

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

**April 18, 2013  
9:00 a.m.**

**AGENDA**

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

**II. APPROVAL OF MINUTES**

- A. Regular Meeting Minutes, March 21, 2013 (*Pages 1-15*)
- B. Executive Session Minutes, March 21, 2013 (not for public release)

**III. PUBLIC TESTIMONY**

Public testimony on any item relevant to this agenda 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 Reappoint Ms. Elaine Watai to the Hawaii Public Housing Authority's Kona Eviction Board for a Two-Year Term Expiring on May 31, 2015 (*Pages 16-19*)
- B. Motion: To Amend the January 17, 2013 Regular Meeting Minutes Previously Approved by the Board of Directors of the Hawaii Public Housing Authority (*Pages 20-29*)
- C. Motion: To Adopt Amendments to and Compilation of Chapter 17-2028 "Federally-Assisted Housing Projects", Hawaii Administrative Rules and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01 to Implement the Amendments (*Pages 30-66*)

(All proposed revisions have been reviewed by the Department of the Attorney General.)

- D. Motion: To Adopt Amendments to and Compilation of Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments (*Pages 67-93*)

(All proposed revisions have been reviewed by the Department of the Attorney General.)

- E. Motion: To Adopt Amendments to and Compilation of Chapter 15-185-25 “Section 8 - Housing Choice Voucher Program”, Hawaii Administrative Rules, and Adopt Amendments to the Section 8 Housing Choice Voucher Program’s Administrative Plan to Remove Waitlist Preferences, to Update all Chapter Numbers, and Update References to Applicable State Statutes and Federal Regulations, Subject to Review by the Department of the Attorney General; and to Authorize the Executive Director to Take All Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments, including Amending the Rules to Incorporate Revisions Recommended by the Department of the Attorney General (*Pages 94-164*)
- F. Motion: To Amend the Section 8 Housing Choice Voucher Program’s Administrative Plan and the Federal Public Housing Program’s Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes (*Page 165-217*)

## V. REPORTS

- A. Executive Director’s Report: (*Pages 218-262*)

Updates and Accomplishments Related to Public Housing Occupancy, Maintenance Repairs; Design and Construction Project Updates; Review of Financial Contracts & Procurements Executed During March 2013; Staffing; Rent Collections and Evictions; and Follow-Up Report on Board Inquiries; Request for Finance Task Force to Review Operating Budget for FY 2013 – 2014; Audited Financial Data Schedule Submitted to HUD; PHA Plan Certifications and Salary Comparability Task Force

## 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) (Page 263)*

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: Status and Updates of the Federal Section 8 Voucher and Project Based Contract Administration (PBCA) Program (**Page 264**)

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities related to the PBCA program.

- C. For Discussion: To Seek Board Input on Proposed Revision to the Hawaii Public Housing Authority's Policy Regarding Retraction of Section 8 Housing Choice Vouchers from Families Most Recently Issued Vouchers to Retraction of Vouchers from Families Who Have Been on the Section 8 Program the Longest (**Pages 265-266**)

- D. For Discussion: Update on Status of Ke Kumu (**Page 267**)

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.

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E  
HONOLULU, HAWAII 96817  
ON THURSDAY, MARCH 21, 2013  
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 North School Street, on Thursday, March 21, 2013 at 9:00 a.m. The meeting was called to order by Chairperson Gierlach and upon the call to order, those present were as follows:

**DIRECTORS  
PRESENT:**

Director David Gierlach, Chairperson  
Director Matilda Yoshioka, Vice-Chair  
Director Jason Espero, Secretary  
Director Roger Godfrey  
Director Debbie Shimizu  
Director Trevor Tokishi  
Designee Wilfredo Tungol  
Director George Yokoyama

Deputy Attorney General, Jennifer Sugita

**DIRECTORS  
EXCUSED:**

Director Desiree Kihano

**STAFF PRESENT:**

Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Clarence Allen, Acting Chief Financial Management Advisor  
Kiriko Oishi, Chief Compliance Officer  
Rick Sogawa, Contracts & Procurement Officer  
Becky Choi, State Housing Development Administrator  
Benjamin Park, Planner  
Stephanie Fo, Section 8 Subsidy Program Branch Chief  
Joanna Renken, Public Housing Supervisor  
Ashley Dennis, Housing Compliance and Evaluation Specialist  
Rochelle Akamine, Resident Services Program Specialist  
Diane Johns, Property Management Specialist  
James Fernandez, Property Management Specialist  
Taryn Chikamori, Secretary to the Board

**OTHERS:**

Augafa Ene, Mayor Wright Homes Resident  
Angie Doi, Child and Family Service  
Mika Haberlin, Hawaii State Coalition Against Domestic Violence

Holly Holowach, Holomua Na Ohana/Weinberg Village Waimanalo  
Colin Kippen, Governor's Coordinator on Homelessness  
Fetu Kolio, Private Resident  
Marci Lopes, Parents and Children Together  
Sophina Placencia, Waianae Community Outreach  
Michelle Rocca, Hawaii State Coalition Against Domestic Violence  
Matt Taufetee, Peacemakers  
Tanya Tehotu, Waianae Community Outreach  
Dallas Walker, Waikiki Health Center Program Manager  
Jesse Wu, U.S. Department of Housing and Urban Development,

Director

Jun Yang, City & County of Honolulu

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Director Espero moved,**

**To approve the Regular Meeting Minutes of February 21, 2013.**

The minutes were unanimously approved.

**Public Testimony**

Mr. Colin Kippen, Governor's Coordinator on Homelessness and Chairperson of the Hawaii Interagency Council on Homelessness (HICH) testified against item IV. D. To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Chapter 15-185-25 Hawaii Administrative Rules to Remove Waitlist Preferences. He stated that in order to solve the homeless problem all public and private agencies need to work together. Mr. Kippen commented that eliminating waitlist preferences would hurt the people who need the help the most. He asked that the Hawaii Public Housing Authority (HPHA) and the HICH work together and have an informed conversation regarding the removal of the preferences. He also stated that the Governor has proposed a bill that will add the HPHA Executive Director to the HICH. He commented that he believed that the HPHA's Executive Director does not want to participate in the HICH.

Director Tungol asked what about the status on the bill. Director Shimizu responded that Senate Bill 94 passed Representative Cabanilla's committee and has advanced to the Finance Committee. She commented that the requirement to have the HPHA's Executive Director as a member of the HICH was removed from the bill by Representative Cabanilla.

Ms. Sophina Placencia, Waianae Community Outreach, testified against removing waitlist preferences. She stated that if the preference is removed it would exacerbate the homeless issue and keep people from moving on to fair market rental and to homeownership. She feels that there should be better collaboration between the HPHA and the local service providers.

Mr. Dallas Walker, Waikiki Health Center Program Manager, testified against removing the wait list preferences. He acknowledged that while the preference list is abused, removing the preferences would still be harmful to the people who need public housing the most. Many homeless people are getting back on their feet and on the road to recovery. He feels that removing the preference would hurt the people who need public housing the most.

Ms. Michelle Rocca, Hawaii State Coalition Against Domestic Violence, testified that she is opposed to the removal of preferences in public housing. She stated that the lack of public housing would be devastating to domestic violence survivors. Domestic violence survivors have difficulty securing housing because of the violence that they are experiencing. She stated that domestic violence is the leading cause of homelessness.

