawai'i—86 percent of all units—is funded through the U.S. Department of Housing and Urban Development, HUD scrutinizes and grades the authority and its AMPs to ensure the quality of HUD-assisted housing stock. In 2007, HUD gave the authority an overall score of 75 percent, designating it a *standard* performer. The score was composed of four elements: 1) physical condition of properties, 2) financial condition, 3) management operations, and 4) resident services and satisfaction. Since 2007, HUD has not provided any agency-wide scores (this is due to the transition to "asset management," which is discussed under our second major finding, below); however, HUD continues to issue physical assessment scores for each AMP. In 2008, four of Hawai'i's 16 AMPs (25 percent) received failing scores of less than 60 percent. In 2009, all AMPs received

passing scores, while in 2010, nine AMPs (56 percent) failed. This extreme fluctuation in physical assessment scores is indicative of the authority's faulty oversight of its AMPs. Without uniform and proactive monitoring, the authority cannot regularly identify and rectify problems in a timely manner.

Physical scores also represent the living conditions for thousands of Hawai'i residents. Failing scores reflect multiple violations on the physical upkeep of a total housing site: from items such as fencing, grounds maintenance, and building foundations to issues such as roofs, water and electrical systems, and the habitability of individual dwelling units. For thousands of people living in public housing and thousands more waiting for a public housing unit, a stronger monitoring system would mean not just an improved physical assessment score from HUD, but a better and more habitable dwelling for them and their families.

HPHA's monitoring of its AMP managers lacks robustness

The authority is responsible for overseeing the management of all its public housing projects (AMPs); however, each AMP—regardless of whether it is operated by the State or by a private contractor—has its own manager. We found that the authority's monitoring of AMP managers' performance needs to be strengthened; there was no consistency in the monitoring of either state- or privately-managed AMPs.

According to the U.S. General Accounting Office (now known as the Government Accountability Office)'s *Standards for Internal Control in Federal Government*, the purpose of monitoring is to assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. This was seriously lacking in the authority's oversight of individual AMPs. We found no evidence that the authority addresses specific skills or corrects misunderstandings for managers of non-performing AMPs. Moreover, AMP managers operate according to their own understanding of requirements, rather than as a result of training or formal guidance from the authority. In addition, remedies for non-performing privately-contracted AMP managers are not utilized effectively.

Monitoring should be performed as part of the authority's normal operations, included in regular management and supervisory activities, comparisons, and other actions within normal duties. Monitoring should be governed by policies and procedures to ensure findings are promptly resolved. Management should promptly evaluate findings, determine appropriate actions, and complete, within an established timeframe, actions that correct or resolve matters brought to their attention.

The authority's oversight of its AMP managers' performance is inconsistent and inadequate

We found that the authority's oversight of AMP managers' performance is inconsistent and does not promote accountability. The authority does not have written policies and procedures governing the monitoring process, resulting in monitoring reports that were not consistently submitted by assigned staff. The branch chief also did not require staff to provide documentary evidence, such as photos or specific descriptions of site visits. Moreover, there were no repercussions for monitoring staff who did not complete their monitoring reports.

The authority has not provided AMP managers with consistent or complete written policies and procedures, which contributes to inadequate performance. Although public housing specialists are meant to visit AMPs monthly, this does not consistently occur, leading to poor communication between the authority and its AMP managers and ultimately contributing to an environment lacking in accountability. When there are new policies, the authority communicates them to AMP managers by email or through an interoffice memorandum; but based on discussions with AMP managers, we conclude these notifications are performed inconsistently. Lack of guidance from the authority allows AMP managers to operate as they please. For example, one AMP manager reported that until she receives a formal policy from the authority on a particular issue, she will continue to create her own for in-house use.

Of the authority's 16 AMPs and one MU, eight AMPs and the MU were managed by private contractors during the period under audit. Of those, we selected a sample of five AMPs and the MU (77 percent of privately managed housing units) to test the specific monitoring performed by the authority. For the 21-month period October 2008 through June 2010, we expected to receive 126 monthly monitoring reports (six AMPs multiplied by 21 months); however, we received only 71 reports (56 percent of the number expected).

According to the Property Management and Maintenance Services Branch (PMMSB) chief, who is responsible for monitoring the State's entire housing property inventory, the lack of reports was primarily due to insufficient monitoring staff. In one case, however, the relevant staff member simply did not do the work; yet the staff member experienced no repercussions as a result. This is an example of the branch chief not holding staff accountable for their work. In another instance, the branch chief admitted that she advised staff to not monitor a particular AMP and instead to focus their efforts elsewhere. However, we found no risk assessment or other documentation showing the AMP in question performs at an adequate level and thus requires less oversight.

Moreover, this change in policy directly conflicts with the branch chief's responsibilities. The chief's position description specifically states that the chief is to monitor and evaluate program operations to determine levels of effectiveness and accomplishment of objectives, and that monthly inspections of all projects are to be done to evaluate the condition of physical facilities to ensure they are maintained according to established state and federal standards.

For the reports we did receive, there was no evidence that underperforming AMP managers received counseling or coaching for improvement. The branch chief told us that if an AMP manager does not achieve certain benchmarks, monitoring staff might work with the manager and develop a corrective action plan to rectify the problem. However, we saw no corrective action plans in any of the monitoring reports we reviewed, despite seeing reports where benchmarks were not achieved on a consistent basis.

Deficiencies included reporting of income discrepancies, community service, and crime reports that were either late or not submitted at all. In addition, housing specialists are supposed to report on overall physical appearance of properties based on site visits. However, the monitoring reports we reviewed did not provide evidence that monthly site visits were conducted, as there were no notations or photographs to document observations. For the reports we examined, there was no clear indication of improvement in contractors' performance. Reports often indicated a discrepancy in one month, but there was no follow-up made by the housing specialist in the following month; or the same discrepancy was reported in subsequent months, with no resolution noted.

In addition to the inadequate system of monitoring, PMMSB lost all three full-time monitoring staff (due to resignation or retirement) in February, March and July 2010, respectively. Due to statewide budget constraints, the State was in a hiring freeze and the branch chief reported that she was unable to hire replacement staff until recently, in December 2010. Rather than reassign monitoring functions to other staff, the branch chief absorbed the responsibilities herself. By July 2010, the branch chief alone was left to monitor all of the State's properties; as a result, monitoring fell by the wayside. Instead of completing monthly monitoring reports, the branch chief reported to us that she reviewed a combination of high-level reports and investigated anomalies in specific AMPs as complaints were received. However, the branch chief did not maintain any documentation to evidence this change in her monitoring process. The authority has since hired staff to fill these vacant positions, but it remains to be seen whether monitoring will resume accordingly. With the branch now fully staffed, the branch chief and executive director should ensure that expectations regarding work required, particularly in relation to monitoring, are clearly communicated and enforced amongst new hires.

Underperformance by AMP managers, and monitoring to ensure this does not occur, is a serious issue. An AMP manager's performance directly impacts a housing authority's HUD score for overall management of its housing projects, and poor scores can lead to decreased federal funding, which is something the State cannot afford to lose. By not performing this function, the authority does not provide itself with a baseline for continued improvement and accountability. Some performance categories (such as vacancies) have remained unchanged, which shows that AMP managers face lax consequences for not meeting standards and have no real incentive for improvement. Moreover, by not monitoring AMP managers consistently, the authority cannot be assured that tenants are provided with a suitable living environment in accordance with its mission. The authority should hold both state and private AMP managers, contract administrators, and the branch chief who oversees them accountable for their respective performance. In instances where staffing constraints limit availability for recurring monitoring, the authority should employ a risk-based approach in its review process. A well-executed monitoring system would provide the authority with information and assurance on how well AMP managers are addressing tenants' physical needs.

The authority does not consistently enforce private contract terms to protect the State's interest

We reviewed the terms of contracts with private AMP managers and found that although remedies exist for poor performance, they are not utilized by the authority to demand better performance from its contractors. For example, contracts explicitly allow for oversight through desk monitoring, site inspection, and other appropriate methods. In addition, if certain benchmarks (such as completing particular reports or work orders within a specified timeframe, turning over vacant units within 20 days, or passing physical site inspections) are not met, a portion of the contractor's management fees can be deducted. If a contractor fails to comply with requirements, the authority can engage another company to remedy the problem and deduct the cost from the original contractor's fees. If costs of remedying the defect are higher than what was due to the original contractor, the original contractor must pay the difference to the authority.

In four of the six privately-managed AMPs we reviewed, there were several occasions when the private contractor did not receive its full monthly management fee as a result of failing to meet specific benchmarks. However, although deductions were for contractor underperformance, corrective action plans were not implemented. In subsequent months, contractors continued to receive either a portion or their full management fee, yet there was no documentation or explanation

for the withheld fees, nor anything addressing how the problem had been remediated. The lack of explanatory documentation was compounded by the fact that many monitoring reports were not completed at all, as we described above. We note that according to the executive director, the authority is now beginning to address this discrepancy and to align individual performance reviews, including those for state workers, with the performance of their respective housing projects.

Failure to adequately monitor and enforce contractual terms is contrary to best practices as laid out in the National State Auditors Association Best Practice Document "Contracting for Services." Contract monitoring is an essential part of the contracting process; without it, the contracting agency cannot be assured that contractors are complying with contractual terms, performance expectations are achieved, and problems are appropriately identified and resolved. The authority should assign a contract manager with the authority, resources, and time to monitor the project. The authority should also ensure that deliverables are received on time and document the acceptance or rejection of deliverables.

We also found that the authority does not evaluate contractors' performance upon completion of their contracts. Many contracts are multi-year, with annual renewal stipulations. We reviewed 41 contracts and contract extensions; although 12 contracts ended during the time period under audit, no contractor evaluations were conducted. The contracts and procurement officer told us that monitoring reports are one factor used to determine whether to extend a contract, but it is the PMMSB chief who decides whether or not to extend a specific contract. In instances of unsatisfactory performance, a contract may be extended if there is a continued need for services, if there have been no signs of intentional negligence, or if the contractor has shown adequate progress with a corrective action plan. According to the PMMSB chief, she now intends to begin documenting contractors' performance in order to help determine future contracts; however, we note that at the time of our audit work, overall monitoring was lacking. The authority should explicitly document problems with performance to ensure contractor accountability.

Failing property assessment scores indicate a failure to communicate and enforce standards

We found that AMP managers, both public and private, are not held accountable for poor performance at public housing projects. Without an effective monitoring system, the authority cannot guarantee AMP managers are held accountable for their performance, which directly impacts tenants.

The U.S. Department of Housing and Urban Development conducts annual site visits to each federally funded property and grades it based

on physical assessment criteria which focus on the overall site, building exteriors, building systems, dwelling units, and common areas. A passing score is 60 percent. If a public housing authority scores poorly, federal funding can be withheld. Exhibit 2.1 shows the individual physical assessment scores for each of Hawai'i's public housing projects (AMPs) over the past three fiscal years.

Exhibit 2.1
Physical Assessment Scores, by AMP

AMP	FY2008	FY2009	FY2010	Managed By
30: Pu'uwai Momi ('Aiea, O'ahu)	55	68	62	State
31: Kalihi Valley Homes (Kalihi, O'ahu)	65	61	64	State
32: Mayor Wright Homes (Honolulu, O'ahu)	71	67	52	State
33: Kamehameha Homes (Honolulu, O'ahu)	72	82	57	State
34: Kalākaua Homes (Honolulu, O'ahu)	85	78	75	State
35: Punchbowl Homes (Honolulu, O'ahu)	83	86	43	State
37: Lanakila Homes (Hilo, Hawai'i)	78	92	77	State
38: Kaua'i (Kapa'a and Kekaha, Kaua'i)	65	81	53	State
39: Kahekili Terrace (Wailuku, Maui)	72	74	66	State
40: Kūhiō Park Terrace (Honolulu, O'ahu)	22	72	40	Private
43: Ka Hale Kahalu'u (Kailua-Kona, Hawai'i)	74	76	64	Private
44: Wai'anae (Wai'anae, O'ahu)	53	73	39	Private
45: Kāne'ohe (Kāne'ohe, O'ahu)	65	85	45	Private
46: Noelani (Waimea, Hawai'i)	75	87	68	Private
49: Wahiawā (Wahiawā, O'ahu)	66	92	49	State
50: Pālolo Valley Homes (Honolulu, O'ahu)	45	64	40	State

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

As illustrated in Exhibit 2.1, performance on the physical assessment indicator was not significantly different between state- and privately-managed AMPs; both need improvement. We found that both state and private AMP managers' awareness of protocols and understanding of public housing management varied significantly, and this was because the authority has failed to uniformly communicate and enforce standards. For instance, in areas where managers were asked to define common reporting terms and usage, we found a wide disparity in interpretation. This is significant because, as previously noted, the performance of individual AMPs relates directly to federal oversight and ultimately to federal funding. Therefore, particularly in areas where HUD assesses AMP performance, a common understanding of specific terms should be communicated to AMP managers to ensure that terms are applied appropriately and uniformly to specific criteria. The authority should develop a training program to promote standard interpretation of HUD terminology.

The physical scores detailed above are also indicative of other issues. For example, we found that at the AMPs we reviewed, repair and maintenance issues and the processing of work orders and related paperwork in a timely manner were highly unsystematic. Asset management project managers told us that delays in these areas were closely tied to their level of staffing, materials inventory on hand, and inability to make timely purchases. However, we found that the cause more often related to individual AMP managers' leadership priorities and abilities. With the authority's guidance, an AMP manager should be able to identify priorities and make plans accordingly so that routine needs can be addressed more promptly. This in turn will aid the authority in achieving its mission to promote adequate and affordable housing.

State- and privately-managed AMPs have backlogs of repairs

We found no consistency in managing or processing work orders, either within our sample overall or amongst either state- or privately-run AMPs. A work order is generated by either an AMP's maintenance or administrative staff whenever an area is identified by tenants, management, or outside inspector(s) as requiring repair or maintenance. A new work order is opened within the authority's accounting system, Emphasys, identifying the work required and prioritizing the job by the type of work required. For example, repairs to address health and safety issues are prioritized as *emergency* work orders and must be abated within 24 hours. *Urgent* matters are to be addressed within 48 hours; and routine maintenance repairs reported by tenants or requested by management are to be addressed within 25 calendar days.

We reviewed closed work order statistics for selected AMPs. As illustrated in Exhibit 2.2, all these AMPs attended to non-emergency work orders in less than 25 days, as required by the authority. However, none managed to consistently abate emergency work orders within 24 hours. For privately-run AMPs, management fees were deducted for these failures; but as previously noted, we did not see any documentation regarding subsequent corrective action.

Exhibit 2.2
Closed Work Order Statistics, Selected AMPs, FY2010

AMP	Total Work Orders	Average Days to Repair Non-Emergency Work Orders	Total Emergency Work Orders	Percent Emergency Work Orders Abated Within 24 Hours
30: Pu'uwai Momi (state)	3,886	8	202	88.11%
38: Kaua'i (state)	996	12	170	93.52%
40: Kūhiō Park Terrace (private)	4,599	8	651	95.85%
44: Wai'anae (private)	1,564	19	86	68.60%
45: Kāne'ohe (private)	1,125	14	26	92.30%
49: Wahiawā (state)	609	1	99	98.98%

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

We also reviewed open work orders. For the six AMPs we reviewed, for the period January 1, 2004 through February 1, 2011 there were 1,332 open work orders. Of those, 35 (3 percent) were outstanding for more than a year, as shown in Exhibit 2.3.

Exhibit 2.3
Open Work Orders, Selected AMPs, January 1, 2004 Through February 1, 2011

AMP	Open Work Orders	Open Less Than 365 Days	Open More Than 365 Days
30: Pu'uwai Momi (state)	660	656	4
38: Kaua'i (state)	33	32	1
40: Kūhiō Park Terrace (private)	44	44	-
44: Wai'anae (private)	309	282	27
45: Kāne'ohe (private)	156	154	2
49: Wahiawā (state)	130	129	1
Totals	**1,332**	**1,297**	**35**

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

Most open work orders related to leaks, broken door knobs, broken screens, clogged sinks, and toilets (i.e., non-emergency repairs). We also found that, for a selection of work orders outstanding more than a year, AMP managers were unaware the work orders were open, either because they lacked procedures to close the work order, or the work had been done but no one had recorded the information. According to the branch chief, monitoring procedures do not include reviewing open working orders. Based on this, the branch should consider developing procedures to review open work orders to ensure tenant needs are addressed in a timely manner.

We found that although the process for generating and prioritizing work orders was generally the same amongst AMPs, there was no consistency in closing work orders. At one AMP, maintenance staff could simply telephone the main office and report a work order closed, with no evidence of verification by the tenant. At another AMP, the manager reportedly did not have enough staff to close work orders within the Emphasys accounting system because they were focused on other tasks. However, at yet another AMP, work orders were systematically reviewed monthly to ensure progress. Although we acknowledge that the number of open work orders reported in the Emphasys system could simply be an administrative backlog of paperwork, we believe that given the large number of failing physical assessment scores throughout the authority, it is not unreasonable to conclude that the number of open work orders represents actual work requiring attention. Ultimately, such backlogs impact the tenants' quality of life.

Deferred maintenance slows vacant unit turnarounds

Failure to close repair and maintenance work orders in a timely manner also affects an AMP's ability to quickly turn over a vacant unit to a new tenant. According to the authority's maintenance policies and procedures, vacant units should be made ready for re-occupancy within 20 calendar days of notification of availability.

As of February 15, 2011, the authority had a total of 233 vacant units that either had pending minor maintenance work or were available for rent; overall, these units had been vacant an average of approximately six months. Exhibit 2.4 shows that for the AMPs we visited, there were 82 vacant units pending minor maintenance or available for rent as of February 15, 2011. The units were vacant an average of 180 days.

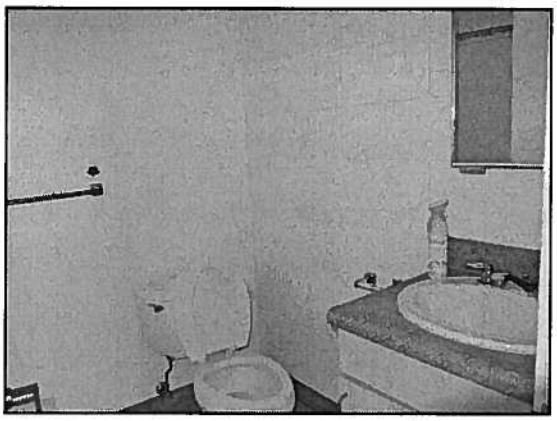
Exhibit 2.4
Current Vacancies, Selected AMPs Through February 15, 2011

AMP	No. Units Vacant	Total No. Days Vacant	Average No. Days Vacant
30: Pu'uwai Momi (state)	15	1,841	123
38: Kaua'i (state)	21	4,770	227
40: Kūhiō Park Terrace (private)	14	1,200	86
44: Wai'anae (private)	14	3,817	273
45: Kāne'ohe (private)	6	891	149
49: Wahiawā (state)	12	2,251	188
Totals	**82**	**14,770**	**180**

Source: Office of the Auditor analysis of Hawai'i Public Housing Authority data

We toured some of these vacant units and noted that they required varying degrees of repair. In one instance, shown in Exhibit 2.5 below, the tenant vacated in July 2010 and the repair needed was very minimal; maintenance staff told us it would take approximately three days to make ready for a new tenant. However, as of February 2011, the unit had not been repaired and was unoccupied. With an average rent of $212 per month, this unit represents lost revenue of approximately $1,500 through February 2011.