Chairperson Gierlach asked Ms. Rocca and the previous testifiers to clarify their opposition to the matter before the Board which related to Section 8, not public housing as many of the testifiers had referenced. Ms. Rocca responded that she still opposed the motion.

Mr. Fetu Kolio, private resident, passed out a letter to the Board which he submitted to management back in November 2012. He stated he would like to explain the letter and he feels he is being retaliated against because the HPHA is forcing his spouse to transfer to another project when she has not done anything wrong. He asked that the harassment stop. He stated his wife needs a ground floor unit because of her disability and the HPHA wants her to transfer to Kalihi Valley Homes (KVH) which has stairs. (A review of the letter indicates that the letter was not related to his wife or her housing at Mayor Wright Homes.)

Holly Holowach, Holomua Na Ohana/Weinberg Village Waimanalo, testified against removing the waitlist preferences. She understands that public housing is for everyone, but the homeless in her shelter need a place to transition to. She believes that homeless who have participated in her program make better tenants. Her program teaches them that public housing is just a stepping stone to a better place.

Jun Yang, City & County of Honolulu (C & C), stated that the C & C, State, and partners in the business community need to work together to find shelters for the homeless and help them transition into affordable housing, which is lacking in the State.

Director Yoshioka asked Mr. Yang if the C & C of Honolulu has similar preferences. Mr. Yang responded that he is not sure. Executive Director Ouansafi responded that the C & C does not have a homeless preferences, as the HPHA does.

Tanya Tehotu, Waianae Community Outreach, stated that she is opposed to item IV. D. To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Chapter 15-185-25 Hawaii Administrative Rules to Remove Waitlist Preferences. She stated that she has experienced homelessness first hand. She sold everything except the clothes on her back and her car, so her family had somewhere to sleep. She stated that luckily back in 2002, she was able to rent a two bedroom unit for \$525. The only place you can live now for that price would be in a shelter. She stated that removing the preferences would increase the time a family is homeless. Public housing is a stepping stone for the homeless to afford fair market rent and transition to homeownership. The providers would like to meet with the HPHA to discuss options.

Director Tokishi asked Mr. Kippen if he was willing to compromise and allow a percentage to the preferences and a percentage to the regular waitlist. Mr. Kippen responded that this is why he feels the HPHA should meet with the HICH and homeless providers to have an informed discussion.

Chairperson Gierlach asked if there was anyone else who would like to testify and seeing none the public testimony section was closed.

At the request of Executive Director Ouansafi and with the Board's consent, Chairperson Gierlach took the Board items out of order to discuss item IV. D. on the agenda "Motion: To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Chapter 15-185-25 Hawaii Administrative Rules to Remove Waitlist Preferences and to Authorize the Executive Director to Take All Actions Necessary to Implement the Amendment, including Holding Public Hearings".

**For Action:**

**Director Tokishi moved,**

**To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Chapter 15-185-25 Hawaii Administrative Rules to Remove Waitlist Preferences and to Authorize the Executive Director to Take All Actions Necessary to Implement the Amendment, including Holding Public Hearings.**

Executive Director Ouansafi thanked everyone for testifying. He stated that the staff did not arbitrarily come up with decision. He also clarified that the motion is to remove the preferences for Section 8, not public housing (as many of the previous testifiers had indicated in their testimony.)

Executive Director Ouansafi clarified that the application of the preferences would not affect anyone who applies now because the Section 8 waitlist has been closed since 2006. He stated that the four counties do not have preferences. The HPHA needs to

provide housing for everyone who needs it, including the homeless. There are many people who are struggling and about to become homeless. Some lose their housing and ruin their credit just to be given the preference. The waitlist currently has approximately 2,488 families.

Chairperson Gierlach asked if the HPHA has been issuing new vouchers. Executive Director Ouansafi responded the HPHA has been issuing vouchers, but only to people who have been on the waitlist since 2006.

Executive Director Ouansafi commented that the Homeless Programs Branch was removed from the HPHA because the U.S. Department of Housing and Urban Development (HUD) specifically required it be removed. He clarified that staff feel that the Section 8 assistance should be accessible to all low income families in need, not just the homeless. There are families with 8, 9, and 10 people living cramped in one house. By maintaining the preferences, the HPHA is sending a message to those families that in order to obtain a preference, you have to become homeless.

Executive Director Ouansafi reported that during his meetings, one organization confirmed that often times the wife in the house will stay with relatives and the husband will stay at the homeless shelter just to qualify for the preference. In other situations, the message is that HPHA is forcing people to quit their jobs and become homeless in order to receive a preference for a section 8 voucher.

Executive Director Ouansafi stated that the HPHA testified in favor of all the homeless bills including the HICH bill. The HPHA stands ready to assist and be part of the homeless solution.

Executive Director Ouansafi also stated that, unlike section 8, the public housing waitlist is still open and has preferences. He recommended that if the C & C is still accepting section 8 applications, perhaps they should add the preferences that they testified in support of. He reiterated that every low income applicant that applies for a Section 8 voucher needs the housing assistance.

Director Shimizu stated that the January 2013 minutes says "Director Shimizu asked if the HPHA is planning to eliminate the preferences for Section 8. Executive Director Ouansafi responded that the preferences will not be eliminated. Currently, all new vouchers go to the preference list. There are hard working families with no preference who has been on the waitlist for years. The change is to allow a percentage of the vouchers for the preference list and a percentage of the vouchers for the regular waitlist for fairness to all applicants."

Executive Director Ouansafi stated that based on his recollection he was talking about public housing and he does not recall discussing the vouchers.

Director Shimizu asked if the policy would still exist even after the waitlist is reduced. Executive Director responded that the policy would continue and that reducing the

waitlist could take as long as 10 to 15 years, if preferences continue. He commented that the Board could revisit the issue then.

Director Shimizu asked if the HPHA is open to having a discussion with HICH, C & C and private agencies. Executive Director Ouansafi stated that he is open to discussions.

Designee Tungol asked how many vouchers the HPHA has. Executive Director Ouansafi stated that the HPHA has a total of 3,000 vouchers, but due to available funds less than 2,000 vouchers are issued.

Designee Tungol stated that he is concerned that public housing and Section 8 will have different rules. The reason for the preferences is because certain people have a more pressing need for shelter.

Executive Director Ouansafi stated that the preference made sense when the Homeless Branch was part of the HPHA. The Homeless Branch has now been placed with the Department of Human Services (DHS) because the priorities are different.

Director Yoshioka asked if the applicant receives the preference when their name comes up. Executive Director Ouansafi responded that when an applicant's name comes up the HPHA is required to verify that the applicant still qualifies for the preference. If they do not continue to qualify for the preference, the HPHA moves on to the next applicant

Director Yoshioka was concerned that removing the waitlist preferences would take away the preferences from applicants who were under the assumption they would have a preference if they were homeless.

Director Yoshioka asked if an applicant's name comes up and they are not homeless does their name go to the bottom of the waitlist. Executive Director Ouansafi responded that the applications will stay in date and time order. The HPHA will contact the next applicant in line and verify if they qualify for the preference. The process repeats until the HPHA finds an applicant who qualifies for a preference.

Chairperson Gierlach summarized that he believes the staff feels that having the preferences create an incentive to become or remain homeless. Chairperson Gierlach asked if the item is deferred whether it impact the submission of the 5-year plan. Executive Director Ouansafi responded that it should not affect the submission of the 5-year plan.

Director Espero stated that the preference list is not only for homeless people, but also includes victims of domestic violence, veterans, veteran's spouses, working families, and those unable to work because of age. Excluding preferences for these applicants will also put burden on them and make it difficult for them to continue on with their lives. He feels that the fact that the HPHA has these preferences shows that the HPHA cares

about the most needy and vulnerable people. Director Espero feels that there needs to be more discussion on the issue.

Executive Director Ouansafi clarified that veterans are able to apply for vouchers under the VASH program. He also suggested that the elderly and victims of domestic violence may consider applying for public housing because they can get shelter quicker.

Director Yokoyama asked the Executive Director if he is comfortable with removing the preferences. Executive Director Ouansafi responded that he is comfortable with removing the preferences. He has discussed the issue with staff and other high performing housing agencies and none of those agencies continue to maintain local preferences for their waitlists. Director Yokoyama affirmed that he has confidence in Executive Director Ouansafi's management of the programs and urged the Board to support his recommendation.

Designee Tungol asked why the HPHA has the preferences. Executive Assistant Arashiro responded that HUD previously had encouraged preferences. The HPHA's understanding is that when HUD removed the preferences and all the public housing authorities followed suit and removed their local preferences. The local HUD office also recommended that the HPHA meet with the C & C of Honolulu (a high performing agency) and to determine what practices the HPHA can replicate to become a high performing agency.

Director Tokishi asked if the HPHA can sunset the rule. Deputy Attorney General Sugita stated that the Board can specify an exact amount of people, but not the years because it is an Administrative Rule change.

Executive Director Ouansafi reported that the HPHA discussed the proposed rule change with the Resident Association Board (RAB). The RAB agreed with the change and the public at large agreed with the change during the comment period. The proposed rule change will still need to go through the public hearing process.

Director Godfrey asked if there is a lot of opposition at the public hearing what happens. Executive Director Ouansafi stated that the staff would bring the proposal back to the Board for deliberation and reconsideration.

Chairperson Gierlach stated that he feels that the waitlist has been closed for 8 years and the preferences are an administrative burden. He feels that the HPHA needs to help as many people as possible and more conversation will make people feel better, but not help the situation the HPHA is in.

The motion was not approved by the vote of: Ayes: Chairperson Gierlach  
Director Yokoyama

Nays: Director Espero  
Director Godfrey

Director Tokishi  
Designee Tungol  
Director Yoshioka  
Director Shimizu

Abstained:-----~~Director Shimizu~~

**Chairperson Gierlach called for a recess at 10:20 a.m. and reconvened at 10:35 a.m.**

**For Action:**

**Director Tokishi moved,**

**To Adopt the Hawaii Public Housing Authority's Five Year and Annual Plan for the Fiscal Period 2013-2014 and to Authorize the Executive Director to Submit the Plan to the U.S. Department of Housing and Urban Development.**

Executive Director Ouansafi reported that the PHA plan was adopted on January 17, 2013. The HPHA held public hearings on each County on March 11, 2013 and numerous discussions were held with the RAB. The PHA plan needs to be submitted to HUD by April 17, 2013.

Chairperson Gierlach asked whether the Board's previous action, which defeated the motion to remove the Section 8 preferences, would prohibit the HPHA from submitting the plan as proposed. Executive Director Ouansafi responded that the HPHA could still submit the plan as drafted. The PHA Plan is aspirational and is a plan of what the HPHA would like to do, but may not necessarily mean the HPHA will implement.

The motion was unanimously approved.

**For Action:**

**Director Espero moved,**

**To Accept the Hawaii Public Housing Authority's Single Audit Findings and Management Responses for the Period July 1, 2011 to June 30, 2012 and to Authorize the Executive Director to Submit the Audit to the U.S. Department of Housing and Urban Development and the Federal Audit Clearinghouse.**

Director Tokishi reported to the Board on behalf of the Finance Task Force that they did not feel they had enough time to review all of the findings in detail and that staff should prepare a detailed plan to report to the Board the progress being made on a monthly

basis. He stated that this needs to be a priority as this is part of the Board's responsibility to monitor this progress.

Director Tokishi recommended that the staff put together a dashboard on priorities/progress for the Board to see the progress at a glance. He commented that the Board has a responsibility to know what is going on. Admittedly, all errors will not be corrected overnight, but he feels that the HPHA should continue making progress.

Director Godfrey commented that many times the Board is presented with the same findings and the same responses year after year, and would just like to see progress and commitment made to implement the corrective actions.

Chairperson Gierlach responded that he and Executive Director Ouansafi testified in front of Representative Cabanilla's committee on a bill that would allow the HPHA flexibility in determining salary for key positions. Hopefully, this will allow the HPHA to hire competent and qualified people. He added that Executive Director Ouansafi also very smartly identified that we have approximately six positions where we need more flexibility in the salary to attract a certain level of talent to HPHA.

Director Godfrey agreed that HPHA needs to be able to hire competent staff in the fiscal office.

Executive Director Ouansafi did want to recognize the Fiscal Management Office (FMO) for the improvements that were made over the last year. He stated that the staff are already working on a detailed plan and that the Compliance Office is the lead to develop a plan and monitor the progress on the corrective actions.

Director Yoshioka complimented the HPHA on providing financial reports because previously the Board were not provided monthly financial reports. While she is still concerned that on page 26 it states "lack of reliable financial statements", there has been some progress made in the area of fiscal reporting. Being able to hire the positions will be important to HPHA's progress.

Executive Director Ouansafi also clarified that this single audit report has fewer findings than in previous years. The staff will continue to establish the detailed corrective action plan and will provide the Board with regular reports on its progress.

The motion was unanimously approved.

**Director Shimizu left the meeting at 11:00 a.m.**

**For Action:**

**Director Espero moved,**

**To Amend the Federal Public Housing Program's Admissions and Continued Occupancy Policy and the Section 8 Housing Choice Voucher Program's Administrative Plan to Adopt Temporary Compliance Assistance Guidelines, and to Authorize the Executive Director to Undertake All Steps Necessary to Effect Such Changes.**

Executive Director Ouansafi reported that on January 22, 2012 HUD allowed the public housing agencies some flexibility in administering the Section 8 and public housing program. The HPHA would like to take advantage of the opportunity to reduce administrative burdens in the Section 8 program.

The two choices the HPHA are proposing to implement are: 1) families that have assets of \$5000 or less can provide a self-certification for their assets (in place of the third party verification); and 2) to streamline the annual reexamination for elderly families because of their fixed incomes.

Executive Director Ouansafi reported that the proposed changes are only valid until March 2014 or until revoked by HUD.

Director Yoshioka questioned whether the \$5,000 threshold was a HUD requirement. Executive Director Ouansafi clarified that the change in the threshold was not a HUD requirement, but was an option available to HPHA. He also clarified that HUD identified the \$5,000 dollar amount in their notice.