Exhibit 2.5
AMP 49, Wahiawā, Unit Vacated July 2010



Source: Office of the Auditor

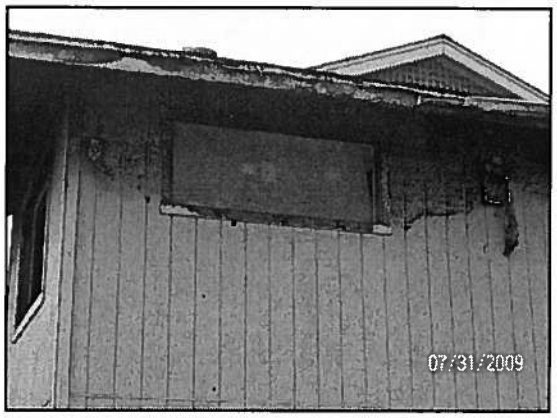
In another instance, shown in Exhibit 2.6 below, tenants were evicted from their four-bedroom unit in July 2010, leaving behind many of their possessions. Maintenance staff reported this unit would take approximately 4.5 days to make ready for a new tenant. However, the unit had not been cleaned or reoccupied as of February 2011. According to the authority, the average rent for a four-bedroom unit is approximately $425 per month; this unit thus represents lost revenues of approximately $3,000 through February 2011.

Exhibit 2.6
AMP 30, Pu'uwai Momi, Unit Vacated July 2010

Source: Office of the Auditor

There are also a number of units statewide that require larger scale, major renovations, such as those suffering from roof or structural damage and which require additional expertise not available at an AMP level. As of February 15, 2011, the authority had 146 of these units, which have been vacant an average of 3.7 years. Examples of this type of unit are shown at Exhibit 2.7 below.

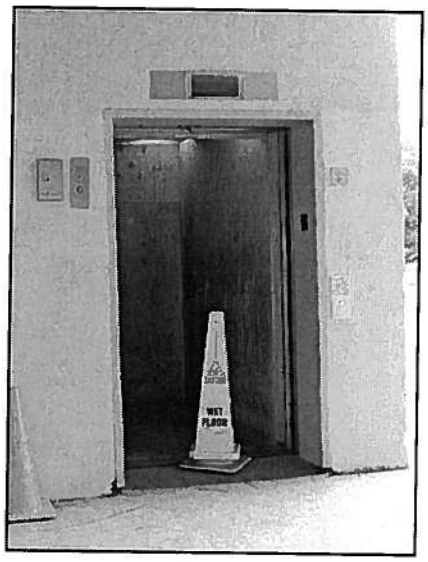
Exhibit 2.7
AMP 44, Wai'anae, Units Damaged by Fire in 2005 and 2008

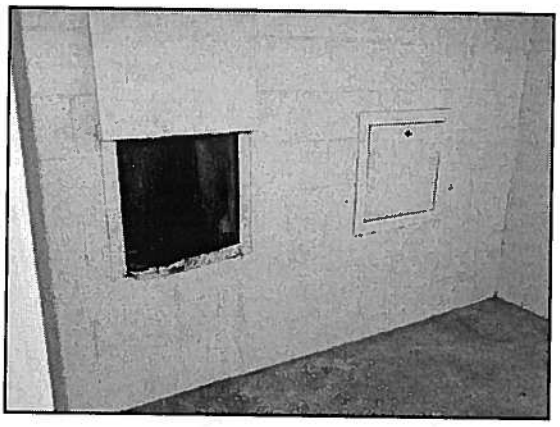


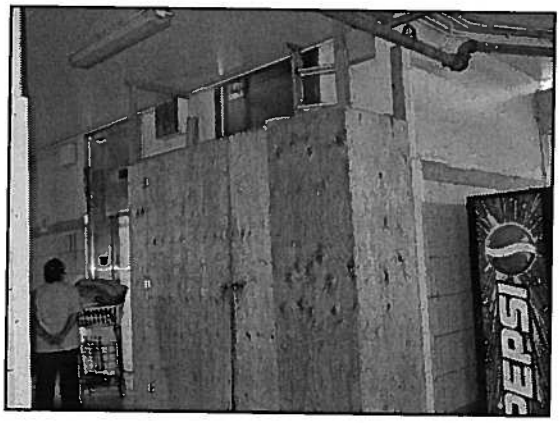
Source: Office of the Auditor

These larger scale renovations are the responsibility of the authority's Construction Management Branch, not the individual AMP. In addition to the renovation of units as described above, the Construction Management Branch is responsible for prioritizing unit-specific repairs against structural and system repairs across the state. Examples of such repairs include the hot water problem at Mayor Wright Homes, and broken elevators and garbage chutes at Kūhiō Park Terrace, both of which have received considerable media attention. Exhibit 2.8 below shows ongoing construction projects at Kūhiō Park Terrace. The authority reports that the garbage chute repairs should be completed by July 2011 and elevator repairs by December 2011.

Exhibit 2.8
Ongoing Construction Projects at AMP 40, Kūhiō Park Terrace







According to HPHA, garbage chutes (top right) should be repaired by July 2011. Freight elevator (left) is used to remove garbage until the garbage chute repairs are complete. Passenger elevator (bottom right) should be repaired by December 2011.

Source: Office of the Auditor

Delays in turning around vacant units to new tenants impact families waiting for public housing, rent revenues, and overall funding available to the authority. The authority reports that approximately 9,000 families are on the waiting list for public housing and that the average wait time is between two and five years. Given that the authority's mission is to promote adequate and affordable housing, when housing units sit broken and empty as a wait list for them grows, the authority is not achieving its overall mission.

Turning over vacant units to new tenants should be a priority for HPHA, second to its main responsibility of addressing emergency and existing health and safety repairs. The authority should prioritize completing work orders and turning over vacant units to new tenants, although we acknowledge that the latter must be balanced against the authority's statewide list of much-needed capital improvement projects. Priorities should be communicated to stakeholders (including AMP managers and tenants) to promote understanding of the authority's plans to reduce its 9,000-plus wait list and serve its population by achieving maximum tenancy.

Streamlining inventory processes would assist with repair and maintenance backlog

We also found that inventory processes at the six AMPs we visited varied considerably. At one location, a systematic process was in place wherein an item could be easily identified given the coding on its label, tied to the related inventory listing, and assigned to a specific work order so charges would be properly reflected. At another, the arrangement of inventory items was haphazard, with no clear organization or labeling, and items could not be traced to inventory listings. Only maintenance staff were able to identify items and assign them to a work order.

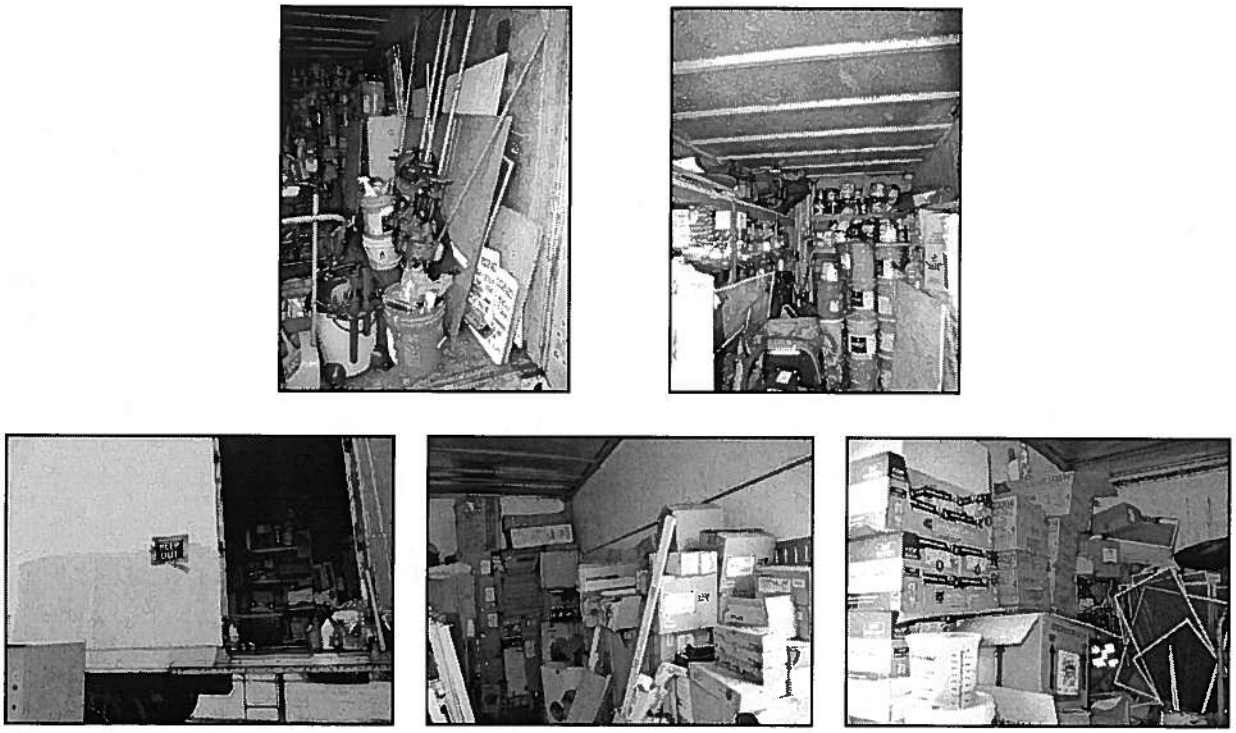
We found no correlation between an AMP's type of management (state or private) and the quality of its inventory system. For instance, AMPs 38 (Kaua'i) and 40 (Kūhiō Park Terrace), state- and privately-managed respectively, each had inventory systems that were organized and had adequate amounts of dedicated space. Managers for both these properties had systematic approaches to procurement and restocking to ensure that an appropriate level of stock was on hand. In addition, both managers clearly understood and articulated the need for a systematic approach to inventory management: in order to efficiently address repair and maintenance issues it is necessary to have regularly used items on hand, such as plumbing items, toilet repair items, and screens. Exhibit 2.9 shows a well-functioning inventory system.

Exhibit 2.9
Inventory at AMP 38, Kaua'i

Source: Office of the Auditor

At other AMPs, however, we found inventory was disorganized, with items not clearly marked or arranged. In some cases items were stacked, sometimes unstably, causing a potentially hazardous situation for individuals accessing materials. Moreover, at those sites the AMP managers reported that items listed in Emphasys did not necessarily represent actual stock on hand. Where inventory was disorganized, AMP managers complained of difficulties in addressing repair and maintenance issues due to lack of needed materials. They also reported that procuring items was cumbersome and that repairs were delayed as a result. Exhibit 2.10 shows an asset management project that did not have a well-maintained inventory system.

Exhibit 2.10
Inventory at AMP 45, Kāne'ohe



Source: Office of the Auditor

We found there is a discernible difference in state- versus privately-managed AMPs' ability to procure quickly: state-run AMPs can use purchasing cards (known as pCards) for small purchases of under $1,000, while privately-managed AMPs must always use purchase orders, which require prior approval for every purchase and are therefore time consuming. However, although using pCards may speed up the procurement process in the short term, proper planning and prioritizing—tasks done prior to purchasing—are more important factors in ensuring appropriate inventory is available. The executive director and the PMMSB branch chief agree with us in this viewpoint.

Given that there are well-functioning inventory systems at both a state-run (Kaua'i) and at a privately-run (Kūhiō Park Terrace) AMP, the authority should consider developing a method to share best practices among its public housing projects. Managers at the AMPs we visited expressed an interest in bettering their operations, but they have no way of learning from other managers within Hawai'i and other jurisdictions.

The authority lacks a consistent method for addressing tenant complaints

We found no consistent method utilized to track tenant complaints, either at the AMP or authority level. Complaint logs were not maintained at any of the AMPs we visited or at the authority centrally. Asset management project managers anecdotally reported that tenant complaints are often related to noise, pets, suspected drug dealing, loitering, gambling, and repairs.

For complaints related to repair and maintenance issues, a work order is generated, and depending on the severity of the problem, the repair is prioritized based on the authority's maintenance guidelines. Emergency and health and safety situations must be abated within 24 hours, per federal requirements. For non-maintenance related complaints, managers reported that they work with the tenant and retain any written documentation within the tenant's file. However, we found that absent a logging mechanism and without prior knowledge of an existing complaint, there is no way to track the progress or outcome of a tenant's complaint.

The authority has not provided AMP managers with specific guidance for managing tenant complaints. The Property Management and Maintenance Services Branch chief also does not maintain a complaint log; instead she offered us access to all the telephone messages which she said documented the complaints. However, we note that the ability to access all tenant files or all complaints-related messages misses the point. The purpose of a log book is to record all complaints as they are received and provide a singular point of reference to review as needed to ensure tenant complaints have been addressed. The authority should develop a means to ensure tenant complaints are uniformly documented, recorded and addressed, and communicate this clearly to all AMP managers.

The Authority Has Not Yet Implemented the Federally-Mandated Asset Management System

The authority is behind in implementing the HUD-mandated "asset management" system. Now five years since the directive was issued, the authority has yet to reach the level expected of first-year implementation.

Asset management is a method of managing public housing properties, intended to improve the operational efficiency and effectiveness of public housing assets by shifting accountability from the central housing authority (in this case, HPHA) to individual AMP managers. In 1999, the U.S. Congress directed HUD to contract with Harvard University to conduct a study on the cost to operate well-run public housing. Harvard's Public Housing Operating Cost Study, completed in 2003, asserted that public housing agencies operate under extremely centralized arrangements, which is counter to good business practice and an ineffective use of resources. The report recommended a shift to an asset management model, maintaining it would help achieve steady performers among the vast majority of properties because owners (in Hawai'i's case, AMP managers) would be responsible for the real consequences of poor performance. Thus, implementing the model would result in high compliance and low monitoring costs. Pursuant to the Harvard study, in 2005 HUD released a new operating funding formula and required public housing authorities that own and operate more than 250 units to convert from their agency-centric management model to the asset management model.

Under the asset management model, AMP managers are to have greater flexibility in managing their specific budgets—and therefore a greater ability to preserve and protect each housing asset—while tenants will be able to hold managers directly responsible for their living conditions. Essentially, asset management encourages managers to operate their properties as businesses, monitoring rent revenues and managing related expenditures in order to accrue capital for long-term preservation and/or growth of those assets. The five elements of asset management are project-based funding, budgeting, accounting, management, and oversight/performance assessment. Public housing authorities (such as HPHA) are directly responsible for implementing three of these elements: project-based budgeting, accounting, and management.

Project-based budgeting means that operating budgets are created by and for each project (in this case, for each AMP), rather than the authority as a whole. *Project-based accounting* means tracking financial performance at the project (AMP) level, and requires providing AMPs with the necessary information for them to make effective decisions for their AMP. *Project-based management* means that property management services are tailored to the unique needs of each AMP, given the resources available to that AMP.

We found that for the period under audit, the authority did not fully implement these key elements of asset management. We also found that HUD has yet to finalize its penalties for failure to implement the asset management model. However, regardless of penalties, the model is a good business practice and will aid AMPs in planning for success (in terms of rent collections, condition of units, and tenant satisfaction). Historically, HUD's penalties include a reduction in an authority's status to *sub-standard* or *troubled* and decreased funding. As previously mentioned, decreased federal funding is not something the State is in a position to overcome; and any such decrease is likely to have a direct impact on tenant welfare.

While HUD's new rules for overall scoring of a public housing authority are still pending, authorities will continue to receive their physical assessment scores. The Hawai'i Public Housing Authority is currently designated a *standard* performer. However, if its physical assessment score falls below 60 percent, it will become *substandard physical*, and HUD may issue another Corrective Action Order (CAO) if deficiencies are not addressed. Failure to correct deficiencies within the required timeframe can prompt HUD to take action which includes, but is not limited to, the remedies available for substantial default under the 1937 Housing Act, the Annual Contributions Contract, and other HUD regulations. Under the Annual Contributions Contract, if a public housing authority substantially defaults on its physical assessment score or other key criteria, the authority may be required to convey title to or deliver possession and control of the project(s) to HUD.

The authority's accounting system does not adequately support asset management

The authority did not implement either project-based budgeting or project-based accounting for the period under audit. *Project-based budgeting* refers to the creation of budgets at the AMP level, while *project-based accounting* refers to the means by which that budget is tracked. With an adequate accounting system, the authority should be able to produce monthly operating statements for each AMP showing actual financial performance against original projections. We found that the authority only recently, beginning with December 2010 financial data, began providing operating budgets and monthly statements to its AMPs.

According to HUD's planning guide for asset management, the ability to monitor and track operating and fiscal performance of each property is a key to successful project-based management. The guide further states that significant authority cannot be delegated to a housing manager without a proper means of measuring that property's performance on a routine basis, particularly against stated goals. Therefore, a strong accounting system, with the ability to monitor and track individual

projects, is vital in implementing asset management. HUD expects individual AMP financial statements to track the progress and development of project-level funding subsidies.

The authority's executive director, fiscal officer, property management and maintenance services branch chief, AMP managers, and board chairperson all spoke to us of the necessity of having good financial data. For a number of reasons, including accounting system limitations and lack of qualified staff, financial report generation was, until recently, not a priority. Because of this, the ability to budget properly and report on transactions was inadequate. We note that the authority is currently in the process of fixing its budgeting and financial process; the executive director met with Emphasys representatives in March 2011 to discuss problems and solutions regarding system needs. The authority should continue this process and seek the Legislature's approval, as needed, to update and streamline its accounting system so that its AMP managers have access to timely and accurate financial data.

Budgeting is based on "guess-timates"

Asset management project managers reported that for FY2011 budget preparation, they were asked to provide budget projections to the authority, but were not given their prior year expenditures from which to begin their planning process. Managers from both state- and privately-managed AMPs reported being in similar situations with regards to budgeting. Of the six AMPs that we visited, four managers reported receiving their budgets for FY2011 within a week of our visit in February 2011—seven months into the fiscal year.

Asset management project managers also reported that they do not receive detailed ledgers to support their budgets, and that it is difficult for them to prepare budgets when they are not provided with their previous expenditure details. Managers were unsure of specific dollar amounts spent by the authority on their AMP's behalf, and because they have no access to their accounting details, managers are unsure whether charges for items such as central maintenance services are accurate.

The authority's fiscal officer confirmed that AMP managers currently do not have access to their own detailed general ledgers. Beginning with December 2010 data, the authority's fiscal officer provided each AMP with their respective profit and loss statements. However, the fiscal officer did not provide detailed ledgers or balance sheets. The fiscal officer explained that much of the difficulty in producing reports for the individual AMPs is because the accounting system is an old, DOS-based system. To generate a report from the authority's Emphasys accounting system, specific data must first be spooled in the system, which can take anywhere from 20 minutes to two hours. Once the data

is available, the fiscal officer imports the information into a more usable format, beginning with a text file then uploading into a Microsoft Excel file. Given the system's constraints, it is reasonable to conclude that to provide details on the activity for 16 AMPs on a monthly basis would be time and resource intensive.

The fiscal officer reported that he is currently developing a model for detailed project-level budgets. He plans to develop a model budget for AMPs, which includes HUD subsidies, salaries and wages, benefits and depreciation. He then plans to meet with each AMP manager individually to review the model budget and instructions for tailoring it to a specific AMP. Asset management project managers will then be responsible for adding in their remaining operating expenses, with descriptions, and return the budget to the authority for its review and consolidation. A consolidated budget (meaning all AMPs plus the central authority) is to be presented to the board of directors for approval in May 2011, in time to begin planning for FY2012.

Asset management project managers have not received regular financial operating statements

Asset management project managers and board members alike reported that until recently (beginning December 2010) they were not provided with financial statements. This is consistent with findings noted by KMH, LLP in its 2010 financial audit, which reported that despite using the Emphasys system as a general ledger, the authority lacked monthly financial statements. Asset management project managers reported that they could not plan adequately for their properties without a better sense of their financial position.