The motion was unanimously approved.

**For Action:**

**Director Espero moved,**

**To Authorize the Executive Director to Review the Allowable Uses and Operations of all Community Facilities Owned by the Hawaii Public Housing Authority Statewide and Take All Action Necessary to Ensure that the Facilities are not Underutilized and/or Operating at a Deficit.**

Executive Director Ouansafi reported that currently the HPHA owns and operates several community facilities statewide. They have different leases and some are running at a loss or are underutilized.

Executive Director Ouansafi requested that the Board go into Executive Session because there are legal issues that he would like to be discussed by the Board and the HPHA's counsel.

Director Yoshioka asked what the definition of a community facility is. Executive Director Ouansafi responded that community facilities are owned and/or operated by the

HPHA that are rented to non-profit organizations. All of the community facilities are within the HPHA properties.

Director Yoshioka asked whether the community at Pomaikai is an example of an HPHA-owned community facility. Executive Director Ouansafi confirmed that to the best of his knowledge the facilities are owned by HPHA.

With the Board's concurrence, Chairperson Gierlach stated that the Board will defer Executive Session to later in the meeting.

### **Executive Director's Report:**

Executive Director Ouansafi reported on issues that the HPHA staff have been working on over the last month (in response to concerns by the Finance Task Force over the perceived delay in preparing responses to the single audit findings):

1. Tracking legislations and preparing testimony; attending committee hearings and decision making sessions; meeting with individual Legislators; responding to legislative inquiries.
2. Reviewing findings and preparing responses to single audit for FY 2011-2012; Preparation of the Financial Data Schedules for submission to HUD.
3. Analysis of fiscal impact of sequestration on HPHA's Public Housing and Section 8 program and administrative operations.
4. Revisions to Hawaii Administrative Rules, Section 8 Housing Choice Voucher Administrative Plan and Public Housing Admissions and Continued Occupancy Policy; Ongoing meetings with staff and the AGs to complete revisions.
5. Continue working on the Section 504 self-evaluation and transition plan, required by HUD to ensure that HPHA is making progress towards compliance with accessible properties.
6. Holding public hearings on the PHA Plan on all islands; reviewing comments and preparing responses; preparing the PHA Plan for final approval of the Board.
7. Project management of the implementation of the Emphasys Elite system; including discovery sessions and testing; Training for section 8, financial suite, fixed assets, procurement modules. Address problems with the rent billing module, review every tenant billing file, bank codes, and rent amounts.
8. Reconciliation of the wall-to-wall materials inventory and fixed asset report.
9. Addressing routine operational issues in the administrative offices: auditing small purchases; ensuring mandatory trainings are completed; monitoring overtime and temporary assignments; preparing procurements/solicitations for large purchases (e.g., refrigerators); reviewing negotiated consultant fees and executing contracts.

Executive Ouansafi stated that the major programs have been working on:

1. Responding to HUD regarding decision on Faircloth Limit for public housing inventory; conducting research to prepare an appeal to recent decision limiting the number of HPHA's units.

2. Preparing/reviewing HUD submittals for the Choice Neighborhood Planning grant; attending Steering Committee and Task Force meetings; Reviewing proposals for needs assessment; set-up webpage.
3. Preparing 2013-2014 operational budgets.
4. Pilot program for public housing and section 8; preparing for union consultation; meeting with staff, etc.
5. Preparing for HUD visit to conduct Section 8 Management Assessment Program certification for last year.
6. Continuing to receive and review title reports; Correct title reports with the Bureau of Conveyances, work with the Attorney General's Office on the filing of the Declaration of Trust with HUD.
7. Implementation of the no smoking policy notice, including fielding calls, cessation training, and executing lease addendums; secured \$40,000 from the Department of Health for educational materials and signage.
8. Addressing backlog of recertifications for public housing program.
9. Inventory of backflow preventors; updating inspections; secured training and now have 2 certified backflow inspection staff.
10. Continuing with design and construction activities.
11. Addressing operation issues and emergencies.

Chairperson Gierlach asked where the Choice Neighborhood Planning Grant will be used. Executive Director Ouansafi reported it will be used at the Kuhio Homes and Kuhio Park Terrace low-rise units and used for the neighborhood housing, education and student task forces.

Director Yoshioka asked why the HPHA is conducting the title search. Executive Director Ouansafi reported that the HPHA was required to submit title reports and Declaration of Trusts to HUD in 2011 on all HPHA properties.

The HPHA issued several competitive solicitations but did not receive any bids, so the HPHA needed to request an exemption State Procurement Office (SPO). At this time all properties are under review and Deputy Attorney General John Wong is assisting the HPHA in preparing to make changes to the title report and completing the Declaration of Trust.

Executive Director Ouansafi reported that the occupancy rate is as follows:

- AMP 32/33 - 98%;
- AMP 33 - 98%;
- AMP 34 - 99%;
- AMP 35 - 99%;
- AMP 46 - 94%; and
- AMP 40 - 97%.

Within the last month, the HPHA moved in 13 new families on Kauai and 17 units are ready to rent. Executive Director Ouansafi also reported that from February 20 to

March 20 the HPHA moved in 54 families into Federal units and 9 families into State units.

Executive Director Ouansafi reported that the HPHA will be hiring a consultant to review the HPHA's method of calculating the utility allowances to determine whether it is more beneficial to establish project specific utility rates, rather than island wide rates. The HPHA is potentially paying about \$4 million more, than we should be paying. For example, the consultant mentioned that the HPHA was allowing 1000 kilowatt (kw) to 1200 kw allowances, when the HPHA could have only been giving 400 kw utility allowances.

Director Yokoyama asked for an update on Lanakila Homes. Executive Director Ouansafi responded that the HPHA is securing an infrastructure consultant and will be going out for bid soon. He reported that we are anticipating breaking ground this year. He reported that \$10 million has been released and HPHA requested another \$11 million. The construction will be split into four bid packets to speed up construction.

Director Yoshioka noted that Senator Wakai requested a tour of Kuhio Park Terrace and commented that she would also like to see the completed property. Executive Director Ouansafi responded that the HPHA will be having a tour once the work has been completed.

Executive Director Ouansafi reported that he met with Ed Moses, Regional Director for Region IX, who complimented the HPHA on its progress.

Executive Director Ouansafi reported that Michael Flores, Director of the Office of Public Housing retired and he introduced Mr. Jesse Wu, the new Director of the Office of Public Housing.

Mr. Wu greeted the Board and the HPHA staff. Mr. Wu was most recently a Vice President with Stanford Carr Development and he described his affordable housing background. He commented that the occupancy rate is over 93% is a success for HPHA. He is also interested in discussing with HPHA available opportunities to leverage resources.

Chairperson Gierlach asked if the HPHA has a consultant for redevelopment at Mayor Wright Homes. Executive Director Ouansafi responded that the HPHA is talking to two consultants.

Director Tokishi asked why the protective services were higher because of the "increased need for unbudgeted security services", but in line with last year so why was it not budgeted. Executive Director Ouansafi responded that the HPHA had anticipated that with the changes made in security features, the additional services would not be necessary, but the properties did not stabilize quick enough.