Also consistent with KMH's 2010 financial audit report, we found that the authority's accounting system has been hampered by vacancies in the Fiscal Management Office. Staff shortages significantly impacted the authority's ability to perform its core accounting functions. The Fiscal Management Office lacked a fiscal officer and a chief financial management advisor for much of the audit period of July 1, 2006 through June 30, 2010. This resulted in a system that failed to provide accountability and transparency to enable AMP managers to accurately develop budgets or account for their expenditures. This is most evident in the authority's inability to generate timely, accurate financial information.

The current fiscal officer began with the authority in November 2010. At that time, he began to develop a reporting format that gave AMPs profit and loss statements showing monthly and year-to-date actual versus

208

budget, as well as prior year's amounts, with percentage variances. He also provided reports that showed total annual budget versus year-to-date actual figures, to give AMPs an idea of their remaining balances for the year. These statements were intended to help managers gauge their operating expenditures and remain within budget. Moreover, when asset management is implemented, these financial statements will assist AMP managers to operate their projects as for-profit entities. In addition, these reports help the authority's administration and board see which AMPs are having financial difficulty so they can plan and take steps to contain losses.

The authority's conversion to the asset management model is seriously restricted without AMP-specific financial statements. Under asset management, the authority must develop and maintain a system of budgeting and accounting that allows for analysis of actual revenues and expenses associated with each property, on a project level. These reports must reasonably represent the financial performance of each project. Elements such as project-specific operating income—including federal operating funds, rental income, and excess income—and project specific expenses, such as administrative costs, utilities, maintenance, tenant services, and property management fees, must be identified to specific properties.

Given the constraints in the authority's financial accounting system described above, the authority is now working with its software vendor to find solutions. According to the executive director, the authority's goal is to have a more robust financial accounting system that provides the authority and individual AMPs with financial reporting tools such as access to AMP general ledgers, report writing, quicker running of reports, and ease of use.

The authority is making strides towards implementing asset management

We found that the transition to asset management has been hampered by multiple changes of leadership and vision for the authority. For example, from 2002 through 2010, the authority had eight different executive directors serving in either an appointed or acting capacity. Furthermore, as described in Chapter 1, in 2002 HPHA's predecessor agency, the Housing and Community Development Corporation of Hawai'i (HCDCH), was placed under a Corrective Action Order (CAO) by HUD as a result of procurement violations. The CAO has been somewhat mitigated since, but is still in effect today. In 2004, HCDCH was designated a *troubled* agency by HUD, which again resulted in increased HUD scrutiny. In 2006, HCDCH underwent a major reorganization, which resulted in the creation of the Hawai'i Public Housing Authority (HPHA) and the Hawai'i Housing Finance Development Corporation (HHFDC).

Until recently, the HPHA board was primarily focused on operational crises rather than long-term strategic planning. However, with the hiring of a new executive director in March 2010, we witnessed an improvement in the communication and education processes between the board members and the authority. The board has also improved and clarified its role and relationship to the authority. During our 2009 fieldwork, we found no board policies assigning appropriate responsibilities to the board or executive director. Board members also lacked in training, and in some cases conducted business in a manner inconsistent with sunshine laws. During our 2011 fieldwork, we found the board had begun documenting policies and procedures, attended board training, and revised its means to create task force committees consistent with sunshine laws. With this foundation of better communication and education between the current executive director and the board, the authority is now in a position to be able to implement asset management and begin planning for its future successes.

The authority's board and management understand the necessity of asset management

The current executive director sees asset management as a priority, and with board support, is developing plans to ensure compliance with the model. The current executive director began with the authority in March 2010. By September 2010, she had secured technical assistance funds from HUD and organized an agreement with a private consultant to review the authority's position with respect to asset management. The consultant's draft technical assistance report was provided to the authority in February 2011, and the executive director plans to present a timeline and implementation plan to the board by April 2011.

These actions are in stark contrast to the previous executive director, who was with the authority from May 2007 through February 2010. During that time, the authority hired a consultant to assist with accounting services and conduct a reorganization study to implement asset management. That draft report was provided to the previous executive director in May 2008. The report recommended, among other things, a reorganization of the authority's structure and a change in its overall service delivery model to better serve the interests of the AMPs. The report was presented briefly to the board in May 2008, at which point the board advised the previous executive director to work with relevant employee unions to determine the authority's responsibilities with respect to the reorganization.

However, no action followed. When we spoke to the previous executive director in August 2009, he told us that because he did not like the findings of the draft report, he did not finalize it and that as a

result, he was not obliged to implement its recommendations. Despite having spent $40,000 on this study, and despite providing accounting assistance and asset management training sessions to the board and to AMP managers, the authority took no steps towards implementing asset management during the previous executive director's tenure.

In contrast, the current executive director has made a concerted effort to educate the board on the importance of asset management. Under the previous executive director, during our fieldwork in 2009, board members spoke to us not of the importance of asset management, but of various operational crises, which the authority routinely faced due to "major concerns about the managerial ability of the executive director." By February 2011, however, under the current executive director, the board chairperson described asset management to us as "critical" to the authority and a good business practice. The board chairperson also described the current executive director as "competent" and "professional" and added that the board will support the executive director as needed to help implement the asset management model.

The authority is developing an asset management implementation plan with a target completion date of June 2011

The authority is well aware that its conversion to an asset management model of operations is severely behind schedule. Approximately three months after beginning with the authority, the current executive director applied for HUD technical assistance grant moneys in order to have an outside consultant assess the authority's progress with asset management implementation. This effort was undertaken with the awareness that there is a difference between implementing asset management components and actually practicing asset management on a daily basis.

The final technical assistance plan provided to HUD by Econometrica, a Maryland-based private research and consulting firm, noted that the Hawai'i Public Housing Authority requested technical assistance in several areas to address its needs. Namely, the authority requested a project-by-project assessment of asset management processes and procedures to identify areas of additional opportunity to achieve a comprehensive project-based operation that is in the best interest of the projects. The authority also asked for a review of the current AMP structure to determine whether it is in the best interests of the projects.

Our 2011 fieldwork coincided with the final phases of Econometrica's study. Econometrica issued a draft report to the authority on February 15, 2011 with its assessment of the housing portfolio's organization and recommendations for changes needed for the authority to fully convert to asset management. Econometrica recommends, in part, creating additional asset management projects (AMPs), developing

standard protocols for all site offices (including for work order processing and a budget procedures manual), and raising the purchasing threshold at all asset management projects. Econometrica told HUD that HPHA should implement its recommendations by June 1, 2011, to coincide with the asset management implementation deadline set forth by HUD.

The executive director admits that this deadline is not realistic for the authority to fully implement asset management; nevertheless, she has begun the process of staff outreach to determine what is reasonable to implement, assign responsible parties, and develop a plan of action. Working from Econometrica's draft report, the executive director stated that for March 2011, the focus will be on staff outreach to determine priorities and specific action planning with a projected plan and timeline presentation to the board by its April 2011 meeting. While we cannot comment on the results of this planning effort, we do note that the current movement on implementing the asset management model represents a concerted effort on the authority's part to rectify its substantial lag in previously doing so.

Because the authority is in the plan development process, we recommend that it include a detailed work plan that assigns responsibility to appropriate people for the transition to asset management, with deliverables and a timeframe for completion. As appropriate, the authority should incorporate Econometrica's recommendations regarding the practical implementation of the asset management model, particularly those related to financial reporting and materials inventory storage, as they have the potential to improve current operations.

Conclusion

The Hawai'i Public Housing Authority is tasked with promoting adequate and affordable housing to one of Hawai'i's neediest populations. The authority's recent history—with multiple changes in executive directors, varying degrees of U.S. Department of Housing and Urban Development intervention, and a complete reorganization—had combined to shift management's attention away from the main goals of public housing management. However, with a new executive director, a supportive board of directors, and additional staff resources, the authority is now better situated to refocus its efforts on achieving its mission.

The authority has many challenges ahead. It must improve its monitoring of asset management project managers to ensure that tenants' needs are addressed and that the State's assets are protected for future users. The authority must also take action to implement the federally mandated asset management system model of operations as required by the U.S. Department of Housing and Urban Development. Any further

delays in implementation may put federal funds at risk; for an agency already suffering from backlogs of deferred maintenance and staffing constraints, such a loss would be devastating.

Recommendations

The Hawai'i Public Housing Authority should:

1. Improve monitoring over asset management project managers by:

    a. Holding AMP managers (both state employees and private contractors), contract administrators, and the branch chief who oversees them, accountable for their respective performance. Contract monitoring should be tied into actual results, with disincentives and/or penalties imposed for non-performance. Remedial plans and actions should be documented.

    b. In instances where staffing constraints limit availability for recurring monitoring, the authority should consider employing a risk-based approach in its review process and document those results.

    c. Developing a training program to promote standard interpretation of U.S. Department of Housing and Urban Development terminology. Specifically, in areas where HUD assesses AMP performance, a common understanding of specific terms should be communicated to AMP managers to ensure terms are applied appropriately and uniformly as they relate to specific criteria.

2. Improve operational consistency and organizational communication by:

    a. Prioritizing repair and maintenance work orders and turning over vacant units to new tenants (balanced against achieving much-needed capital improvement works). Priorities should be communicated to stakeholders to promote the understanding of the authority's plans to reduce its 9,000-plus wait list to serve its population by achieving maximum tenancy.

    b. Developing a means to ensure tenant complaints are uniformly recorded, documented, and addressed; and communicate this clearly to all AMP managers.

    c. Developing a method to share best practices among its public housing projects. Some best practices have been recognized

among housing managers both within Hawai'i and in other jurisdictions, and the authority should be able to leverage off their success.

3. Address asset management implementation by:

   a. Seeking the Legislature's approval, as needed, to update and streamline its accounting system so that its AMP managers have access to timely and accurate financial data.

   b. Developing a detailed work plan that assigns responsibility to appropriate people for the transition to asset management, with deliverables and a timeframe for completion.

   c. Incorporating, as appropriate, the recommendations in Econometrica's technical assistance study regarding the practical implementation of the asset management model.

   d. Disseminating information and/or training, as needed and on a continuing basis, regarding how to implement asset management in practical terms.

4. The Hawai'i Public Housing Authority's board should continue its efforts to:

   a. Create policies and procedures specific to board operations and roles and responsibilities, including required training to orient new members as they are appointed to the board; and

   b. Support management's efforts to implement asset management, creating policies as appropriate.

Response of the Affected Agency

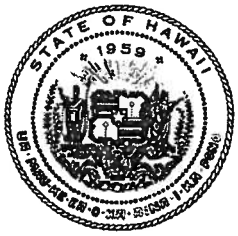
Comments on Agency Response

We transmitted a draft of this report to the board chairperson and the executive director of the Hawai'i Public Housing Authority on May 17, 2011. A copy of the transmittal letter to the executive director is included as Attachment 1. The authority's response, received on May 27, 2011, is included in its entirety as Attachment 2.

The authority did not take issue with our findings. According to the executive director, our findings are compatible with her "to do" list. The executive director's response reported on her current action plans to address some of the report recommendations. These include a revitalization of the authority's AMP monitoring program, including development of and training on a comprehensive operations manual to ensure consistent enforcement of policies. The authority is also working on its conversion to asset management by improving its budgeting and accounting processes and utilizing the technical assistance plan provided by Econometrica, Inc.

ATTACHMENT 1

STATE OF HAWAI'I
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawai'i 96813-2917



MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

May 17, 2011

COPY

Ms. Denise Wise, Executive Director
Hawai'i Public Housing Authority
1002 North School Street
Honolulu, Hawai'i 96817

Dear Ms. Wise:

Enclosed for your information are three copies, numbered 6 to 8, of our confidential draft report, *Management Audit of the Hawai'i Public Housing Authority*. We ask that you telephone us by Thursday, May 19, 2011, on whether or not you intend to comment on our recommendations. If you wish your comments to be included in the report, please submit them no later than Friday, May 27, 2011.

The Chairperson of the Hawai'i Public Housing Authority Board of Directors, Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this confidential draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

Marion M. Higa
State Auditor

Enclosures

ATTACHMENT 2

NEIL ABERCROMBIE
GOVERNOR

DENISE M. WISE
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

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

IN REPLY PLEASE REFER TO:
11:OED-108

May 26, 2011

RECEIVED
2011 MAY 27 PM 1:11
OFC. OF THE AUDITOR
STATE OF HAWAII

Ms. Marion Higa
Office of the Auditor
Kekuanao'a Building
465 South King Street, Room 500
Honolulu, Hawaii 96813-2917

Dear Ms. Higa:

The Hawaii Public Housing Authority (HPHA) appreciates the opportunity to respond to the Management Audit for the period July 1, 2006 to June 30, 2010. The audit does an excellent job in identifying the major issues facing the Hawaii Public Housing Authority. In reviewing the audit report, HPHA does not take issue with the findings. As you are aware, the audit was initiated before my tenure as Executive Director; and in fact, your findings are very compatible with my 'to do' list prepared soon after my appointment.

Economic reality precluded the successful resolution of many of the issues the audit identified. I became the Executive Director approximately 14 months ago and since then, there have been significant changes in key managerial positions, such as the Chief Planner, Chief Compliance Officer, State Housing Development Administrator, Fiscal Officer, and Procurement Officer. As we have proceeded with team building, we have been faced with unexpected challenges including a hiring freeze, furloughs, a reduction in force and our federal operating subsidies were reduced by 12%. My focus has been on meeting the challenges of asset management; building financial reporting capability; filling vacant units and improving the overall management of the Authority, while implementing Board policy direction relative to a major mixed income development project at Kuhio Park Terrance and Kuhio Homes.

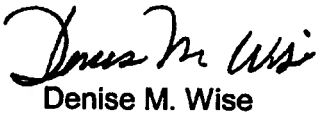
In the detailed response that follows, I am reporting action plans that are currently in place, and explaining, to some degree, the reasons why we have not completed these actions to date.

It is my belief that HPHA is taking positive steps in the right direction, and in fact, we would welcome a follow-up review by your staff following the completion of FY 2012.

As you know, when faced with the responsibility of housing low-income families, children, the elderly and the disabled, the issues and challenges are often more complex than they appear. We remain committed to building an efficient and effective system to deliver housing services as a high performing agency.

In closing, we'd like to express our appreciation for the professional courtesy extended to us by your staff.

Sincerely,



Denise M. Wise
Executive Director

1. ***The Authority's ineffective oversight of State- and privately-managed housing projects impacts tenant welfare.***

"HPHA's monitoring of its AMP managers lacks robustness. Monitoring of AMP manager's performance need to be strengthened, and more consistent."

The HPHA acknowledges that monitoring should be performed as part of the authority's normal operations and should be governed by policies and procedures to ensure consistency and accountability. As correctly noted within the audit report, the Property Management and Maintenance Services Branch (PMMSB) suffered deleterious staffing decreases that were compounded by State mandated hiring freezes, RIFs, and furloughs such that vacated positions could not be filled or reassigned.

Recent staffing changes have occurred that allow the authority to revitalize its AMP monitoring program and ensure consistent enforcement of policies. PMMSB is currently working with the Office of the Executive Director and the Board of Directors to formulate and implement more robust policies and procedures, as well as developing mandatory training programs for AMP management and recently hired staff monitors to further monitoring strength.

"The authority's oversight of its AMP managers' performance is inconsistent and inadequate."

Several of the vacancies that occurred in PMMSB during the audit period were a direct result of non-performance, so the HPHA did in fact impose repercussions for delinquent monitoring reports. However, due to the State hiring freeze, the authority was unable to replace these staff positions and the Branch did not have adequate staff remaining to assist the Branch Chief with the unassigned duties.

PMMSB is aware of the monitoring deficiencies noted in the audit report and as a result AMP managers are undergoing training with the monitors to be made aware of performance appraisal expectations. Underperforming AMP management will work with monitors to develop Corrective Action Plans based on prudent property management practices.

"The authority does not consistently enforce private contract terms to protect the State's interest."

The authority works closely with the U.S. Department of Housing and Urban Development (HUD) and the State Office of the Attorney General with all contracts to

ensure compliance with procurement and contracting requirements. It was noted in the audit that the HPHA's contracts include provisions which protect the interest of the State.

All new additions to HPHA staff, including PMMSB, Planning & Evaluation Office, and Compliance Office, are required to undergo mandatory contract monitoring and administration training offered by the State Procurement Office. New PMMSB staff tasked with monitoring privately managed AMPs will be uniquely qualified to enforce necessary contract provisions and utilize the remedies provided therein to ensure safe, sanitary, decent housing is maintained by contractors. Failure to do so may result in lost management fees or contract termination.

"Failing property assessment scores indicate a failure to communicate and enforce standards."

PMMSB is currently in the process of developing a comprehensive property operations manual which will provide a consistent, thorough review of HUD and authority expectations for physical assessment standards. This manual, in addition to current monitor training programs and monthly AMP manager meetings, will provide consistent communications and enforcement capability for PMMSB.

The audit noted that "particularly in the areas where HUD assesses AMP performance, a common understanding of specific terms should be communicated to AMP managers to ensure that terms are applied appropriately and uniformly to specific criteria." After 2 years of delays, HUD finally issued its changes to the Public Housing Assessment System (PHAS) under interim rules on February 23, 2011. The new metrics of the PHAS will be incorporated into the monitoring reviews to ensure that the HPHA is tracking the appropriate data.

"State- and privately-managed AMPs have backlogs of repairs."

The authority acknowledges that during the audit period, there were a number of apparent deficiencies regarding duration of open work orders. As noted in the audit report, all reviewed AMPs attended to non-emergency work orders in less than 25 days. In fact, from 2007 to 2010, the authority saw an improvement in work order turnaround time to 20 days.

Review of a sample size of AMP work order logs did reveal inconsistencies in closing out routine work orders, which resulted in skewed lengths of time. Emphasis is being placed on such administrative tasks, and review of open and closed work orders will be a part of the reinstated monitoring program. The monthly AMP manager meetings will provide PMMSB staff an opportunity to address work order administration and ensure more accurate reporting.

"Deferred maintenance slows vacant unit turnarounds."

The HPHA acknowledges the accuracy of the audit report's statement that slow vacant unit turnarounds has an impact on families waiting for public housing, rent revenues, and overall funding available to the authority. Emphasis is being placed on the reduction of vacant unit turnaround times, and the end of the State hiring freezes and furloughs should assist the agency in seeing improvement in this management indicator. The authority is in recruitment for several positions throughout the State to increase maintenance staff levels so that lease up can be maximized to the greatest extent.

"The authority lacks a consistent method for addressing tenant complaints."

The authority acknowledges the value inherent in consistent tenant complaint methods. Written tenant complaints have been logged and tracked consistently throughout the audit period. However, PMMSB staff has been aware of this deficiency with respect to telephone complaints and has instituted a more robust tenant complaint log to track and evaluate telephoned complaints at the authority level. This authority level methodology will be communicated to AMPs at the monthly AMP managers meeting, and implementation will be monitored thereby.

2. ***The Authority has not yet implemented the Federally-mandated Asset Management System.***

"The authority's accounting system does not adequately support asset management."

As acknowledged in the audit report, the HPHA is currently in the process of fixing its budgeting and financial process. In January 2011, the HPHA began providing operating budgets and monthly statements to its AMPs.

"Budgeting is based on "guess-timates"."

As acknowledged in the audit report, the HPHA is currently in the process of fixing its budgeting and financial process. During prior year budget processes, the AMPs were required to prepare their budgets under zero-based budgeting methods. Although financial reports were not issued by the fiscal office, AMP managers and Central Offices were required to maintain declining balance sheets to monitor and track expenses at the project level. Those balance sheets served as the historical basis for budget projections.

For the current budgeting cycle, AMPs and Central Offices were provided with expenditure reports for the current fiscal year. To that end, the budget for fiscal year 2011-2012 will be in compliance with the asset management requirement for project based budgets.

"Asset management project managers have not received regular financial operating statements."

As stated in the audit, the authority's fiscal system was hampered by vacancies in the fiscal office in key positions (i.e., Chief Financial Management Advisor and Fiscal Officer). The current fiscal officer began in November 2010 and at that time he began developing a reporting format that gave AMPs profit and loss statements showing monthly and year-to-date versus total annual budget, and variances.

Given the constraints in the authority's financial accounting system, the authority is now working with its software vendor to find solutions. The authority's goal is to have a more robust financial accounting system that provides the authority and AMPs with financial reporting tools such as access to AMP general ledgers, reporting writing, quicker running of reports, and ease of use.

"The authority is making strides towards implementing asset management."

As stated in the audit, "the transition to asset management has been hampered by multiple changes of leadership and vision for the authority. For example, from 2002 – 2010, the authority had eight different executive directors. The HPHA's predecessor agency was placed under a Corrective Action Order (CAO) by HUD. The CAO has been somewhat mitigated since, but is still in effect today."

The audit report further notes the improvement in the communication and education processes between the board members and the authority. The new executive director and the executive assistant have worked with the board to improve and clarify its role and relationship to the authority through written, detailed policies. Emphasis has been placed on board trainings and board practice has been improved by policy revisions enabling the creation of task force committees consistent with sunshine laws.

"The authority's board and management understand the necessity of asset management."

As stated in the audit, the HPHA is well aware that its conversion to an asset management model of operations is behind schedule. In February 2011, HPHA received a technical assistance plan from Econometrica, a Maryland based private research and consulting firm. While this transition has been delayed by staffing inconsistencies and State hiring freezes, the audit report notes that progress has been made toward this management indicator. HPHA Directors and staff have highlighted to complete conversion to asset management as a top agency priority.

The authority is working with the draft Econometrica report and agency staff to assure that the transition is carefully and properly completed in the most expeditious manner.

Hawaii Public Housing Authority
Audit Findings/Legislative Audit
Reporting Period:

Action	Due Date	Responsible Parties	Status
1.0 Demonstrate that HPHA is responsibly administering its contracts and ensuring compliance with the terms of the contract			
1.1 Establishment of a monitoring plan for all AMPs and implementation of site visit monitoring		PMMSB	Monitoring reports are being completed on a monthly basis for all privately managed AMPs. It was determined that the AMPs who needed the most improvement would be monitored on a monthly basis
1.2 Resolution of findings in the REAC inspections, including implementation of corrective action plan (CAP) from previous REAC inspections		PMMSB	PMMSB: PMMSB is still implementing CAP from 2010. Monitoring needs to be done to determine that AMPs are complying with 2010 CAP
1.3 Resolution of monitoring findings from PMMSB monitors conducting site visits		PMMSB	
1.4 Revision of property management contract to include terms which require the contractor to forfeit its management fees for failure to perform		PMMSB	
1.5 Completion of the procedures manual, which includes procedures for monitoring AMP staff /contractors.		PMMSB	Ongoing. PMMSB continues to tweak the procedures and refine the process.
1.6 Establishment of a system to track and repair type "C" units		PMMSBCMB	CMB: CMB retains a log for Type C unit identification, however, a formal tracking system with a construction respond element has not been established PMMSB: PMMSB is tracking requests sent to CMS. PMMSB checks that the unit is properly coded. Discussed with CMS the creation of a system that will include monitoring unit to completion, which funds are set aside for the unit and the projected completion date
1.7 Establish procedures for maintaining tenant complaint log		PMMSB	
1.8 Ensure that inventories are current and that procedures are established for inventory control. That site visits include inspection of inventory areas		PMMSB	
2.0 Demonstrate that HPHA is planning for the effective use of Capital Fund Program activities			

2.1 Completion and submittal of a well thought out 5-year plan for the use of CFP for next fiscal year		PEO/PMMSB/CMB	
2.2 Implement and formalize annual Capital Planning process that includes all branches and incorporates CFP and CIP funds.	In process	PMMSB/ CMS/CPO, FMO/PEO	This started August 2010.
3.0 Demonstrate that HPHA has appropriate internal fiscal controls			
3.1 Assess trainings attended and given to staff. Assess additional training needs and commence reviewing position descriptions to		FMO	
3.2 Perform internal assessment of missing controls and develop checklists to ensure monthly routines are completed timely	Ongoing	FMO	
3.3 Implementation of training plan for HPHA staff		FMO	
3.4 Production of monthly closing schedules with assigned accountabilities		FMO	
3.5 Implement audit routine to ensure effectiveness, including the timely review and approvals by appropriate personnel.		FMO	
3.6 Production of monthly closing schedules with assigned accountabilities		FMO	
3.7 Implement audit routine to ensure effectiveness, including the timely review and approvals by appropriate personnel		FMO	
4.0 Demonstrate that HPHA can consistently produce accurate and timely financial reports and statements			
4.1 Produce timely financial statements		FMO	Reports are produced monthly that include agency financials and financials for each AMP.
4.2 Monthly production of accurate financial statements for all AMPS		FMO	
4.3 Manage activity in the PIC so that HPHA can upload information for calculation of the operating subsidy on a timely basis		FMO	
4.4 Full functioning general ledger and production of monthly reconciliations this will enable: -reliable monthly financial statements -Assets properly capitalized -Budget to Actual Comparisons		FMO	

224

4.5 FDS submitted timely and correctly			
4.6 All HUD submissions are submitted timely			
5.0 Demonstrate proper use of accounting standards and methods			
5.1 Maintain monthly detailed fixed assets and CIP records and reconcile records on a timely basis to ensure accurate accounting for these assets			
5.2 Project based accounting to be utilized for financial performance for all AMPs. This includes the allocation of costs from the COCC and proper classification of all expenses			
5.3 Manage conversion from EmPHASys to Elite. Ensure staff receives training to ensure smooth conversion when system crosses over.			In process. Fiscal office is in training and working with the vendor to convert all data.
5.4 Utilize the accrual method of accounting appropriately on accounts and financial statements			
5.5 Transfer and classify assets properly. Ensure that projects are transferred to assets once project is complete		FMO/CMB	
6.0 Demonstrate that the HPHA has implemented Asset Management and Project Based Accounting as proscribed by HUD			
6.1 Capability to produce financial statements by AMP and for each project within the AMP. To include budgets, profit and loss statements and balance sheets.			Within the last fiscal year the Fiscal Office has consistently produced financials for all projects and AMPs. During the budgeting process, Fiscal office worked with each AMP manager to define their budgets first by project and the by AMP.
6.2 Provide AMPs with monthly budget to actuals to assess financial performance of AMP to include projects within the AMP			This is still in process. The existing accounting system is cumbersome and requires multiple steps to provide reports. The software that the agency is converting to, Elite, provides more flexibility and access to the AMP managers.
6.3 Develop, maintain and update fee for service schedules. This details the charges to the AMPs for various services, e.g., bookkeeping fees, etc...			FMO: Progressing
6.4 Ensure all charges to the COCC and revenue earned by the COCC are properly classified and charged			

6.5 .			
7.0			
7.1 .			
7.			
7.3 .			
7.4			
7.			
8.0.			
8.1			
8.2 .			
8.3			
8.4 .			

Approved by the Executive Director
October 20, 2011

FOR DISCUSSION

SUBJECT: Location of HPHA Board Meetings and Possible Alternate Sites or Rotation at Public Housing Complexes

I. FACT

A. The HPHA Board Chair is requesting that the Board of Directors discuss the possibility of holding the monthly meetings at alternate sites or rotate the meetings at public housing complexes.

B. A copy of the HPHA's public housing inventory is attached.

II. DISCUSSION

A. To be discussed at the October 20, 2011 Board meeting.

Attachment

HAWAII PUBLIC HOUSING AUTHORITY
INVENTORY as of
October 6, 2011

TAX ID #: 99-0334987

NAME	HPHA NO.	ADDRESS	CITY	ZIP	PHONE NUMBER	TOTAL UNITS	UNIT TYPE 0	1	2	3	4	5	DATE OF INITIAL OCCUPANCY		T.M.K.
Asset Management Project 30															
Mary Jane Hall-Ramiro - Manager		**Ph: 483-2550 Fax: 483-2552**													
Puuwai Momi	1026	**99-132 Kohomua St.**	Aiea	96701	483-2550	**363** 260	0	48	86	88	38	0	07/15/69		(1) 9-9-003:056
Hale Laulima	1027	1184 Waimano Home Rd.	Pearl City	96782	483-2550	36	0	0	20	16	0	0	03/24/81		(1) 9-7-094:025
Salt Lake	1066	2907 Ala Ilima St.	Honolulu	96818	483-2550	28	0	28	0	0	0	0	06/25/82	Built 1969	(1) 1-1-062:007
Waipahu I	1038	94-111 Pupuole St.	Waipahu	96797	483-2550	19	0	0	13	6	0	0	04/20/70		(1) 9-4-039:019
Waipahu II	1039	94-132 Pupupuhi St.	Waipahu	96797	483-2550	20	0	0	16	4	0	0	01/05/70		(1) 9-4-039:076
Asset Management Project 31															
Gerald Kita - Manager		**Ph: 832-3336 Fax: 832-3385**													
Kalihi Valley Homes	1005	**2250 Kalena Dr.**	Honolulu	96819	832-3336	**547** 373	0	52	60	123	112	26	08/25/53		(1) 1-3-022:001
Hauiki Homes	2201	Meyers St.	Honolulu	96819	832-3336	46	0	0	20	16	10	0	06/09/64		(1) 1-3-022:003
Puahala Homes I	2202	Ahiahi Pl. & Hala Dr.	Honolulu	96817	832-3336	28	0	0	0	0	14	14	04/19/52		(1) 1-6-009:003
Puahala Homes II	2202	Ahiahi Pl.	Honolulu	96817	832-3336	20	0	0	12	8	0	0	04/19/52		(1) 1-6-009:003
Puahala Homes III	2202	Ahiahi Pl.	Honolulu	96817	832-3336	40	0	10	14	16	0	0	07/15/59		(1) 1-6-009:003
Puahala Homes IV	2202	School St. & Lanakila Ave.	Honolulu	96817	832-3336	40	0	4	32	4	0	0	07/15/59		(1)1-6-007:068
Asset Management Project 32															
Joanna Renken - Manager		**Ph: 832-3153 Fax: 832-3188**													
Mayor Wright Homes	1003	**521 N. Kukui St**	Honolulu	96817	832-3153	**364** 364	0	24	114	168	50	8	10/27/52		(1) 1-7-029:003
Asset Management Project 33															
Joanna Renken - Manager		**Ph: 832-3153 Fax: 832-3188**													
Kaahumanu Homes	1009	Alokele & Kaiwiula St	Honolulu	96817	832-3153	**373** 152	0	0	116	36	0	0	10/26/58		(1) 1-5-024:001
Kamehameha Homes	1099	1541 Haka Dr.	Honolulu	96817	832-3153	221	0	62	123	36	0	0	08/26/97		(1) 1-5-001:001
Asset Management Project 34															
Janice Mizusawa - Manager		**Ph: 973-0193 Fax: 973-0197**													
Kalakaua Homes	1062	**1545 Kalakaua Ave.**	Honolulu	96826	973-0193	**583** 221	0	127	58	36	0	0	12/05/83		(1) 2-3-019:004
Makua Alii (E)	1012	1541 Kalakaua Ave.	Honolulu	96826	973-0193	211	0	210	0	1	0	0	12/06/67		(1) 2-3-019:004
Paoakalani (E)	1036	1583 Kalakaua Ave.	Honolulu	96826	973-0193	151	90	60	0	1	0	0	12/21/70		(1) 2-3-019:004

HAWAII PUBLIC HOUSING AUTHORITY
INVENTORY as of
October 6, 2011

TAX ID #: 99-0334987

NAME	HPHA NO.	ADDRESS	CITY	ZIP	PHONE NUMBER	TOTAL UNITS	UNIT TYPE 0	1	2	3	4	5	DATE OF INITIAL OCCUPANCY		T.M.K.
Asset Management Project 35															
Gail Lee - Manager		**Ph: 586-9724 Fax: 586-9728**													
Punchbowl Homes (E)	1011	**730 Captain Cooke Ave.**	Honolulu	96813	586-9724	**587**									
Kalanihuia (E)	1024	**1220 Aala St.**	Honolulu	96817	586-9724	156	0	97	58	1	0	0	12/27/60		(1) 2-1-039:012
Makamae (E)	1046	21 S. Kuakini St.	Honolulu	96813	586-9724	151	60	90	0	1	0	0	01/16/69		(1) 1-7-026:006
Spencer House	1073	1035 Spencer St.	Honolulu	96822	586-9724	124	108	16	0	0	0	0	06/08/71		(1) 2-2-001:020
Pumehana (E)	1047	1212 Kinau St.	Honolulu	96814	586-9724	17	0	0	1	16	0	0	11/16/86	Built 1968	(1) 2-4-011:039
						139	98	40	1	0	0	0	04/04/72		(1) 2-4-016:008
Asset Management Project 37 (East Hawaii)															
Tammy Passmore - Manager		**Ph: 933-0474 Fax: 933-0479**													
Lanakila Homes I	1004	**600 Wailoa St**	Hilo	96720	933-0474	**394**									
Lanakila Homes II	1013	600 Wailoa St.	Hilo	96720	933-0474	78	0	6	32	32	8	0	02/29/00	64 old units	(3) 2-4-028:007
Lanakila Homes III	1014	600 Wailoa St.	Hilo	96720	933-0474	44	0	4	16	18	6	0	02/29/00		(3) 2-4-028:007
Lanakila Homes IV	1104	600 Wailoa St.	Hilo	96720	933-0474	20	0	0	0	8	12	0	09/14/62		(3) 2-4-028:007
Hale Aloha O Puna (E)	1051	16-189 Pili Mua St.	Keaau	96749	933-0474	48	0	2	18	20	8	0	04/26/05	Replaced ur	(3) 2-4-028:007
Hale Olaloa (E)	1052	144 Kamana St.	Hilo	96720	933-0474	30	18	12	0	0	0	0	11/08/77		(3) 1-6-143:035
Kauhale O'Hanakahi	1097	19 Pamala St.	Hilo	96720	933-0474	50	30	20	0	0	0	0	07/08/76		(3) 2-4-056:021
Lokahi	2206	Lokahi Circle	Hilo	96720	933-0474	20	0	0	0	20	0	0	02/28/97		(3) 2-4-028:007
Pahala (E)	1045	96-1169 Kou St.	Pahala	96777	933-0474	30	0	0	14	16	0	0	05/01/62		(3) 2-4-052:020
Pomaikai Homes (E)	1029	929 Ululani St.	Hilo	96720	933-0474	24	16	8	0	0	0	0	06/14/72		(3) 9-6-017:037
Punahele Homes	1028	Lokahi Pl.	Hilo	96720	933-0474	20	10	10	0	0	0	0	04/06/67		(3) 2-4-025:092
						30	0	0	30	0	0	0	04/01/67		(3) 2-4-052:022
Asset Management Project 38 (Kauai)															
Vacant - Manager		**Ph: 821-4415 Fax: 821-6964**	West Ph: 337-7664 Fax 337-7666												
Kapaa	1018	**4726 Malu Rd.**	Kapaa	96746	821-4415	**347**									
Hale Hoolulu (E)	1019	4264 Ala Muku Pl.	Kilauea	96754	821-4415	36	0	6	8	12	10	0	07/19/66		(4) 4-5-015:007, (4) 4
Hale Nana Kai O Kea (E)	1054	4850 Kawaihau Rd.	Kapaa	96746	821-4415	12	8	4	0	0	0	0	04/02/74		(4) 5-2-008:056
Hui O Hanamaulu	1021	Laukona St.	Hanamaulu	96715	821-4415	38	20	18	0	0	0	0	10/15/77		(4) 4-6-014:105
Kalaheo	1022	Puu Rd.	Kalaheo	96741	821-4415	46	0	6	12	16	12	0	05/18/66		(4) 3-8-012:030
Kawailehua -State	2204	5220 Paanau Rd.	Koloa	96756	821-4415	8	0	0	2	4	2	0	04/03/67		(4) 2-3-012:030
Kekaha Ha'aheo	1064	**8238 Iwipolena Rd.**	Kekaha	96752	337-7664	26	0	6	20	0	0	0	11/23/93		(4) 2-6-004:057
Eleele Homes	1020	Ahe St.	Eleele	96705	337-7664	78	0	42	12	24	0	0	10/12/82		(4) 1-3-08:020 & (4)
Hale Hoonanea (E) (Port A	1055	4401 Waialo Rd.	Eleele	96705	337-7664	24	0	2	6	10	6	0	06/17/66		(4) 2-1-001:013 &(4)
Home Nani (E)	1023	Moana & Laau Rd.	Waimea	96796	337-7664	40	24	16	0	0	0	0	07/06/76		(4) 2-1-003:017
Kawailehua - Federal	1086	5230 Paanau Rd.	Koloa	96756	337-7664	14	10	4	0	0	0	0	07/07/70		(4) 1-6-007:031
						25	0	0	0	25	0	0	10/15/93		(4) 2-6-004:046