Executive Assistant Arashiro reported that there was a lot of activity at Mayor Wright Homes (MWH), but because the repairs to the perimeter fence and the increased lighting some of the activity has been moving to other properties.

Executive Director Ouansafi reported that some of the unwanted activity went from MWH to Kaahumanu Homes, then to Kalihi Valley Homes (KVH) and now they are fighting at Kamehameha Homes. According to the Honolulu Police Department (HPD) and the U.S. Attorney reports of the activities have gone down, but we are still requesting services when necessary. Executive Director Ouansafi reported the security budget will be added back into next year's budget.

Chairperson Gierlach stated the Board will be deferring the Kolio matter.

**Director Yoshioka moved at 11:30 a.m.,**

**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:**

- 1. Executive Session Minutes, January 17, 2013**
- 2. Authorize the Executive Director to Review the Allowable Uses and Operations of all Community Facilities Owned by the Hawaii Public Housing Authority Statewide and Take All Action Necessary to Ensure that the Facilities are not Underutilized and/or Operating at a Deficit**

The motion was unanimously carried.

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

Chairperson Gierlach reported that the Board approved the Executive Session minutes of January 17, 2013.

During Executive Session, the Board also unanimously approved item V. E. to authorize the Executive Director to review the allowable uses and operations of all community facilities owned by the Hawaii Public Housing Authority statewide and take all action necessary to ensure that the facilities are not underutilized and/or operating at a deficit.

With no further business for the Board to conduct, the meeting adjourned at 11:52 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

*Taryn T. Chikamori*  
Taryn T. Chikamori  
Secretary to the Board

APR 18 2013

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on April 18, 2013: [                    ] As Presented [  ] As Amended

*J. Espero*  
Jason Espero  
Director/Board Secretary

APR 18 2013

Date

April 18, 2013

## FOR ACTION

**MOTION:** To Reappoint Ms. Elaine Watai to the Hawaii Public Housing Authority's Kona Eviction Board for a Two-Year Term Expiring on May 31, 2015

### I. FACTS

- A. The Oahu and Neighbor Island Eviction Boards are composed of members of the community who are responsible for affording public housing tenants a full and fair due process hearing during lease termination proceedings.
- B. Pursuant to the Hawaii Revised Statutes (HRS) 356D-93, the Authority is authorized to appoint an eviction board which shall consist of not less than one person, and no more than three persons, of which one shall be a resident of public housing.
- C. Having more than the minimum amount of members appointed to the Oahu and Neighbor Island Eviction Boards will allow the Hearings Office to process the requests for hearings in an efficient and timely manner, and avoid cancellation of hearings for lack of quorum.
- D. Attached is a list of the current eviction board members by county and term appointments.

### II. DISCUSSION

- A. Ms. Watai is a supervisor with the non-profit organization, Alu Like and works with youths that are at-risk in the native Hawaiian community. She is also involved with other community organizations working with crime prevention and feeding the hungry. Ms. Watai is a valuable asset to the Board and has expressed a willingness to serve as a member of the Kona Eviction Board for a two-year term.

### III. RECOMMENDATION

That Ms. Watai be reappointed to the Kona Eviction Board for an additional Two-Year term expiring on May 31, 2015.

Attachments:

- A. List of Eviction Board Members and Term Appointments
- B. Resume for Ms. Elaine Watai

Prepared by: Renee Blondin-Nip, Hearings Officer en

Approved by the Board of Directors  
on the date set forth above

  
\_\_\_\_\_  
David Gierlach, Chairperson

## Attachment A

**EVICTIION BOARD MEMBERS**  
**HAWAII PUBLIC HOUSING AUTHORITY**  
**Initial Appointment/Current Expiration Dates**

Board Member	Initial Appointment Date	Current Expiration Date	Years Served as of December 2012
<b>Oahu A:</b>			
Douglas Kaya	03/17/05	03/31/15	7
Radiant Chase	01/25/02	07/31/13	10
Stanley Young	07/15/10	07/15/14	2
Jane Moana Gray*	06/21/07	06/30/13	5
<b>Oahu B:</b>			
Jane Moana Gray*	08/31/79	07/31/13	33
Earl Mente	12/19/97	07/31/13	15
Joyce Nakamura	02/20/98	07/31/13	14
<b>Oahu C:</b>			
Solomon Kuresa*	05/16/97	07/31/13	15
Sylvianne Young	12/19/97	07/31/13	15
Wayne Fujikane	05/10/05	07/31/13	7
Sylvia Wilmeth	11/18/10	11/31/14	3
Courtney Young	12/20/12	12/20/14	New Member
<b>Hilo:</b>			
Jane Moana Gray**	06/21/07	06/30/13	5
James DeMello	01/22/98	07/31/13	14
Eleanor Garcia*	07/17/03	07/31/13	9
George DeMello*	09/20/07	07/31/13	5
Melvin Kawahara	01/15/09	01/31/15	3
Keith Biho	02/18/10	02/28/14	2
<b>Kauai:</b>			
Jane Moana Gray**	06/21/07	06/30/13	5
Gary Mackler	12/17/98	08/31/13	14
Ludvina Takahashi	06/14/01	08/31/13	11
Arde Long-Yamashita*	02/31/08	02/31/14	4
<b>Kona:</b>			
Jane Moana Gray**	06/21/07	06/30/13	5
Ross Oue	05/15/92	07/31/13	20
Arleila Andrade	09/15/10	09/31/14	2
Elaine Watai	05/09/11	05/31/13	1
Eleanor Sheridan*	08/16/12	08/31/14	New Member
<b>Maui:</b>			
Jane Moana Gray**	06/21/07	06/30/13	5
Mark Nishino	01/19/95	08/31/13	17
Robert G. Hill	03/01/08	02/28/14	4

\* Resident Member

\*\* Floating Resident Member (Attends hearing when quorum needed)

Revised 03/14/13

## FOR ACTION

**MOTION:** To Amend the January 17, 2013 Regular Meeting Minutes Previously Approved by the Board of Directors of the Hawaii Public Housing Authority

### I. FACTS

- A. The regular meeting minutes of January 17, 2013 were previously adopted by the HPHA Board of Directors.
- B. A review of the audio tape of the meeting by the Department of the Attorney General revealed that the meeting minutes did not accurately capture the discussion related to preferences during the January 17, 2013 meeting. Audio tape review confirms that Executive Director Ouansafi did not state that "currently all new vouchers go the preference list" nor did he state that "the changes will allow a percentage of the vouchers for the preference list and a percentage of the vouchers for the regular wait list".

### II. DISCUSSION

- A. Based on the review of the audio tape, the minutes should be revised as follows:

"Director Shimizu asked if the HPHA is planning to eliminate the preferences for Section 8. Executive Director Ouansafi responded that we would like to remove the preferences as previously discussed. He further stated that all new placements into units are from the preference list. There are hard working families with no preference who have been on the waitlist for years. The change is to allow a percentage of units for the preference list and a percentage of the units for the regular waitlist for fairness to all applicants. Executive Director Ouansafi explained that when units that become available are going to preference this encourages a lot of people unfortunately due to economic situation to actually become homeless and to jump the line.