HAWAII PUBLIC HOUSING AUTHORITY
INVENTORY as of
October 6, 2011

TAX ID #: 99-0334987

NAME	HPHA NO.	ADDRESS	CITY	ZIP	PHONE NUMBER	TOTAL UNITS	UNIT TYPE 0	1	2	3	4	5	DATE OF INITIAL OCCUPANCY	T.M.K.
Asset Management Project 39 (Maui/Molokai)														
Ione Godsey - Manager		**Ph: 243-5001 Fax: 243-5147**	**(Molokai Ph: 552-2270 Fax: 552-0061)**			**228**								
Kahekili Terrace [a & b]	1017	**2015 Holowai Pl..**	Wailuku	96793	243-5001	82	0	12	22	36	12	0	05/01/66	(2) 3-4-033:023
David Malo Circle	1016	Mill St	Lahaina	96761	243-5001	18	0	2	4	10	2	0	06/01/66	(2) 4-6-010:028
Makani Kai Hale	1092	35 Koapaka Ln.	Waiehu	96793	243-5001	25	0	0	0	25	0	0	09/11/95	(2) 3-3-001:031
Piilani Homes (E)	1044	1028 Wainee St.	Lahaina	96761	243-5001	42	32	10	0	0	0	0	08/17/70	(2) 4-5-007:005
Makani Kai Hale II	1097	35 Koapaka Ln.	Waiehu	96793	243-5001	4	0	0	0	4	0	0	05/01/98	(2) 4-6-010:031
Kahale Mua - Federal	1088	**P.O. Box 30**	Maunaloa	96770	552-2270	25	0	0	0	25	0	0	12/10/93	(2) 5-1-002:026
Kahale Mua - State	2205	Maunaloa, Molokai	Maunaloa	96770	552-2270	32	0	12	20	0	0	0	04/11/92	(2) 5-1-002:028 & (2)
Asset Management Project 40			**Realty Laua LLC**											
Shareen Dumlao - Manager		**Ph: 832-6075 Fax: 832-3438**				**174**								
Kuhio Homes	1007	Ahonui St.	Honolulu	96819	851-7155	134	0	20	32	37	37	8	11/16/53	(1) 1-3-039:003 & (1)
Kuhio Park Terrace Lowrise	1010	Ahonui St. & Linapuni St.	Honolulu	96819	851-7155	40	0	0	0	0	40	0	02/02/65	(1) 1-3-039:001
Oahu Management Unit 42		**Hawaii Affordable Properties, Inc.**												
Venus Katano - Manager		**Ph: 832-3445 Fax: 832-1795**				**576**								
Hale Po'ai (E)	2401	**1001 N. School St.**	Honolulu	96817	832-3445	206	80	126	0	0	0	0	06/01/89	(1) 1-6-007:067
La'iola (E)	2402	**1 & 15 Ihoiho Pl.**	Wahiawa	96786	622-6350	108	60	48	0	0	0	0	10/01/91	(1) 7-4-022:044 &(1)
Kamalu (E)	2403(a)	**94-941 Kau'olu Pl.**	Waipahu	96797	675-0099	109	85	24	0	0	0	0	12/01/93	(1) 9-4-017:001
Ho'olulu (E)	2403(b)	94-943 Kau'olu Pl.	Waipahu	96797	675-0099	112	86	26	0	0	0	0	02/02/95	(1) 9-4-017:001
Halia Hale (E)	2404	851 N. School St.	Honolulu	96817	586-7595	41	30	11	0	0	0	0	10/20/95	(1) 1-7-044:094 & (1)
Asset Management Project 43 (West Hawaii)			**Hawaii Affordable Properties, Inc.**											
Paul Sopoaga - Manager		**Ph: 322-1915 Fax: 322-1918**				**202**								
Ka Hale Kahaluu	1061	**78-6725 Makolea St.**	Kailua-Kona	96740	322-1915	50	0	8	12	22	8	0	08/13/81	(3) 7-8-010:070
Hale Hookipa (E)	1053	81-1038 Nani Kupuna Place	Kealakekua	96750	322-1915	32	20	12	0	0	0	0	06/01/76	(3) 8-1-002:049
Kaimalino	1032	74-5060 Kealakaa St.	Kailua-Kona	96740	322-1915	40	0	10	14	14	2	0	06/28/71	(3) 7-4-017:029
Kealakehe	1070	74-991 Manawale'a St.	Kailua-Kona	96740	322-1915	48	0	16	16	16	0	0	08/28/85	(3) 7-4-017:058
Nani Olu (E)	1063	81-1011 Nani Kupuna Place	Kealakekua	96750	322-1915	32	0	32	0	0	0	0	08/31/81	(3) 8-1-002:048

HAWAII PUBLIC HOUSING AUTHORITY
INVENTORY as of
October 6, 2011

TAX ID #: 99-0334987

NAME	HPHA NO.	ADDRESS	CITY	ZIP	PHONE NUMBER	TOTAL UNITS	UNIT TYPE 0	1	2	3	4	5	DATE OF INITIAL OCCUPANCY		T.M.K.
Asset Management Project 44															
Veronica Malabey - Manager		**Ph:697-7171 Fax: 697-7174**		**Ewa Pointe Realty**											
Waimaha-Sunflower	1057	**85-186 McArthur St.**	Waianae			**260**									
Kau'iokalani	1091	85-658 Farrington Hwy.	Waianae	96792	697-7171	130	0	52	46	32	0	0	07/01/80	Built 1975	(1) 1-8-5-010:029 & (
Maili I	1033	Maliona St.	Waianae	96792	697-7171	50	0	0	0	50	0	0	07/26/95		(1) 1-8-5-002:044
Maili II	1108	Keliikipi St.	Waianae	96792	697-7171	20	0	0	7	13	0	0	01/28/69		(1) 1-8-7-002:011 & (
Nanakuli Homes	1035	Lualei Pl. & Farrington Hwy.	Waianae	96792	697-7171	24	0	0	12	0	12	0	11/12/99	replaced uni	(1) 1-8-7-001-001
				96792	697-7171	36	0	0	0	36	0	0	11/24/69		(1) 1-8-7-034:004
Asset Management Project 45															
Patrick Mauga - Manager		**Ph: 233-3766 Fax: 233-3768**		**Realty Laua LLC**											
Koolau Village	1030	**45-1027 Kamau Pl.**	Kaneohe			**226**									
Hookipa Kahaluu	1072	47-330 Ahuimanu Rd.	Kaneohe	96744	233-3766	80	0	8	24	36	12	0	11/05/69		(1) 4-5-023:008
Kaneohe Apartments	1069	45-507 & 45-513 Pahia Rd.	Kaneohe	96744	233-3766	56	0	8	32	16	0	0	08/18/83		(1) 4-7-037:016
Kauhale O'hana	1090	41-1260 Kalanianaole Hwy.	Waimanalo	96795	233-3766	24	0	5	19	0	0	0	04/19/84	Built 1965 &	(1) 4-5-019:026
Waimanalo Homes	1025	Humuniki St. & Humuna Pl.	Waimanalo	96795	233-3766	25	0	0	0	25	0	0	04/06/95		(1) 4-1-009:012
Waimanalo Homes II	1107	Humuniki St. & Humuna Pl.	Waimanalo	96795	233-3766	19	0	0	5	11	3	0	05/02/01	replaced uni	(1) 4-1-022:112
				96795	233-3766	22	0	0	14	7	1	0	05/02/01	replaced units built in 1967	
Asset Management Project 46 (North Hawaii)															
Mark Sayers - Manager		**Ph: 887-8130 Fax: 887-8132**		**Hawaii Affordable Properties, Inc.**											
Noelani II	1078	**65-1191 Opelo Rd.**	Kamuela			**129**									
Hale Hauoli (E)	1031	45-540 Koniaka Pl.	Honokaa	96743	887-8130	24	0	0	0	24	0	0	11/07/88		(3) 6-5-009:025
Ke Kumu 'Ekolu	1097	68-3385 Ke Kumu Pl.	Waikoloa	96727	887-8130	40	24	16	0	0	0	0	03/04/70		(3) 4-5-010:078
Ke Kumu Elua	2207	68-3367 Ke Kumu Pl.	Waikoloa	96738	887-8130	20	0	0	0	20	0	0	02/28/97		(3) 6-8-042:027
Noelani I	1071	65-1189 Opelo Rd.	Kamuela	96738	887-8130	26	0	10	16	0	0	0	10/22/95		(3) 6-8-042:026
				96743	887-8130	19	0	7	12	0	0	0	04/15/83		(3) 6-5-042:025
Asset Management Project 49															
Patrick Shimabukuro - Manager		**Ph: 622-6360 Fax: 622-6362**													
Kauhale Nani	1056	**310 North Cane St.**	Wahiawa			**150**									
Wahiawa Terrace	1015	337 Palm St.	Wahiawa	96786	622-6360	50	0	14	16	20	0	0	07/10/80		(1) 7-4-007:014
Kupuna Home O'Waialua (E)	1050	67-088 Goodale Ave.	Waialua	96786	622-6360	60	0	12	16	24	8	0	10/01/66		(1) 7-1-001:034
				96791	637-8244	40	24	16	0	0	0	0	02/01/77		(1) 6-7-016:028
Asset Management Project 50															
Janice Mizusawa - Manager		**Ph: 973-0193 Fax: 973-0197**													
Palolo Valley Homes	1008	**2107 Ahe Street**	Honolulu			**118**									
				96816	733-9113	118	0	8	34	40	32	4	06/30/57		(1) 3-4-007:007 & (1)

HAWAII PUBLIC HOUSING AUTHORITY
INVENTORY as of
October 6, 2011

TAX ID #: 99-0334987

NAME	HPHA NO.	ADDRESS	CITY	ZIP	PHONE NUMBER	TOTAL UNITS	UNIT TYPE 0	1	2	3	4	5	DATE OF INITIAL OCCUPANCY	T.M.K.
Asset Management Project 52					**Interstate Realty Mgmt**									
Stacie Brach - Manager		**Ph: 841-0422 Fax: 841-0461**				**347**								
Kuhio Park Terrace	1010	**1475 Linapuni St.**	Honolulu	96819	841-0422	347							02/02/65	(1) 1-3-039:001
OTHER PROJECTS						**167**								Management Agent
Ke Kumu Ekahi		68-3340 Ke Kumu Pl.	Waikoloa	96738	883-6802	48	0	0	48	0	0	0	11/01/93	Hi Afford (3) 6-8-042:025
Wilikina Apartments	652	730 Wilikina Dr.	Wahiawa	96786	622-6408	119	0	79	40	0	0	0	1976	Realty L: (1) 7-3-009:003

Note:
1XXX project numbers are Federal Low-Rent Public Housing Sites
22XX project numbers are State Family Public Housing Sites
24XX project numbers are State Elders Public Housing Sites

HUB: 9HHON

FO Code: 9CPH

HAWAII HSG AND COMM DEV CORP

hi901

10/12/2011 12:00

Flags: *[Est. HAP Costs < CY ABA] UML rate is 54.19%*

If the box below is checked, the base Est. month used for projections will be based upon the latest 3-month (or less) Act. HAP PUC, HAP Costs & UMLs instead of the last month of Act. Data (Default Est.).

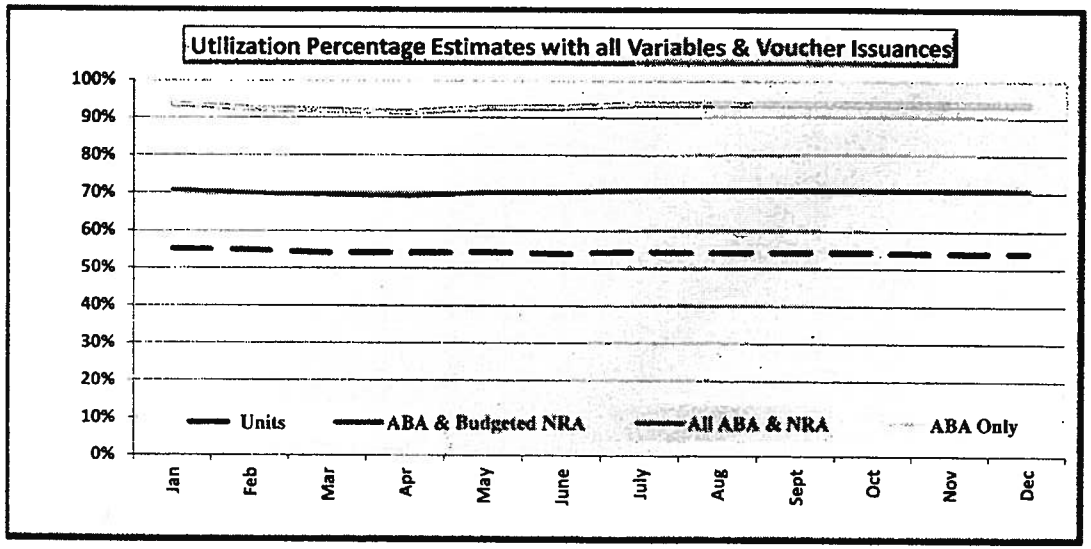
VMS submitted data

	UMA	UML	Leasing %	Estimated BA	HAP Costs	BA Utilization	PUC
Jan-11	3,203	1,762	55.01%	$1,727,595	$1,617,054	93.60%	$917.74
Feb-11	3,203	1,753	54.73%	$1,727,595	$1,596,698	92.42%	$910.84
Mar-11	3,203	1,728	53.95%	$1,727,595	$1,587,244	91.88%	$918.54
Apr-11	3,203	1,731	54.04%	$1,727,595	$1,579,999	91.46%	$912.77
May-11	3,203	1,737	54.23%	$1,727,595	$1,600,768	92.66%	$921.57
Jun-11	3,203	1,721	53.73%	$1,727,595	$1,603,075	92.79%	$931.48
Jul-11	3,203	1,733	54.11%	$1,727,595	$1,618,418	93.68%	$933.88
Aug-11			0.00%			0.00%	$0.00
Sep-11			0.00%			0.00%	$0.00
Oct-11			0.00%			0.00%	$0.00
Nov-11			0.00%			0.00%	$0.00
Dec-11			0.00%			0.00%	$0.00
YTD:	22,421	12,165	54.26%	$12,093,163	$11,203,256	92.64%	$920.94

Manual Entry

☐ 3-Mth Avg.

HAP Costs	UML	Last Act. 3-mth PUC
		$917.74
		$914.30
		$915.70
		$914.03
		$917.63
		$921.92
		$928.97
		$928.97
		$928.97
		$928.97
		$928.97
		$928.97



		Apr
No. Port-ins to absorb next Mth & Avg. HAP		

integrated assessment subsystem (nass)

reac home | systems menu

REAL ESTATE ASSESSMENT CENTER
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

October 20, 2011

skip navigation

individual reports | summary reports

PHAS Physical Report for Fiscal Year 2011

PHA Information

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

Physical Score (rounded) *N/A* **Number of Projects:** 16 **Systemic Deficiencies(not available)**

Inspection Complete Date	Project ID	Inspection Number	Unit Count	Property (Development)	Overall Score		Inspection Reason	Original Fiscal Year	Original Date of Inspection	Ideal Future Date(IFD)	IFD Update Date	IFD Comments
					100 - Point Basis	40 - Point Basis						
10/20/2011	HI001000038	363827	319	KEKAHA HAAHEO	61c	24.6	Rescore	2011	08/22/2011	07/01/2012	10/20/2011	Inspection Re-score updated IFD by 1 year
10/13/2011	HI001000034	363824	580	KALAKAUA HOMES	76b	30.5	Rescore	2011	08/03/2011	07/01/2012	10/13/2011	Inspection Re-score updated IFD by 1 year
09/08/2011	HI001001105	364667	20	Lanakila Homes Phase IIIA	98b	39.0	Initial	2011	08/10/2011	07/01/2014		
09/07/2011	HI001000045	363832	225	AMP 45 KOOLAU VILLAGE	58b	23.1	Initial	2011	08/31/2011	07/01/2012		
09/02/2011	HI001000050	363835	115	PALOLO VALLEY HOMES	66c	26.4	Initial	2011	08/02/2011	07/01/2012		
09/02/2011	HI001000035	363825	587	AMP 35 - PUNCHBOWL HOMES	80b	32.2	Initial	2011	08/01/2011	07/01/2013		
09/02/2011	HI001000046	363833	101	AMP 46 COUNTY OF HAWAII	78b	31.1	Initial	2011	08/25/2011	07/01/2012		
09/01/2011	HI001000044	363831	258	AMP 44 - WAIMAHA/SUNFLOWER	56b	22.6	Initial	2011	08/29/2011	07/01/2012		
08/23/2011	HI001000030	363820	362	PUUWAI MOMI	64b	25.7	Initial	2011	08/16/2011	07/01/2012		
08/22/2011	HI001000037	363826	300	AMP 37 LANAKILA HOMES	84b	33.7	Initial	2011	08/09/2011	07/01/2013		
08/18/2011	HI001000049	363834	150	AMP 49 WAHIAWA TERRACE	65c	25.8	Initial	2011	08/15/2011	07/01/2012		
08/16/2011	HI001000043	363830	200	AMP 43 KA HALE KAHALUU	75b	30.0	Initial	2011	08/08/2011	07/01/2012		
08/11/2011	HI001000033	363823	371	KAMEHAMEHA HOMES	74b	29.6	Initial	2011	07/29/2011	07/01/2012		
08/11/2011	HI001000040	363829	171	KUHIO PARK TERRACE	58c	23.1	Initial	2011	07/27/2011	07/01/2012		
07/29/2011	HI001000032	363822	363	MAYOR WRIGHT HOMES	66b	26.4	Initial	2011	07/26/2011	07/01/2012		
07/29/2011	HI001000031	363821	373	KALIHI VALLEY HOMES	73b	29.1	Initial	2011	07/25/2011	07/01/2012		

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

Comments or Questions? Contact the REAC Technical Assistance Center.

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 024, 181, 265, 318, 337
FOR PERIOD ENDING AUGUST 31, 2011
AGENCY TOTAL

ASSETS:		
Cash		44,207,874
Receivables:		
Accrued Interest	646,223	
Tenant Receivables	4,915,206	
Other	1,602,756	
Less Allowance for Doubtful Accounts	(3,770,246)	3,393,939
Total receivables		
Prepaid Expenses		1,739,542
Inventories		911,628
Interprogram Due From		13,887,961
Total Current Assets		64,140,944
Property, Plant & Equipment:		
Land	21,451,327	
Buildings	499,169,582	
Furniture & Equipment	6,140,472	
Motor vehicles	1,355,056	
Construction in Progress	9,265,865	
Less: Accumulated Depreciation	(303,091,179)	234,291,123
Notes, Loans & Mortgage Receivable-Non Current		426,100
Other Long term assets		-
Total Assets		298,858,167

CONSOLIDATED BALANCE SHEET
HAWAII PUBLIC HOUSING AUTHORITY
FUND FROM 130 TO 150, 007, 024, 181, 265, 318, 337
FOR PERIOD ENDING AUGUST 31, 2011
AGENCY TOTAL

LIABILITIES AND EQUITY:		
Accounts Payable		722,041
Accrued Expenses		391,325
Accrued Salaries & Wages		576,891
Accrued Vacation		649,885
Tenant Security Deposits		781,031
Other Liabilities & Deferred Income		9,318,598
Interprogram Due To		7,665,648
Total Current Liabilities		20,105,419
Accrued Pension and OPEB Liability		6,029,526
Accrued Compensated Absences - Non Current		1,663,695
Accrued Expenses		118,681
Net Assets:		
Restricted Net Assets	3,029,617	
Unrestricted Net Assets	269,229,814	
Net Income Year to Date	(1,318,584)	270,940,846
Total Equity		
Total Liabilities & Equity		298,858,167

CY Operating Reserves Tool – Amount of Subsidy Allocation Adjustment (House & Senate bill version)

Background:

In August 2011 in a meeting hosted by HUD on public housing operating reserves in Kansas City, Missouri a notice was issued that follows the Administration's budget request to raise $1 billion from PHA operating reserves utilizing an offset methodology. HUD will recapture an as-yet undetermined percentage of operating reserves that are above the amount needed to cover four months of operating expenses for PHAs with 250 or more public housing units(six months for PHAs with less than 250 public housing units) in order to reach $1 billion – though the $1 billion figure is subject to change based upon a final Appropriation Act.

The percentage taken of excess operating reserves will depend upon two factors: the final amount and methodology approved by Congress to recapture, and the number of exclusionary requests granted to PHAs. Currently, the House bill includes a $1.1 billion shortfall, and directs HUD to take excess operating reserves into account to offset the amount. The Senate bill, however, caps the amount that can be taken from excess operating reserves at $750 million, which would leave a $250 million gap to be filled by a 95 percent proration across all PHAs.

HUD plans to calculate reserve levels based on fiscal year ends 6/30/10, 9/30/10, 12/31/10 and 3/31/11. HUD will use the approved audited financial submission or the unaudited if available.

The attached (3) Excel worksheet provide HUD's preliminary calculation of HPHA's preliminary calculation of operating reserves based on the 9/30/10 audited submission for HPHA. The calculation in both Senate and House versions resulted in no excess reserve subject to recapture for HPHA based on this preliminary calculation.