Chair Gierlach commented that he thought the Board had previously approved the proposed change,

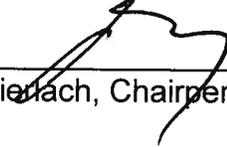
### III. RECOMMENDATION

That Board of Directors approve the above listed amendment to the January 17, 2013 Regular Meeting Minutes previously approved by the Board of Directors of the Hawaii Public Housing Authority

Attachments:

- A. Proposed amended meeting minutes from the January 17, 2013 Regular Meeting
- B. Page 69U from the January 17, 2013 Board Packet, Annual PHA Plan

Approved by the Board of Directors  
on the date set forth above

  
\_\_\_\_\_  
David Gierlach, Chairperson

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E  
HONOLULU, HAWAII 96817  
ON THURSDAY, JANUARY 17, 2013  
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 North School Street, on Thursday, January 17, 2013 at 9:05 a.m.

The meeting was called to order by Chairperson Gierlach and upon the call to order, those present were as follows:

**DIRECTORS**

**PRESENT:**

Director David Gierlach, Chairperson  
Director Jason Espero, Secretary  
Director Roger Godfrey  
Director Debbie Shimizu  
Director Trevor Tokishi  
Designee Wilfredo Tungol  
Director George Yokoyama

Deputy Attorney General, John Wong  
Deputy Attorney General, Jennifer Sugita

**DIRECTORS**

**EXCUSED:**

Director Matilda Yoshioka, Vice-Chair  
Director Desiree Kihano

**STAFF PRESENT:**

Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Clarence Allen, Acting Chief Financial Management Advisor  
Kiriko Oishi, Compliance Officer  
Rick Sogawa, Procurement Officer  
Becky Choi, State Housing Development Administrator  
Stephanie Fo, Section 8 Subsidy Program Branch Chief  
Joanna Renken, Public Housing Supervisor  
Rochelle Akamine, Resident Services Program Specialist  
Benjamin Park, Planner  
Gail Lee, Asset Management Project 31, Property Manager  
Taryn Chikamori, Secretary to the Board

**OTHERS:**

Greg Carroll, Michaels Development Company  
Douglas Chin, Carlsmith Ball, LLP

Augafa Ene, Mayor Wright Homes Resident  
Fetu Kolio, Private Resident  
Makani Maeva, Vitus Group  
Monika Mordasini, Michaels Development Company  
Matt Taufetee, Peacemakers  
Shane Kai, Peacemakers

**Proceedings:**

Chairperson Gierlach declared a quorum present.

**Director Espero moved,**

**To approve the Regular Meeting Minutes of December 20, 2012.**

Director Tokishi asked that on page 3 “Director Tokishi confirmed that the auditors did not see any indication of fraud or misuse of funds. The auditors test a larger than normal sample of cash disbursements until they have a level of comfort to issue the unqualified opinion” be changed to “Director Tokishi clarified that an unqualified opinion means that the financial statements are fairly presented. An unqualified opinion has nothing to do with fraud.

The minutes were unanimously approved as amended.

**Public Testimony**

Ms. Monika Mordasini, Michaels Development Company, stated that she is available for questions on the “For Action” item regarding the Choice Neighborhoods Initiatives (CNI) grant agreement. She also reported that at the end of last year both towers at Kuhio Park had been renovated and re-occupied. She stated that the Towers of Kuhio Park has 58 affordable units (without subsidy) that were in high demand and were leased as soon as the units became available.

Mr. Fetu Kolio, private resident, stated that he feels tenants are being intimidated or manipulated into signing move out agreements. He claimed that many times tenants do not understand what they are signing because of the language barrier. He also stated that he was told 19 hour tenant aides were not allowed to work at the property they live at, but Mayor Wright Homes (MWH) has 19 hour aides who live at MWH. He stated that he notices that the eviction Board is comprised of people from the community and feels that there should be a tenant representative.

**For Action:**

**Director Espero moved,**

**To Reappoint Mr. Melvin Kawahara to the HPHA’s Hilo Eviction Board and Mr. Douglas Kaya to the HPHA’s Oahu Eviction Board for a Two-Year Term Expiring on January 31, 2014 and March 31, 2014 Respectively.**

Executive Director Ouansafi stated that the candidates are fair, hard workers and with integrity, and that staff are recommending their appointment to the HPHA's eviction boards.

The motion was unanimously carried.

**For Action:**

**Director Espero moved,**

**To Authorize the Executive Director to Execute the Choice Neighborhoods Initiatives (CNI) Planning Grant Agreement with the U.S. Department of Housing and Urban Development (HUD) and Any and All Future Documents Related to the CNI Planning Grant.**

Executive Director Ouansafi reported that the Hawaii Public Housing Authority (HPHA) is applied for planning grant with Michaels Development Company (MDC). MDC was the lead applicant and HPHA is considered a co-applicant. The grant funds will be used to develop a transformation plan for the redevelopment of the Kuhio Park Terrace (KPT) community.

The motion was unanimously carried.

**For Action:**

**Director Espero moved,**

**To Approve the Timeline for the Hawaii Public Housing Authority's Five Year and Annual Plan; To Authorize the Executive Director to Hold Public Hearings on the Draft PHA Annual Plan for Fiscal Year 2013 – 2014 and Draft Amendments to the PHA 5-Year and Annual Plan for Fiscal Years 2009 – 2014; and To Authorize the Executive Director to Submit the Plan to the U.S. Department of Housing and Urban Development (HUD).**

Kiriko Oishi, Compliance Officer, stated that the HPHA will not be making any changes to the 5-year plan. The annual plan will include the following proposed changes and activities for the coming fiscal year:

- 1) Adopting policies and implementing a non-smoking policy for public housing;
- 2) Changes to the Section 8 Administrative Plan;
- 3) Amending the HPHA's VAWA policy to comply with recent clarifications from HUD;
- 4) Continued modernization and redevelopment of public housing;
- 5) Reviewing proposed changes to Asset Management Project groupings;
- 6) Start working on long range planning 5-yr plan;
- 7) Planning to make changes to the Hawaii Administrative Rules;
- 8) Changes in the HPHA's with eviction procedures to comply with State law;

- 9) Changes in the policies that affect the HPHA's PHAS scoring;
- 10) Planning for capital improvements are updated; and
- 11) Mixed finance redevelopment at Mayor Wright Homes.

Executive Director Ouansafi stated that the list of proposed activities is consistent with Board discussions and recent legislation that has passed.

Director Tokishi asked how the Board will be able to monitor the goals and objectives. He suggested using a dash board to track the HPHA's progress of significant or important goals for HPHA. Executive Director Ouansafi concurred that the staff will put something together for the report to the Board.

Director Yokoyama asked if the form of the PHA Plan is a template. He felt that the objectives needed to be measureable and within a timeframe. Executive Assistant Arashiro responded that the proposed changes to be made to the annual plan and the goals and objectives are listed in the 5-year plan on page 69B, section 5.2.

Director Shimizu asked if the HPHA is planning to eliminate the preferences for Section 8. Executive Director Ouansafi responded that the preferences will not be eliminated that we would like to remove the preferences as previously discussed. He further stated that all new placements into units are from the preference list. Currently, all new vouchers go to the preference list. There are hard working families with no preference who has been on the waitlist for years. The change is to allow a percentage of the ~~vouchers~~ units for the preference list and a percentage of the ~~vouchers~~ units for the regular waitlist for fairness to all applicants. Executive Director Ouansafi explained that when units that become available are going to preference this encourages a lot of people unfortunately due to economic situation to actually become homeless and to jump the line.

Chair Gierlach commented that he thought the Board had previously approved the proposed change.

The motion was unanimously carried.

### **Executive Director's Report:**

Executive Director Ouansafi introduced the new Planner, Benjamin Park. He stated Mr. Park was the office manager for former House Majority Leaders Pono Chong and Representative Blake Oshiro.

Executive Director Ouansafi thanked Ms. Yvonne Tanaka of DHS for helping the HPHA hire Mr. Park expeditiously.

Executive Director Ouansafi stated that he has been with the agency for a year now and would like to thank the staff for all their hard work. He reported that the HPHA moved in 136% more new families than the previous year; reduced the vacant unit by 17%; the occupancy rate is

approximately 93%; provided approximately \$2.3 million more of Section 8 housing assistance; cut the administrative cost down by over a million dollars; and cut the general expenses by about \$3.5 million.

Executive Director Ouansafi reported the HPHA will be drafting a letter to tenants regarding the implementation of the non-smoking policy. The tenants will be given two months to get used to complying with the policy, then they will be required to sign an amended lease. The HPHA has been working with the Department of Health (DOH) and the Coalition for a Tobacco Free Hawaii as well as other agencies. For tenants who want to quit smoking, the HPHA will work with the DOH and the Coalition for a Tobacco Free Hawaii to provide patches and other cessation programs when available.

Executive Director Ouansafi stated that the HPHA will be working with each community to determine if a designated smoking area is wanted by tenants or complete no smoking properties.

Director Tokishi asked what the penalty is if a tenant gets caught smoking in their unit. Executive Director Ouansafi responded that it will be a lease violation.

Director Tokishi asked if the HPHA needs to catch the tenant smoking or just smell the smoke. He commented that it could be difficult to catch someone smoking in their unit. Executive Director Ouansafi agreed that the policy may be difficult to enforce, but the HPHA hopes that as time goes on the community will see the benefits of non-smoking.

Designee Tungol asked if the no-smoking policy would apply to guests. Executive Director confirmed that the policy would apply to a tenant's guests and the lease states that tenants are responsible for their guests.

Designee Tungol suggested that the HPHA put up no smoking signs. Executive Director Ouansafi reported that the HPHA will be putting up signs and the DOH has agreed to provide some signs at no cost to the HPHA.

Director Gierlach asked if the HPHA received the HUD approval on the waiver of conflict of interest. Executive Assistant Arashiro responded that the HPHA recently received approval of the Board's request for a waiver of the conflict of interest.

Executive Director Ouansafi reported that the list of Legislative proposals is on page 97.

Director Shimizu stated that the Governor's office and the HPHA are still in discussions regarding the exemption from chapter 26-35 (a)(1), (5), (6) which exempts the authority from having to go through the DHS and the Governor's office in terms of communication, procurement and allocation of space.

Director Shimizu stated the problem is that other Board's are not exempt.

Chairperson Gierlach asked if the HPHA is different from other Board's because the HPHA is majority federally funded. Director Shimizu responded that the HPHA still receives some State funds.

Executive Director Ouansafi stated that the HPHA is different because HUD mandates that the Board must be govern as a separate entity. He feels the HPHA is a full service agency and different than other attached agencies and the Board should be in charge of the final say. He stated that if the Board makes a decision, the decision should not be over ruled by any other individual.

Executive Director Ouansafi recommended that the Board go into Executive Session to further discuss the matter.

Chairperson Gierlach deferred the issue till Executive Session.

Executive Director Ouansafi asked that the Board create a Finance Task Force to review the single audit findings.

Chairperson Gierlach stated the Finance task force will consist of Directors Tokishi, Espero, Godfrey, Shimizu and himself for the purpose of meeting with the staff to review the single audit findings and the HPHA's draft responses.

Executive Director Ouansafi reported that the HPHA requested \$180 million from the State, but the administration requested \$90 million for 2013 and nothing at this time for 2014.

Executive Director Ouansafi reported that the HPHA currently is on track to spend all of the funds, once Budget and Finance (B & F) releases the funds. Currently, there are multiple requests for the release of funds that have been in the review process at B&F for several months.

Director Tokishi asked for clarification on page 109, Revenues: Capital Improvement Projects (CIP) Administrative drawdown budgeted beginning in November (\$456k monthly through July 2013) awaiting current CIP allotment for revenue recognition. Executive Director Ouansafi responded that the HPHA expects to receive administrative fees for some of the CIP.

**Director Tokishi moved at 10:45 a.m.,**

**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:**

- 1. 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); and**
- 2. Deferred Item on 2013 Legislative Proposals Submitted to the Office of the Governor**

The motion was unanimously carried.

**The Board reconvened from Executive Session at 11:03 a.m.**

Chairperson Gierlach stated that the Board discussed the Kolio litigation and the legislative proposal related to HPHA's autonomy.

**For Information:**

**U.S. Department of Housing and Urban Development (HUD) Recovery Plan, Hawaii Public Housing Authority**

Executive Director Ouansafi stated that for the fiscal year ending June 30, 2011 the HPHA was rated "Substandard Management" by HUD. The HPHA and HUD executed a recovery plan. There are still some training for staff that needs to occur.

Executive Director Ouansafi stated he would like to add one more activity to the annual plan. The HPHA will be asking for no residual rights, which means that if the head of household moves out the adult child may not continue occupying the unit. The adult must go through the application process.

Chairperson Gierlach asked if the addition needs Board approval. Executive Director Ouansafi responded, no because this is a draft and the final will be brought to the Board in March.

With no further business for the Board to conduct, the meeting adjourned at 11:05 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

\_\_\_\_\_  
Taryn T. Chikamori  
Secretary to the Board

\_\_\_\_\_  
Date

Amended and Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on April 18, 2013: [        ] As Presented [        ] As Amended on 4/18/13