CY2012 Operating Reserves Tool - PHA's Available Operating Reserves (based on Approved Submissions received as of 9/19/2011)

Enter 5 digit HA CODE below and press the Enter key to begin	
Enter HA Code------>	HI001

HA Information:				
HA CODE	HA Name	Fiscal Year End	Submission Type	Units
HI001	Hawaii Public Housing Authority	6/30/2010	Audited/A-133	5,332

Operating Reserves
$11,736,085

Operating Reserves Calculation =
Total Unrestricted Current Assets - Total Current Liabilities + Long Term Debt, Capital Projects

FDS Line #	Total Unrestricted Current Assets Calculation:	
111	Cash, Unrestricted +	$16,287,058
114	Cash, Tenant Security Deposits +	$680,007
120	Total Receivables +	$5,490,427
131	Investments, Unrestricted +	$0
142	Prepaid Expenses and Other Assets +	$0
144	Inter-program, Due From +	$225,084
145	Assets Held for Sale	$0
	Total Unrestricted Current Assets	$22,682,576

-

FDS Line #	Total Current Liabilities	
310	Total Current Liabilities	$10,946,491

+

FDS Line #	Long Term Debt, Capital Projects	
343	Current Portion of Long Term Debt, Capital Projects	$0

=

Operating Reserves	
Operating Reserves	$11,736,085

Explanation:

1. This tool displays the operating reserves for all HAs including MTW agencies. However, for MTW agencies, the proposed Subsidy Allocation Adjustment will not be based on operating reserves.

2. The calculation of operating reserves is based on Financial Data Schedules (FDS) submitted to HUD in the FASS-PH system. The data used to calculate operating reserves was extracted from the FASS-PH system on September 19, 2011.

3. The operating reserves are calculated based on an HAs fiscal year end for the following four quarters: September 30, 2010, June 30, 2010, December 31, 2010, and March 31, 2011. The Fiscal Year End and Submission Type fields indicate the HA's FDS data used in the calculation of the operating reserves.

4. Only approved FASS-PH submissions were used in the calculation of operating reserves. Where available, approved audited submissions were used in the calculations of an HA's operating reserve. If no approved audited submission was available, the approved unaudited submission was used. In some cases, an approved submission was not available within the reporting period. In those instances, the latest available approved submission was used.

5. The operating reserve is calculated based on all of the HA's reported projects, including the "other project" column in the FDS.

CY 2012 Operating Reserves Tool - Amount of Subsidy Allocation Adjustment (House bill version)

This Excel Tool calculates the amount of subsidy allocation adjustment for each PHA based on the House version of the FY 2012 Appropriations bill limiting the amount of reserves that can be used to offset to $1 billion.

Enter HA Code------>

Enter 5 digit HA CODE below and press the Enter key to begin

HI001

HA Code	HA Name	Data used in Calculating Operating Reserves: Fiscal Year End	Data used in Calculating Operating Reserves: Submission Type	Units
HI001	Hawaii Public Housing Authority	6/30/10	Audited/A-133	5,332

Proposed 2012 Allocation Adjustment (capped at 12 months of eligibility)

$0

For this tool, the 2011 Formula Expenses (Line 2) and 2011 Operating Fund Eligibility (Line 7) is used. The final allocation adjustment calculation will be based on 2012 data for all HAs.

#			
1	Operating Reserves	Calculated from FDS	$11,736,085
2	2011 Formula Expense	Calc. of Operating Subsidy PEL + UEL + Add-on	$39,618,944
3	2011 Monthly Formula Expense	Line 2 divided by 12	$3,301,579
4	Minimum Operating Reserve Level	Line 3 times 4 if 250 or more units or times 6 if less the 250 units	$13,206,315
5	Amounts Above Minimum Operating Reserve Level	Line 1 minus Line 4; if negative, then zero	$0
	2012 Allocation Adjustment Calculation		
6	Estimated 2012 Allocation Adjustment	Reduction of Amounts Above Minimum Operating Reserve Level (line 5 x HUD Factor)	$0
7	2011 Op Fund Eligibility	Calc. of Operating Subsidy	$23,036,951
8	Estimated 2012 Allocation Adjustment (capped at 12 months of eligibility)	Reduction in Operating Subsidy (lesser of line 6 or line 7)	$0
9	% Reduction in Eligibility	Line 8 ÷ Line 7	0.0%

Line 1: The calculation of Operating Reserves is based on information contained in the Financial Data Schedule (FDS) submitted to HUD in the FASS-PH system. The data used in this calculation was extracted from the FASS-PH system on September 19, 2011. The calculation details for each PHA's available reserves can be found in a separate Excel tool, ***"CY 2012 Operating Reserves Tool - PHA's Available Operating Reserves"***.

Line 2: 2011 Formula Expense is the sum of the Part A, Line 17 (Total Formula Expenses) and Part C, Line 2 (Transition Funding) from the Form HUD-52723, Calculation of Operating Subsidy.

Line 4: Minimum Operating Reserves is equal to:
- 4 months of Monthly Formula Expense or $100,000, whichever is more, for PHAs with 250 or more units.
- 6 months of Monthly Formula Expense or $100,000, whichever is more, for PHAs with 249 or less units.

Line 5: For HAs with positive Operating Reserves, subtracting the Minimum Operating Reserve Level (Line 4) from Operating Reserves (Line 1) produces the Amounts Above Minimum Operating Reserve Level (Line 5). For HAs with negative Operating Reserves (Line 1) or Operating Reserves less than the Minimum Operating Reserve Level (Line 4); $0 will be displayed for the Amounts Above Minimum Operating Reserve Level (Line 5).

Lines 6 - 8: Based on the number of HAs with a positive Amounts Above Minimum Operating Reserve Level (Line 5), HUD will calculate a factor that will be applied to all non-MTW HAs in order to determine the 2012 Subsidy Allocation Adjustment. Under this model, the factor is 58.723%. This factor is an estimate based on the latest available data and will be finalized based on the 2012 Appropriation language, 2012 Calculation of Operating Subsidy, and Final Operating Reserves calculation for all HAs.

The Estimated 2012 Allocation Adjustment (Line 8) is equal to the lesser of the Estimated 2012 Allocation Adjustment (Line 6) or 2012 Eligibility (Line 7). For this tool, the 2011 Calculation of Operating Subsidy Eligibility is being applied.

CY 2012 Operating Reserves Tool - Amount of Subsidy Allocation Adjustment (Senate bill version)

This Excel Tool calculates the amount of subsidy allocation adjustment for each PHA based on the Senate version of the FY 2012 Appropriations bill limiting the amount of reserves that can be used to offset to $750 million.

Enter HA Code------>

Enter 5 digit HA CODE below and press the Enter key to begin

HI001

HA Code	HA Name	Data used in Calculating Operating Reserves: Fiscal Year End	Submission Type	Units
HI001	Hawaii Public Housing Authority	6/30/10	Audited/A-133	5,332

Proposed 2012 Allocation Adjustment (capped at 12 months of eligibility)

$0

For this tool, the 2011 Formula Expenses (Line 2) and 2011 Operating Fund Eligibility (Line 7) is used. The final allocation adjustment calculation will be based on 2012 data for all HAs.

#	[illegible]	[illegible]	[illegible]
1	Operating Reserves	Calculated from FDS	$11,736,085
2	2011 Formula Expense	Calc. of Operating Subsidy PEL + UEL + Add-on	$39,618,944
3	2011 Monthly Formula Expense	Line 2 divided by 12	$3,301,579
4	Minimum Operating Reserve Level	Line 3 times 4 if 250 or more units or times 6 if less the 250 units	$13,206,315
5	Amounts Above Minimum Operating Reserve Level	Line 1 minus Line 4; if negative, then zero	$0
	2012 Allocation Adjustment Calculation		
6	Estimated 2012 Allocation Adjustment	Reduction of Amounts Above Minimum Operating Reserve Level (line 5 x HUD Factor)	$0
7	2011 Op Fund Eligibility	Calc. of Operating Subsidy	$23,036,951
8	Estimated 2012 Allocation Adjustment (capped at 12 months of eligibility)	Reduction in Operating Subsidy (lesser of line 6 or line 7)	$0
9	% Reduction in Eligibility	Line 8 ÷ Line 7	0.0%

Line 1: The calculation of Operating Reserves is based on information contained in the Financial Data Schedule (FDS) submitted to HUD in the FASS-PH system. The data used in this calculation was extracted from the FASS-PH system on September 19, 2011. The calculation details for each PHA's available reserves can be found in a separate Excel tool, ***"CY 2012 Operating Reserves Tool - PHA's Available Operating Reserves"***.

Line 2: 2011 Formula Expense is the sum of the Part A, Line 17 (Total Formula Expenses) and Part C, Line 2 (Transition Funding) from the Form HUD-52723, Calculation of Operating Subsidy.

Line 4: Minimum Operating Reserves is equal to:
- 4 months of Monthly Formula Expense or $100,000, whichever is more, for PHAs with 250 or more units.
- 6 months of Monthly Formula Expense or $100,000, whichever is more, for PHAs with 249 or less units.

Line 5: For HAs with positive Operating Reserves, subtracting the Minimum Operating Reserve Level (Line 4) from Operating Reserves (Line 1) produces the Amounts Above Minimum Operating Reserve Level (Line 5). For HAs with negative Operating Reserves (Line 1) or Operating Reserves less than the Minimum Operating Reserve Level (Line 4); $0 will be displayed for the Amounts Above Minimum Operating Reserve Level (Line 5).

Lines 6 - 8: Based on the number of HAs with a positive Amounts Above Minimum Operating Reserve Level (Line 5), HUD will calculate a factor that will be applied to all non-MTW HAs in order to determine the 2012 Subsidy Allocation Adjustment. Under this model, the factor is 40.804%. This factor is an estimate based on the latest available data and will be finalized based on the 2012 Appropriation language, 2012 Calculation of Operating Subsidy, and Final Operating Reserves calculation for all HAs.

The Estimated 2012 Allocation Adjustment (Line 8) is equal to the lesser of the Estimated 2012 Allocation Adjustment (Line 6) or 2012 Eligibility (Line 7). For this tool, the 2011 Calculation of Operating Subsidy Eligibility is being applied.

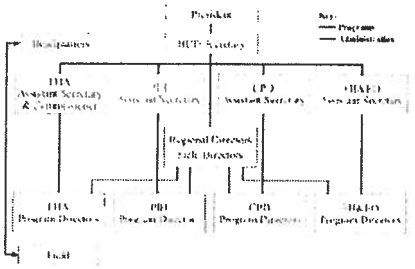
Briefing for the Board of Directors Hawaii Public Housing Authority

October 20, 2011

Objectives of Briefing

- Help the Board understand the HUD programs and the basic requirements
- Help the Board identify key indicators for oversight
- Help the Board set the direction of the Agency

Current HUD Organization



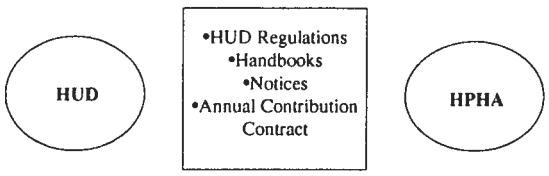
HUD's Mission:

Create strong, sustainable, inclusive communities and quality, affordable homes for all.

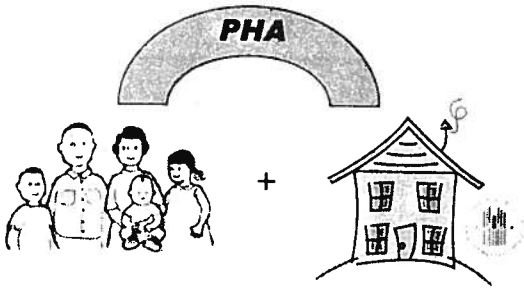
HUD's Strategic Goals

- Strengthen the Nation's Housing Market to Bolster the Economy and Protect Consumers
- Meet the Need for Quality Affordable Rental Homes
- Utilize Housing as a Platform for Improving Quality of Life
- Build Inclusive and Sustainable Communities Free From Discrimination
- Transform the Way HUD Does Business

US Housing Act of 1937



Public Housing



HPHA Public Housing

- 65 projects
- 16 Developments
- 5,351 units

How It Works

- Cost of developing project paid by ACC
- HPHA provide affordable housing for eligible families
- Tenant Rental Income, Operating Subsidy, Capital Funds, State Funds cover operating costs

HPHA Public Housing

- Rent = about 40% of total income for the development group
- Operating Subsidy – about 60% of the development income - $23,036,951 (+)
- Capital Fund - $10,301,898 (-)
  - $16,245,443 for ARRA
- State support

Asset Management

- Quality Housing and Work Responsibility Act (QHWRA) 1998
- Grouping of projects into developments
- Fund the developments
- Developments pay COCC management fee

Public Housing Objectives

- All units occupied
- Decent, safe, and sanitary condition
- Eligible residents paying correct rent
- Sound financial management
- Sound asset management
- Effective leadership and governance

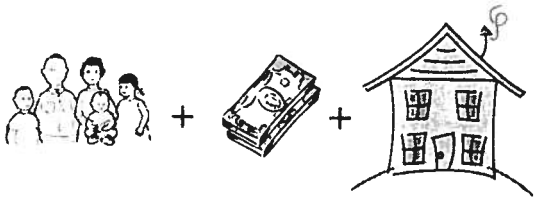
Public Housing Assessment System

- Physical – 30 points
- Financial – 30 points
- Management – 30 points
- Resident Satisfaction – 10 points
- Overall - 60 or better, no substandard
- Designation - Standard

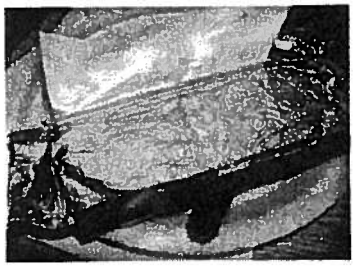
FY 2010 Score

- Physical - 17 out of 30
- Financial – 17 out of 30
- Management - 23 out of 30
- Resident - 9 out of 10
- Overall - 66 out of 100 w/ 2 substandard
- Designation = Troubled

Housing Choice Voucher



The Golden Ticket



HPHA HCV Program

- 3,203 vouchers authorized - 1,754 UML
- $20,731,137 FY 2011 Funding; $1,634,984 at 1,754 UML or 94.6%
- Admin Fee ~ $1,672,925 @ 83% proration
- Veterans Affairs Supportive Housing (VASH) – 145 + 50 more

How It Works

- Voucher holders rent unit in the marketplace
- Voucher holders pay property owner 30% of income for rent
- HUD through HPHA provides property owner HAP up to Payment Standard

HCV Objectives

- Optimal utilization of voucher funding
- All units in decent, safe, and sanitary condition
- Eligible residents paying correct rent
- Sound financial management

Section 8(Eight) Management Assessment Program

- June 30, 2011 Score 135 out of 145
- High Performer

Back to Public Housing

Board Oversight Priorities

- Asset Management
  - Project-based Funding
  - Project-based Budgeting
  - Project-based Accounting
  - Project-based Management
  - Project-based Oversight and Performance Management

Board Oversight Priorities

- Vacant Units
  - Goal is 97% occupancy
  - Need to look at vacant units by project
  - Need to decide and act on the units approved for demolition

Board Oversight Priorities

- Condition of Units and Projects
  - Decent, safe and sanitary
  - 3 of 16 failed – 13 of 16 passed
  - 8 of 16 scored 70 or better
  - Palolo Valley Homes example
  - Annual Unit Inspection
  - Completion of Work Orders

Board Oversight Priorities

- Financial Management/Financial Viability
  - Budget = financial workplan for the year
  - Monthly financial reports provide feedback
  - Other feedback – inspection reports, complaints, etc.

Board Oversight Priorities

- Capital Fund
  - 2 yrs obligate, 4 yrs expend
  - $47.8 million in play; $25 million obligated; $12.6 million expended
  - Timely expenditure
  - Getting vacant units back online
  - How funds utilized

Board Oversight Priorities

- Troubled PHA Designation
  - Based on FY 2010 PHAS Score
  - PHA Recovery and Sustainability (PHARS)
  - Recovery Agreement

Redevelopment of Public Housing

- HOPE VI/Choice Neighborhoods Initiative
- Mixed-Finance
- Energy Performance Contracts
- Rental Assistance Demonstration

Rental Assistance Demonstration

- The power of Net Operating Income
- 2BR Fair Market Rent = $1,767
- e.g., Palolo Homes

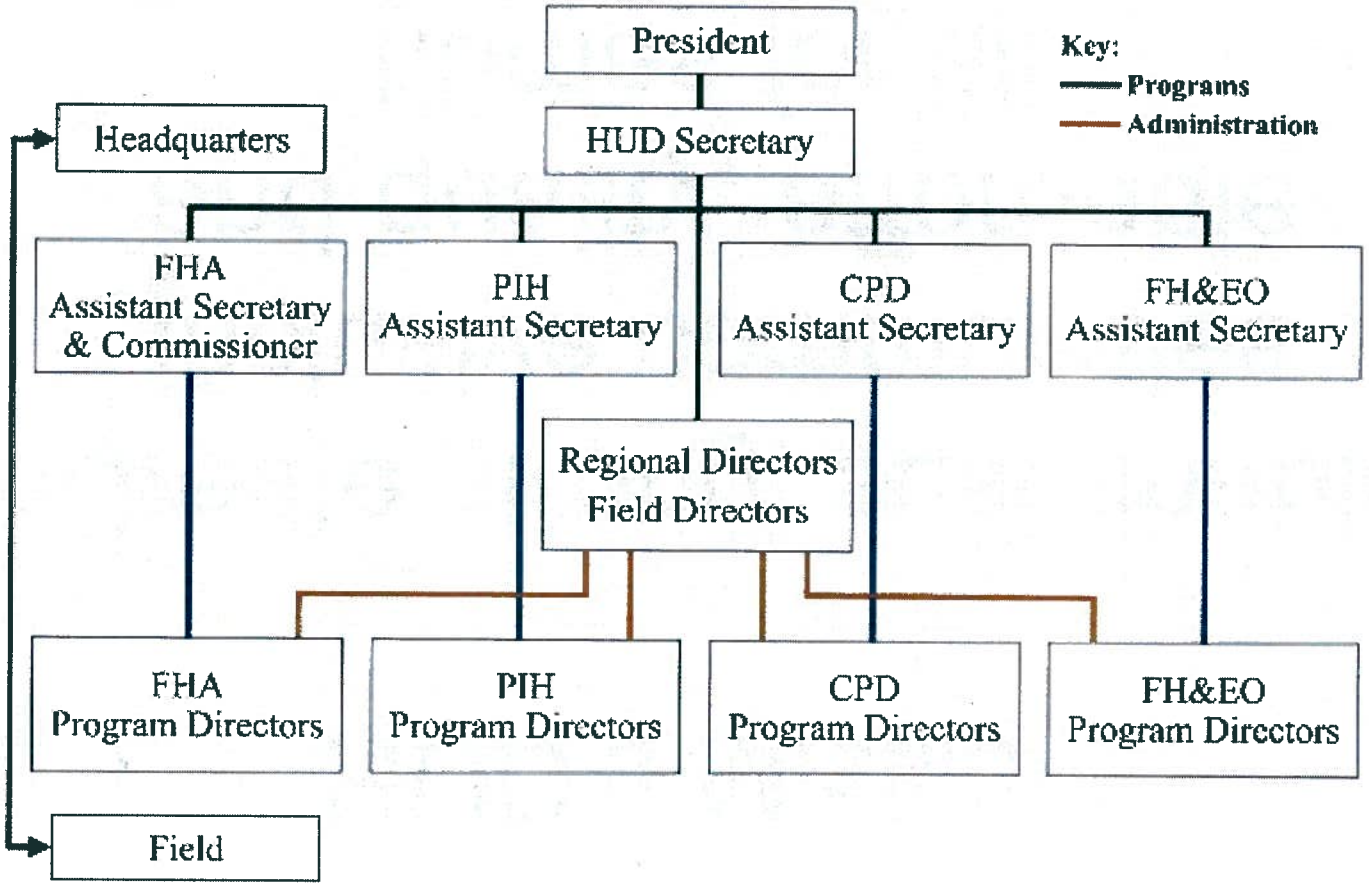
Briefing for the Board of Directors Hawaii Public Housing Authority

October 20, 2011

Objectives of Briefing

- Help the Board understand the HUD programs and the basic requirements
- Help the Board identify key indicators for oversight
- Help the Board set the direction of the Agency

Current HUD Organization



HUD's Mission:

Create strong, sustainable, inclusive communities and quality, affordable homes for all.

HUD's Strategic Goals

- Strengthen the Nation's Housing Market to Bolster the Economy and Protect Consumers
- Meet the Need for Quality Affordable Rental Homes
- Utilize Housing as a Platform for Improving Quality of Life
- Build Inclusive and Sustainable Communities Free From Discrimination
- Transform the Way HUD Does Business

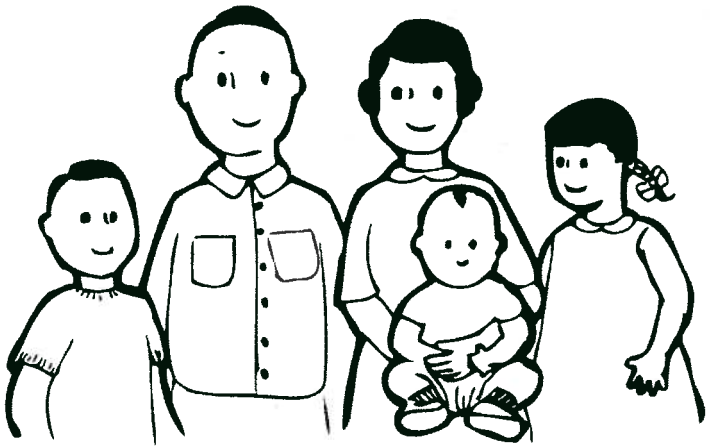
US Housing Act of 1937

HUD

- HUD Regulations
- Handbooks
- Notices
- Annual Contribution Contract

HPHA

Public Housing



+

HPHA Public Housing

- 65 projects
- 16 Developments
- 5,351 units

How It Works

- Cost of developing project paid by ACC
- HPHA provide affordable housing for eligible families
- Tenant Rental Income, Operating Subsidy, Capital Funds, State Funds cover operating costs

HPHA Public Housing

- Rent = about 40% of total income for the development group
- Operating Subsidy – about 60% of the development income - $23,036,951 (+)
- Capital Fund - $10,301,898 (-)
  - $16,245,443 for ARRA
- State support

Asset Management

- Quality Housing and Work Responsibility Act (QHWRA) 1998
- Grouping of projects into developments
- Fund the developments
- Developments pay COCC management fee

Public Housing Objectives

- All units occupied
- Decent, safe, and sanitary condition
- Eligible residents paying correct rent
- Sound financial management
- Sound asset management
- Effective leadership and governance

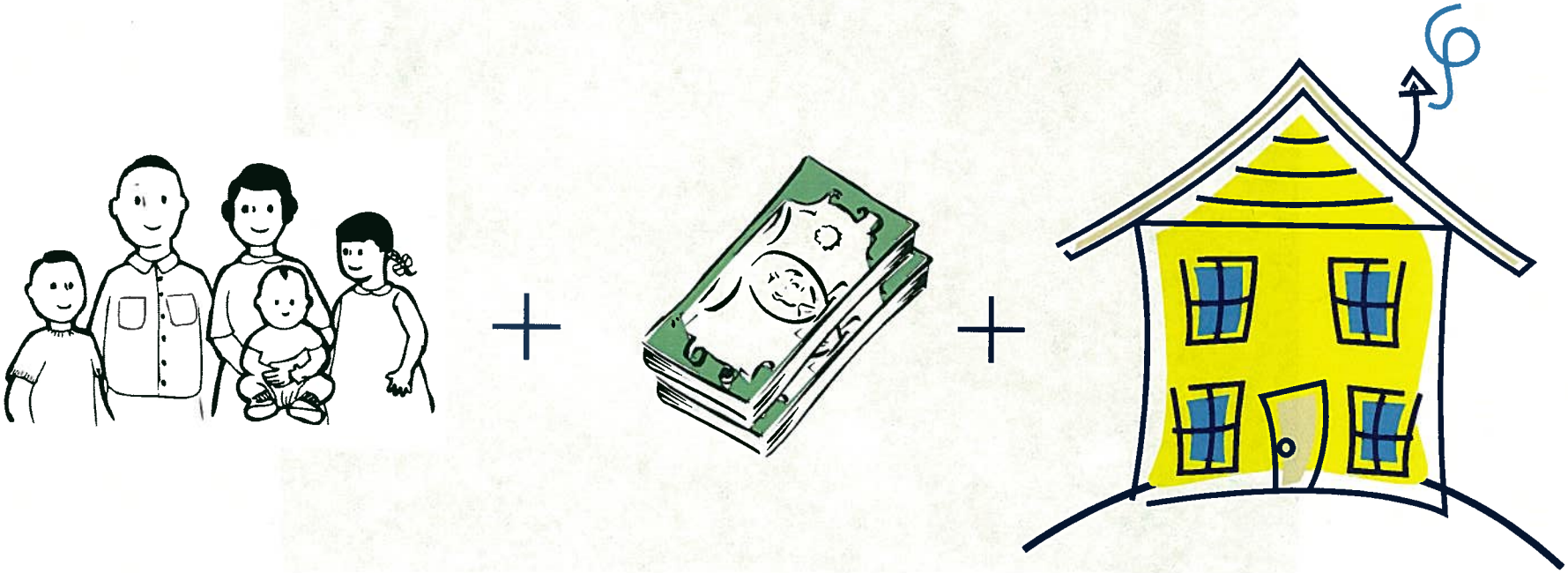
Public Housing Assessment System

- Physical – 30 points
- Financial – 30 points
- Management – 30 points
- Resident Satisfaction – 10 points
- Overall - 60 or better, no substandard
- Designation - Standard

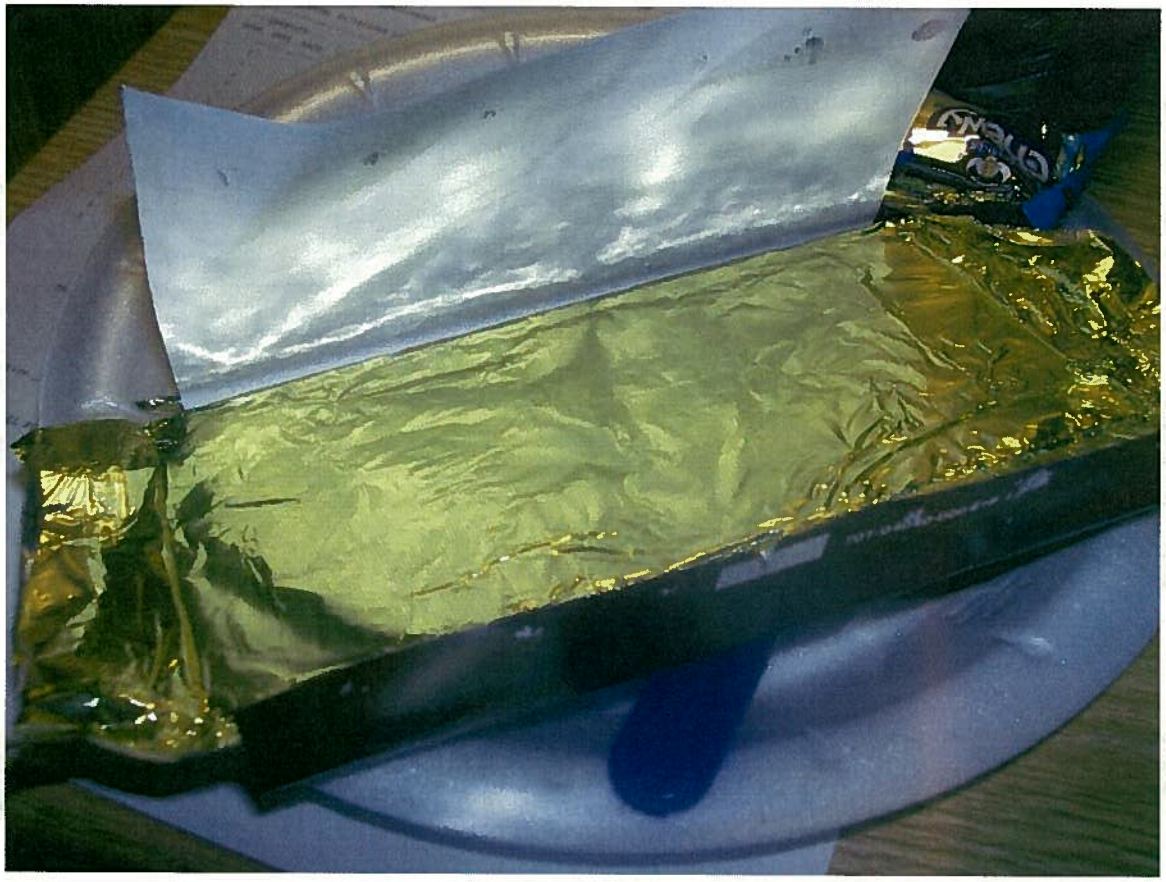
FY 2010 Score

- Physical - 17 out of 30
- Financial – 17 out of 30
- Management - 23 out of 30
- Resident - 9 out of 10
- Overall - 66 out of 100 w/ 2 substandard
- Designation = Troubled

Housing Choice Voucher



The Golden Ticket



HPHA HCV Program

- 3,203 vouchers authorized - 1,754 UML
- $20,731,137 FY 2011 Funding; $1,634,984 at 1,754 UML or 94.6%
- Admin Fee ~ $1,672,925 @ 83% proration
- Veterans Affairs Supportive Housing (VASH) – 145 + 50 more

How It Works

- Voucher holders rent unit in the marketplace
- Voucher holders pay property owner 30% of income for rent
- HUD through HPHA provides property owner HAP up to Payment Standard

HCV Objectives

- Optimal utilization of voucher funding
- All units in decent, safe, and sanitary condition
- Eligible residents paying correct rent
- Sound financial management

Section 8(Eight) Management Assessment Program

- June 30, 2011 Score 135 out of 145
- High Performer

Back to Public Housing

Board Oversight Priorities

- Asset Management
  - Project-based Funding
  - Project-based Budgeting
  - Project-based Accounting
  - Project-based Management
  - Project-based Oversight and Performance Management

Board Oversight Priorities

- Vacant Units
  - Goal is 97% occupancy
  - Need to look at vacant units by project
  - Need to decide and act on the units approved for demolition

Board Oversight Priorities

- Condition of Units and Projects
  - Decent, safe and sanitary
  - 3 of 16 failed – 13 of 16 passed
  - 8 of 16 scored 70 or better
  - Palolo Valley Homes example
  - Annual Unit Inspection
  - Completion of Work Orders

Board Oversight Priorities

- Financial Management/Financial Viability
  - Budget = financial workplan for the year
  - Monthly financial reports provide feedback
  - Other feedback – inspection reports, complaints, etc.

Board Oversight Priorities

- Capital Fund
  - 2 yrs obligate, 4 yrs expend
  - $47.8 million in play; $25 million obligated; $12.6 million expended
  - Timely expenditure
  - Getting vacant units back online
  - How funds utilized

Board Oversight Priorities

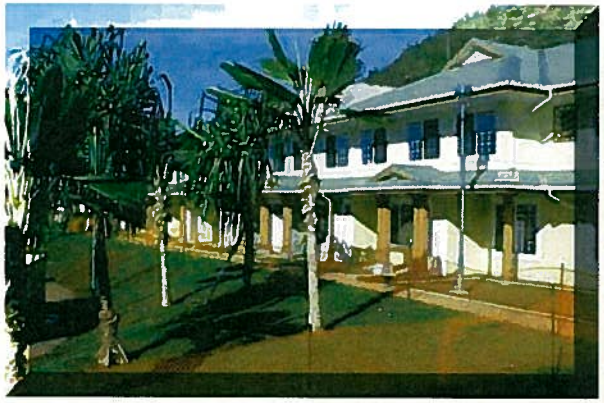
- Troubled PHA Designation
  - Based on FY 2010 PHAS Score
  - PHA Recovery and Sustainability (PHARS)
  - Recovery Agreement

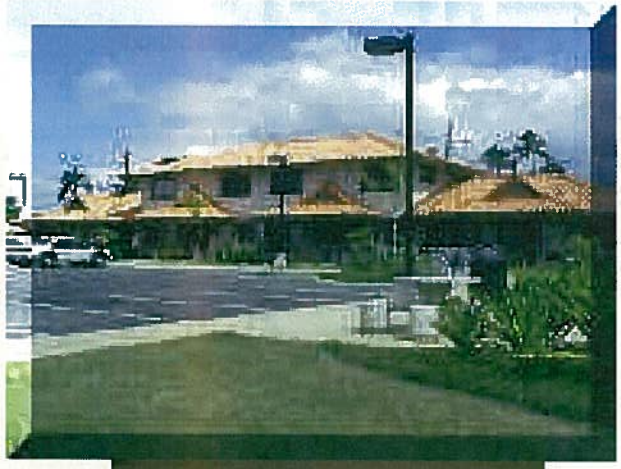
Redevelopment of Public Housing

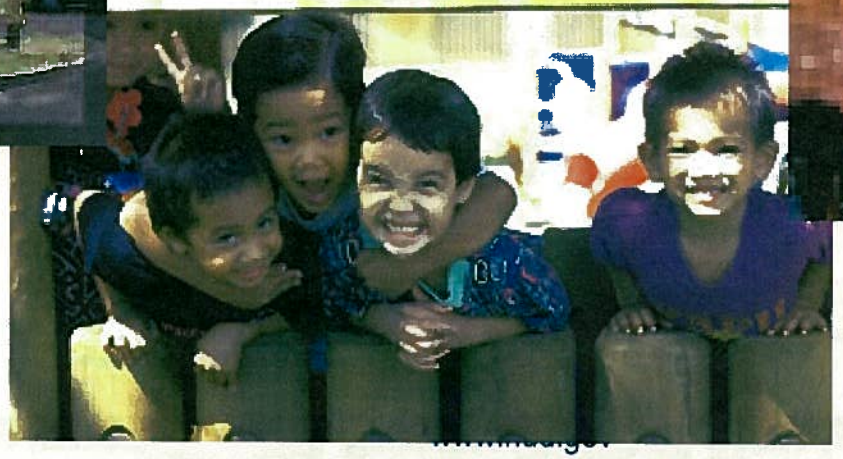
- HOPE VI/Choice Neighborhoods Initiative
- Mixed-Finance
- Energy Performance Contracts
- Rental Assistance Demonstration

Rental Assistance Demonstration

- The power of Net Operating Income
- 2BR Fair Market Rent = $1,767
- e.g., Palolo Homes







VACANT UNIT INFORMATION REPORT
FEDERAL PROJECTS
September 2011

AMPS	*# Of units	Total Vacant Units on Sept. 1, 2011	Move-Ins for the month of Sept.	Ready Units	HUD Approved Special Service Units	Units on hold for Relocation	Admin Hold .	Units Scheduled Demolition	Units AMP is to repair	Units CMB will repair	Remarks
30	363	24	0	6	1	0	0	0	11	6	
31	373	48	4	0	0	0	0	0	9	35	
32	364	14	0	0	1	0	0	0	8	5	
33	373	11	0	3	2	0	0	0	6	0	
34	583	27	4	0	3	0	0	0	20	0	
35	587	23	8	3	0	0	0	0	12	0	
37	416	129	7	1	2	24	0	73	8	14	
38	321	41	1	1	2	0	0	0	23	14	
39	196	49	1	3	0	1	0	0	9	35	
40	176	13	2	0	1	0	0	4	3	3	
43	202	7	1	4	1	0	0	0	1	0	
44	260	34	3	5	2	0	0	0	9	15	
45	226	12	6	0	1	0	0	0	2	3	
46	103	18	2	0	2	0	0	0	0	14	
49	150	39	0	2	0	0	0	0	18	19	
50	118	9	3	0	3	0	1	0	1	1	
TOTAL	**4,811**	**498**	**42**	**28**	**21**	**25**	**1**	**77**	**140**	**164**	

*This count includes all units which are occupied or designated as social services, resident association, area office, public safety, anti-drug, administrative hold, available, CMS, sent to maintenance, maintenance hold, Capital Fund, on-scheduled modernization, relocation and scheduled for demolition.

Hawaii Public Housing Authority / HI001				
Vacant Units as of October 11, 2011				
Development No.				
Project No. And Project Name	Total Units	Date Unit		
Unit Nos.	by Project	Vacant in PIC	Days Vacant	Comment
HI001000030 - Puuwai Momi				
1026 - Puuwai Momi	**260**			
1026-0002C		5/1/2011	164	
1026-0003D		5/18/2010	512	
1026-0005C		12/21/2010	295	
1026-0005G		12/28/2010	288	
1026-0008C		5/20/2010	510	
1026-0008D		2/22/2011	232	
1026-0008K		8/21/2011	52	
1026-0009K		2/9/2011	245	
1026-0013B		9/5/2011	37	
1026-0016E		1/9/2011	276	
1026-0018K		8/22/2011	51	
1026-0020F		8/4/2011	69	
1026-0020H		7/28/2011	76	
1026-0022K		5/5/2011	160	
1026-0024D		3/2/2011	224	
1026-0025B		6/13/2011	121	
1026-0025H		8/30/2011	43	
1026-0026J		7/7/2011	97	
1026-0027A		3/30/2011	196	
1026-0027B		11/8/2010	338	
1038 - Waipahu I	**19**			
1038-00005		3/27/2011	199	
1038-00017		12/6/2010	310	
1066 - Salt Lake	**28**			
1066-00302		12/16/2010	300	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000031 - Kalihi Valley Homes				
1005 - Kalihi Valley Homes	**373**			
1005-0004G		5/23/2011	142	
1005-0016C		4/7/2010	553	
1005-0016D		4/28/2011	167	
1005-0016E		5/19/2011	146	
1005-0019D		6/13/2011	121	
1005-0020D		3/14/2011	212	
1005-0020E		1/6/2010	644	
1005-0020G		1/12/2010	638	
1005-0020J		5/11/2011	154	
1005-0021F		1/25/2010	625	
1005-0024A*		5/23/2011	3936	
1005-0024B*		5/23/2011	3936	
1005-0024C*		5/23/2011	3936	
1005-0024D*		5/23/2011	3936	
1005-0024E*		5/23/2011	1936	
1005-0024F*		5/23/2011	2939	
1005-0024G*		5/23/2011	1936	
1005-0024H*		5/23/2011	1936	
1005-0024J*		5/23/2011	3041	
1005-0028D		9/26/2011	16	
1005-0029A		8/4/2011	69	
1005-0030E		5/19/2011	146	
1005-0030J		12/21/2009	660	
1005-0032C		9/14/2009	758	
1005-0032H		7/18/2011	86	
1005-0034E		1/19/2010	631	
1005-0036A		7/29/2011	75	
1005-0036C		11/15/2010	331	
1005-0036D		7/1/2009	833	
1005-0036E		1/25/2010	625	
1005-0037C		8/12/2009	791	
1005-0037G		5/24/2011	141	
1005-0039A		3/1/2009	955	
1005-0040J		7/20/2011	84	
1005-0041D		1/12/2011	273	
1005-0041E		4/8/2010	552	
*Units 1005-0024A through 1005-0024J were approved for modernization work on May 26, 2006. Units approved as undergoing modernization have two Fe Federal fiscal years after Capital Funds are approved to place the undergoing modernization unit under construction. These units returned to vacant status effective May 23, 2011.				

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000031 (continued)				
1005 - Kalihi Valley Homes				
1005-0042J		1/6/2010	644	
1005-0043D		7/8/2009	826	
1005-0043E		9/1/2009	771	
1005-0043G		12/4/2009	677	
1005-0043H		7/7/2009	827	
1005-0043J		7/8/2009	826	
1005-0044F		12/7/2009	664	
1005-0044G		11/9/2010	551	
1005-0044J		11/23/2009	688	
HI001000032 - Mayor Wright Homes				
1003 - Mayor Wright Homes	**364**			
1003-0001A		2/1/2011	253	
1003-0001K		7/31/2011	73	
1003-0009D		10/1/2010	376	
1003-0010E		6/30/2011	104	
1003-0010J		6/13/2011	121	
1003-0017G		2/8/2011	246	
1003-0017M		4/30/2011	165	
1003-0019E		6/6/2011	128	
1003-0019H		5/31/2011	134	
1003-0022D		9/1/2009	863	
1003-0024C*		5/24/2011	2597	
1003-0024E*		5/24/2011	1563	
1003-0024F*		7/2/2007	932	
1003-0026E		5/24/2011	1969	
1003-0026F		5/24/2011	3298	
1003-0031H		5/24/2011	376	
*Units 1003-0024C through 1003-0024F were approved for modernization work on May 26, 2006. Units approved				
as undergoing modernization have two Fe Federal fiscal years after Capital Funds are approved to place the				
undergoing modernization unit under construction. These units returned to vacant status effective May 23, 2011.				
HI001000033 - Kamehameha Homes				
1009 - Kaahumanu Homes	152			
1009-0006C		6/28/2011	106	
1009-0012E		7/6/2010	463	
1009-0013G		8/15/2011	58	
1009-0017B		3/24/2011	202	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000033 (continued):				
1099 - Kamehameha Homes	221			
1099-02009		3/8/2011	218	
1099-02204		5/11/2011	164	
1099-02702		8/15/2011	58	
1099-00306		5/31/2011	134	
1099-01304		7/14/2010	428	
1099-00604		9/23/2011	19	
1099-00704		8/31/2011	42	
1099-01304		7/14/2010	455	
1099-01704		3/1/2011	255	
1099-01907		5/1/2011	164	
HI001000034 - Kalakaua Homes				
1012 - Makua Alii (E)	**211**			
1012-00311		9/7/2011	35	
1012-00612		5/3/2011	134	
1012-00904		5/11/2011	154	
1012-01501		5/25/2011	140	
1012-01602		7/11/2011	93	
1012-01603		8/31/2011	42	
1012-01708		7/29/2011	75	
1012-01905		8/23/2011	50	
1012-01909		7/28/2005	2267	
1012-01910		9/1/2004	2597	
1012-01911		12/27/2004	2480	
1036 - Paoakalani (E)	151			
1036-00226		6/22/2011	112	
1036-00424		3/24/2011	202	
1036-00525		5/9/2011	156	
1036-00529		6/29/2011	105	
1036-00627		7/1/2011	103	
1036-00727		8/18/2011	55	
1036-00926		9/6/2011	36	
1036-01021		5/31/2011	134	
1036-01527		7/18/2011	86	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000034 (continued):				
1062 - Kalakaua Homes	**221**			
1062-0B102		5/27/2010	503	
1062-0E203		8/5/2011	68	
1062-0F102		8/13/2010	425	
1062-0G101		12/14/2010	302	
1062-0H201		5/26/2011	139	
1062-00210		5/26/2010	504	
1062-00212		9/29/2009	743	
1062-00612		7/12/2010	457	
1062-00613		9/9/2009	763	
1062-00805		9/21/2011	21	
1062-00901		5/9/2011	156	
HI001000035 - Punchbowl Homes				
1011 - Punchbowl Homes (E)	156			
1011-00523		5/19/2011	146	
1011-00526		3/31/2011	195	
1011-00621		6/1/2011	133	
1011-1421D		10/1/2011	11	
1024 - Kalanihuia (E)	151			
1024-00100		5/1/2010	530	
1024-00110		5/1/2010	530	
1024-00810		4/25/2011	170	
1027-01002		9/21/2010	386	
1024-01010		1/27/2011	258	
1046 - Makamae (E)	124			
1046-00210		8/18/2011	55	
1046-00213		7/10/2011	94	
1046-00221		8/26/2011	47	PIC lists 1867 vacant
1046-00309		9/21/2011	21	
1046-00326		9/14/2011	28	
1046-00409		7/25/2011	79	
1046-00411		11/8/2009	693	
1046-00414		8/22/2011	51	
1046-00419		9/23/2011	19	
1046-00429		6/29/2011	105	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comments
HI001000035 (continued):				
1047 - Pumehana (E)	139			
1047-01107		9/18/2011	24	
1047-01806		8/29/2011	44	
1073 - Spencer House	17			
1073-00204		6/1/2011	133	
HI001000037 - Lanakila Home				
1004 - Lanakila Homes I	78			
1004-0013A		6/2/2011	132	
1004-0013B		10/7/2011	5	
1004-0013D		10/7/2011	5	
1004-0014A		9/30/2011	12	
1004-0014C		4/3/2011	192	
1004-0015A		4/7/2011	188	
1004-0015D		4/5/2011	190	
1004-0016A		7/5/2011	99	
1004-0018A		4/18/2011	177	
1004-0018C		10/31/2010	346	
1004-0019D		3/31/2011	195	
1004-0020B		6/21/2011	113	
1004-0020D		8/2/2011	71	
1004-0059L		3/3/2006	1892	
1004-0059R		9/25/2004	2419	
1004-0061L		9/25/2004	2419	
1004-0061R		9/25/2004	2419	
1004-0062L		12/8/2005	1851	
1004-0062R		9/25/2004	2419	
1013 - Lanakila Homes II	44			
1013-0004A		4/7/2011	152	
1013-0004D		4/18/2011	151	
1013-0006A		7/5/2011	73	
1013-0006B		4/20/2011	149	
1013-0006C		5/12/2011	127	
1013-0006D		6/29/2011	79	
1013-0007A		5/11/2011	154	
1013-0007B		10/31/2010	346	
1013-0007C		8/11/2011	62	
1013-0007D		8/9/2011	64	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comments
HI001000037 (continued):				
1013 - Lanakila Homes II (continued):				
1013-0008A		4/20/2011	149	
1013-0008B		4/20/2011	149	
1013-0008C		12/7/2010	283	
1013-0008D		7/2/2011	75	
1013-0009A		6/20/2011	87	
1013-0009B		9/7/2011	8	
1013-0009C		9/30/2011	12	
1013-0009D		8/1/2011	45	
1013-0010A		8/1/2011	45	
1013-0010A		6/1/2011	133	
1013-0010B		8/1/2011	72	
1013-0010D		9/1/2011	41	
1013-0011A		12/1/2010	315	
1013-0011C		5/5/2011	160	
1013-0011D		4/7/2011	188	
1028 - Punahele Homes	30			
1028-0116L		6/16/2011	118	
1028-0117R		7/31/2011	73	
1028-0118L		7/11/2011	93	
1028-0119R		8/2/2011	71	
1028-0122R		9/8/2011	34	
1028-0129L		4/4/2011	191	
1029 - Pomaikai Homes (E)	20			
1029-0925D		9/19/2008	1118	
1029-0935A		9/1/2007	1502	
1029-0935G		8/29/2011	44	
1045 - Pahala (E)				
1045-0003F		3/16/2011	210	
1045-0005A		4/4/2011	191	
1051 - Hale Aloha O Puna (E)	30			
1051-0003A		9/28/2011	14	
1051-0009A		7/7/2011	97	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000037 (continued)				
1052 - Hale Olaola (E)	50			
1052-0002R		4/7/2011	188	
1052-0006R		4/29/2011	166	
1052-0018R		5/31/2011	134	
1052-0020L		5/16/2011	149	
1104 - Lanakila Homes IV	48			
1104-0025B		8/1/2011	72	
1104-0032B		8/1/2011	72	
HI001000038 - Kekaha Hā'aheo				
1018 - Kapaa	36			
1018-0001L		2/10/2008	1340	
1018-0009R		3/10/2011	216	
1018-0014L		2/28/2011	226	
1018-0017L		8/15/2011	58	
1019 - Hale Hoolulu (E)	12			
1019-00B1		5/31/2009	864	
1020 - Eleele Homes	24			
1020-0002L		12/2/2010	314	
1021 - Hui O Hanamaulu	46			
1021-0022R		2/28/2011	226	
1021-0004R		6/21/2011	113	
1021-0005R		4/30/2011	165	
1022 - Kalaheo				
1022-0001B*		5/24/2011	2085	Previously
1022-0004A*		5/24/2011	4653	modernization units.
1022-0004B*		5/24/2011	2127	Vacant > 4 years.
*Units 1022-0001B, 1022-0004A and 1022-0004B were approved for modernization work on May 26, 2006. Units approved as Undergoing Modernization have two Federal Fiscal years after Capital Funds are approved to place the undergoing modernization unit under construction. These units returned to vacant status effective May 24, 2011.				
1023 - Home Nani				
1023-000E7	14	11/30/2010	316	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000038 (continued):				
1054 - Hale Nana Kai O Kea (E)	38			
1054-0010A		6/14/2011	120	
1054-0014B		1/31/2011	254	
1055 - Hale Hoonanea	40			
(Port Allen)				
1055-0002L		6/7/2010	492	
1055-0004L		3/7/2011	219	
1055-0007R		7/31/2011	73	
1055-0008R		2/23/2010	596	
1055-0009L		5/12/2010	518	
1055-0013L		5/5/2011	160	
1055-0014L		2/22/2010	597	
1055-0014R		2/10/2010	609	
1055-0015R		8/31/2010	407	
1055-0017R		5/3/2011	162	
1064 - Kekaha Ha'aheo	78			
1064-0001B		9/23/2011	19	
1064-0003C		5/31/2010	499	
1064-0004A		6/16/2011	118	
1064-0006A		3/8/2011	218	
1064-0007B		6/30/2011	104	
1064-0007C		7/3/2011	73	
1064-0013A		12/9/2010	307	
1064-0014B		1/31/2011	377	
1064-0016A		5/1/2011	164	
1064-0018A		8/2/2010	436	
1064-0022A		5/1/2011	164	
1064-0026A		6/24/2011	110	
1086 - Kawailehua - Federal	25			
1086-0E102		3/10/2010	581	
1086-0E107		4/1/2010	559	
1086-0G102		9/2/2011	40	
1086-0H101		6/30/2010	469	
1086-0H106		10/7/2011	5	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000039 - Kahekili Terrace				
1016 - David Malo Circle	18			
1016-0745A		7/7/2010	462	
1016-0725C		12/29/2010	287	
1017 - Kahekili Terrace (A&B)	82			
1017-18592		12/23/2010	293	
1017-837A2		7/9/2010	460	
1017-837A4		1/20/2010	630	
1017-837B2		8/3/2010	435	
1017-837B3		6/23/2010	476	
1017-837B4		1/30/2010	620	
1017-837B5		7/15/2010	454	
1017-049A2		12/22/2010	294	
1017-049A3		12/27/2010	271	
1017-049A6		1/14/2011	271	
1017-033A2		10/6/2009	736	
1017-033A5		7/28/2010	441	
1017-227A3		1/18/2011	267	
1017-227A6		12/1/2010	315	
1017-227A8		3/25/2010	566	
1017-02193		11/3/2010	343	
1017-02194		9/24/2010	383	
1017-02196		12/9/2010	307	
1017-219A2		12/6/2010	310	
1017-219A5		9/24/2010	383	
1017-219A6		9/1/2010	406	
1017-035C5		10/7/2011	5	
1017-035C6		7/13/2009	821	
1017-035C7		9/29/2010	378	
1017-035C8		4/12/2010	548	
1017-049C1		4/9/2010	551	
1017-049C2		1/21/2011	264	
1017-049C3		3/8/2010	583	
1044 - Piilani Homes (E)	42			
1044-000C1		9/13/2011	29	
1044-000F1		7/11/2011	93	
1044-000F5		2/1/2011	253	
1044-000F6		5/22/2011	143	
1044-000G4		8/18/2011	55	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000039 (continued):				
1088- Kauhale Mua	25			
1088-0019A		9/27/2011	15	
1088-0020A		9/30/2010	377	
1088-0020C		9/27/2011	15	
1088-0021C*		10/14/2011	4211	
1088-0022B		2/1/2011	253	
1088-0023A		9/12/2011	30	
*Unit 1088-0021C was approved for modernization work effective May 26, 2006. Units approved				
as undergoing modernization have two Fe Federal fiscal years after Capital Funds are approved to place the				
undergoing modernization unit under construction. This unit was returned to vacant status effective				
October 14, 2011.				
1092 - Makani Kai Hale	25			
1092-00024		4/22/2010	538	
1092-00034		1/20/2010	630	
1092-00043		1/10/2011	275	
HI001000040 Kuhio Homes (previously Kuhio Park Terrace)				
1007 - Kuhio Homes	134			
1007-0006F		6/2/2008	1226	
1007-0011C		9/21/2011	21	
1007-0014H		10/9/2011	3	
1010 - Kuhio Park Terrace				
Project sold to Michaels Development. Total unit count is 614. PHA has not yet moved buildings and units				
to Development number HI001000052 Kuhio Park Terrace.				
HI00100004 - Ka Hale Kahaluu				
1053 - Hale Hookipa (E)	32			
1053-000G2		9/25/2004	2422	
1061 - Ka Hale Kahaluu	50			
1061-0003D		8/22/2011	51	
1061-0003J		9/9/2011	33	
1063 - Nani Olu (E)	32			
1063-0002H		8/31/2010	379	
1070 - Kealakehe				
1070-0B206		7/3/2011	73	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000044 - Waimaha-Sunflower				
1035 - Nanakuli Homes	36			
1035-00034		11/30/2007	1412	
1035-00001		3/31/2008	1290	
1035-00002		9/3/2008	1134	
1035-00005		10/22/2009	720	
1035-00006		10/22/2009	1573	
1057 - Waimaha Sunflower	130			
1057-00202		9/14/2010	393	
1057-00308		12/20/2010	296	
1057-0A133		5/1/2011	164	
1057-0B127		2/15/2011	239	
1057-0B128		2/1/2009	983	
1057-0B220		3/5/2009	951	
1057-0B320		2/1/2010	618	
1057-0E113		5/31/2011	134	
1057-0F108		8/31/2011	42	
1057-0F110		7/1/2011	103	
1057-0F305		9/6/2011	36	
1091 - Kau'iokalani				
1091-00101		3/25/2008	1296	
1091-00201		12/4/2006	1773	
1091-00301		6/7/2011	127	
1091-00303		5/9/2008	1251	
1091-00304		9/12/2007	1491	
1091-00903		12/7/2010	309	
1108 - Maile II	24			
1108-00003		6/15/2011	119	
1108-00006		5/2/2011	163	
1108-00009		4/30/2009	895	
1108-00013		9/21/2009	751	
1108-00019		12/31/2007	1381	
1108-00024		2/1/2009	983	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000045 - Koolau				
1072 - Hookipa Kahaluu	56			
1072-G0102		4/1/2010	559	CMS
1072-G0202		10/1/2009	741	CMS
1072-G0204		5/2/2011	163	
1090 -Kauhale O'Hana	25			
1090-00201		5/10/2011	155	
HI001000046 - Noelani				
1031 - Hale Hauoli (E)	40			
1031-0002A		10/1/2008	1106	
1031-0003B		5/10/2010	520	
1031-0004B		1/19/2010	631	
1031-0006A		5/21/2009	874	
1031-0006C		7/31/2007	1552	
1031-0009D		7/31/2009	803	
1031-0010A		3/1/2008	1320	
1031-0010C		10/29/2008	1078	
1071 - Noelani I	19			
1071-00001		12/1/2006	1776	
1071-00004		3/13/2008	1308	
1078 - Noelani II	24			
1078-B0103		8/24/2010	734	
1097 - Ke Kumu Ekolu	20			
1097-B2201		7/24/2007	1541	
1097-B2202		12/18/2009	663	
1097-B2204		3/18/2009	938	
HI001000049 - Wahiawa Terrace				
1015 - Wahiawa Terrace	60			
1015-00011		4/1/2010	559	
1015-00012		9/18/2009	754	
1015-00018		4/15/2010	545	
1015-00021		12/12/2008	1034	
1015-00022		9/1/2009	771	
1015-00023		3/10/2010	581	
1015-00033		6/30/2009	834	
1015-00042		2/28/2011	226	

Project No. And Project Name Unit Nos.	Total Units	Date Unit Vacant in PIC	Days Vacant	Comment
HI001000049 (continued):				
1015 (continued):				
1015-00043		8/18/2010	420	
1015-00044		11/20/2009	691	
1015-00045		2/1/2007	1714	
1015-00047		11/4/2010	342	
1015-00051		7/24/2011	80	
1015-00053		5/17/2010	513	
1015-00054		2/5/2010	614	
1015-00055		9/28/2009	744	
1015-00056		6/3/2010	496	
1015-00058		8/22/2010	416	
1015-00064		8/20/2009	783	
1015-00065		10/17/2008	1090	
1015-00066		10/28/2008	1079	
1015-00067		5/23/2011	142	
1015-00071		7/1/2010	468	
1015-00072		5/3/2010	527	
1015-00085		1/12/2010	638	
1015-00087		11/5/2008	1071	
1050 - Kupuna Home O'Waialua	40			
1050-00010		3/9/2009	947	
1050-00011		12/31/2010	285	
1050-00012		2/28/2010	591	
1050-00020		2/28/2010	170	
1050-00022		12/31/2010	860	
1050-00023		2/28/2010	509	
1050-00035		6/4/2009	360	
1050-00040		5/21/2010	1041	
1056 - Kauhale Nani	50			
1056-0001B		8/1/2010	409	
1056-0008F		8/2/2010	436	
1056-0009F		10/31/2010	346	

Development No.				
Project No. And Project Name		Date Unit		
Unit Nos.	Total Units	Vacant in PIC	Days Vacant	Comment
HI001000050 - Palolo Valley Homes				
1008 - Palolo Homes Valley	118			
1008-0006A		8/8/2011	65	
1008-0007B		5/20/2011	145	
1008-0007E		11/14/2007	1428	
1008-0008C		3/1/2011	225	
1008-0009C		9/2/2011	40	
1008-0011E		8/2/2011	71	
1008-0012D		11/27/2010	319	
1008-0016B		5/27/2011	138	
1008-0018A		3/13/2011	213	
		Total Vacant	400	

Hawaii Public Housing Authority
Capital Fund

Year	Received	Obligated	Expended	Design/Constr	Design	Construction	Total Admin	Operations	Mgt Improve	Admin
2008	**12,613,733**	**12,613,733**	**8,797,785**	**8,393,748**	2,657,098	5,736,650	**4,219,985**	2,522,747	435,865	1,261,373
2009	**12,526,177**	***12,471,680**	**3,838,506**	**8,802,577**	172,911	8,629,666	**3,723,600**	2,416,486	54,497	1,252,617
2010	**12,389,235**			****8,624,726**		8,624,726	**3,764,509**	2,477,847	47,738	1,238,924
2011	**10,301,898**			**7,211,328**		7,211,328	**3,090,570**		2,060,380	1,030,190
4 Years	**47,831,043**	**25,085,413**	**12,636,291**	**33,032,379**			**14,798,664**			

* Extension approved for seven months
** Cost distribution for Design and Construction is preliminary subject to future budget updates