\_\_\_\_\_  
Jason Espero  
Director/Board Secretary

\_\_\_\_\_  
Date



Hawaii Public Housing Authority  
Annual Plan  
Fiscal Year 2014

<b>Public Housing Authority (PHA) 5-Year and Annual Plan</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires 4/30/2011</b>
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<b>1.0</b>	<b>PHA Information</b> PHA Name: Hawaii Public Housing Authority PHA Type: <input type="checkbox"/> Small <input type="checkbox"/> High Performing <input checked="" type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: 07/01/2013 PHA Code: HI001
<b>2.0</b>	<b>Inventory (based on ACC units at time of FY beginning in 1.0 above)</b> Number of PH units: 5,331 Number of HCV units: 3058 total authorized (2,050 funded)
<b>3.0</b>	<b>Submission Type</b> <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only
<b>4.0</b>	<b>PHA Consortia</b> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)
<b>5.0</b>	Items 5.1 and 5.2 are completed only at the 5-Year Plan update; this is an Annual Plan only. The existing 5-Year PHA Plan may be viewed on the internet at <a href="http://www.hpha.hawaii.gov/housingplans/2009PHAPlan/index.htm">http://www.hpha.hawaii.gov/housingplans/2009PHAPlan/index.htm</a> or in person at the Hawaii Public Housing Authority office at 1002 N. School St, Building E, Honolulu, HI, 96817.
<b>6.0 (a)</b>	<b>PHA Plan Update</b> The following items are additions and changes to the PHA Plan: <ol style="list-style-type: none"> <li><b>Controlled Substances Policies:</b> The HPHA adopted proposed Hawaii Administrative Rule (HAR) revisions to prohibit smoking in public housing. After final adoption of these amendments, the HPHA will provide tenants with revised leases or lease addenda outlining enforcement strategies for the new smoking prohibition.</li> <li><b>Housing Choice Voucher Administrative Plan:</b> The HPHA is amending the Section 8 Administrative Plan to eliminate current preferences from eligibility screening. The HPHA will select applicants off the waitlist in the order of date and time of application.</li> <li><b>Violence Against Women Act (VAWA) Policy:</b> The HPHA is adopting a final VAWA Policy, which will replace the interim policy that has been in place. See VAWA Activities policy (separate document).</li> <li><b>In order to facilitate the improvement, modernization, development, or maintenance of public housing,</b> the HPHA may incorporate an affiliate entity or instrumentality entity, as prescribed by relevant Federal regulations and state law.</li> <li><b>Asset Management:</b> In order to improve daily property management and maintenance operations, the HPHA may create additional asset management projects, or developments.</li> <li><b>Long Range Planning:</b> The HPHA will begin the development of the PHA 5-Year and Annual Plan for Fiscal Years 2014-2019. The HPHA Staff will investigate, review, and update other U.S. Department of Housing &amp; Urban Development-required or -recommended long and short range planning documents.</li> <li><b>HAR Revisions:</b> The Board adopted revisions to 17-2020, HAR, and 17-2028, HAR, at its September monthly meeting which will result in future lease and ACOP changes. Interested parties are encouraged to check the HPHA's website for public hearing announcements and testimony submission options regarding</li> </ol>

## FOR ACTION

**MOTION:** To Adopt Amendments to and Compilation of Chapter 17-2028 "Federally-Assisted Housing Projects", Hawaii Administrative Rules, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01 to Implement the Amendments

### I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) Federal Low Income Public Housing (LIPH) inventory is governed by a variety of federal, state, and agency statutes and rules, such as the Code of Federal Regulations and Chapter 356D, Hawaii Revised Statutes (HRS).
- B. Sections 356D-4 and 356D-13 (Attachment A) authorize the HPHA to adopt administrative rules with the force and effect of law to govern its federal programs.
- C. The HPHA has consistently managed the federal LIPH inventory in accordance with Chapter 17-2028 "Federally-Assisted Housing Projects", Hawaii Administrative Rules (HAR).
- D. In order to implement a number of changes to policies, procedures, and initiatives to improve service delivery and program administration, amendments to Chapter 17-2028, HAR, were developed for adoption and compilation in September 2012, subject to review and approval by the Department of the Attorney General.
- E. Upon review of the amendments to Chapter 17-2028, HAR, the Department of the Attorney General recommended further revisions to Chapter 17-2028, HAR, for clarification, consistency, and to realize the objectives of the policy changes meant to improve service delivery and program administration.
- F. Once approved by the HPHA Board of Directors, the agency must requires permission to take the proposed Rule to public hearing from the Governor. The HPHA staff must give thirty days' notice to the public and hold hearings on the Islands of Kauai, Oahu, Maui, and Hawaii.

- G. 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 Lieutenant Governor.

## II. DISCUSSION

- A. Section 17-2028-2, HAR: The proposed amendments to Chapter 17-2028, HAR, would add new definitions to the Rule for the terms “common areas,” “criminal activity,” “enclosed or partially enclosed,”) and “household,” and amend the definitions for “backcharge,” “extremely low income family,” “family,” “live-in aide,” “low income family,” “very low income family,” and “violent criminal activity,” for clarity or consistency with definitions used in the Code of Federal Regulations.
- B. Section 17-2028-4, HAR: The proposed amendments would conform the valuation method for determining a tenant’s assets to the applicable Code of Federal Regulations.
- C. Section 17-2028-6, HAR: The proposed amendments would remove the exhibit on the occupancy standards, which follow the housing codes of each of the counties in which the units are located.
- D. Section 17-2028-7, HAR: The proposed amendments would make further revisions to the provisions governing utility allowances, remove the exhibit on the schedule of utility allowances, and provide that the schedule would be developed annually based on the listed factors.
- E. Section 17-2028-22(a), HAR: The proposed amendments would require for eligibility no history of criminal activity that adversely affects the health, safety, or right to peaceful enjoyment of the premises by other tenants, authority, or staff, for the past three years. The rule currently only requires that applicants not have a history of drug-related or violent criminal activity.
- F. Section 17-2028-22(b), HAR: The proposed amendments would allow the HPHA to prohibit applications based on prior rental history.
- G. Section 17-2028-24, HAR: The proposed amendments would revise the timeframes for requesting and scheduling informal hearings for ineligibility determinations by using calendar instead of working days.
- H. Section 17-2028-52, HAR: The proposed amendments would clarify the need for HPHA approval to include additional family members into the household.

- I. Sections 17-2028-54 and 17-2028-59, HAR: The proposed amendments would provide for lease termination for noncompliance with the community service requirements in accordance with the applicable Code of Federal Regulations.
- J. Section 17-2028-56, HAR: The proposed amendments would clarify that the requirement for a tenant who has obtained an interim rent decrease adjustment to report income increases allows tenants ten business days from the date they became aware of the increase to report the change, and provide that no rent adjustment would be processed if the HPHA confirms the decrease in income will last less than 30 calendar days.
- K. Section 17-2028-57, HAR: The proposed amendments would clarify the provision on tenant transfers by allowing transfers for reasonable accommodation purposes, and clarify the circumstances under which a tenant would not be transferred due to the initiation of eviction proceedings.
- L. Section 17-2028-59, HAR: The proposed amendments would add to the grounds for termination of a rental agreement, failure to maintain utility services, wilful damage to HPHA property, felony convictions, and fugitive felons and parole violators for consistency with the HUD policy of keeping public housing a safe environment for its tenants and maintaining program integrity.
- M. Section 17-2028-59(b)(7), HAR: The proposed amendments would clarify the provisions for termination of a rental agreement for failure to abide by the smoking prohibition by providing that the rental agreement would be terminated upon violation on more than three occasions, and providing an incentive for participating in a smoking cessation program.
- N. Section 17-2028-61, HAR: The proposed amendments would provide for a reasonable payment arrangement to a family whose exemption from the minimum rent is determined to be temporary, in conformance with applicable Code of Federal Regulations provisions.
- O. Section 17-2028-62, HAR: The proposed amendments would limit the income-based rent pursuant to the applicable Code of Federal Regulations provisions.
- P. The proposed amendments in Attachment B that are in bold and highlighted reflect only the new changes currently being proposed. Changes that are not emphasized were approved by the Board of Directors in September 2012 or are nonsubstantive amendments.

- Q. The proposed amendments in the form attached as Attachment B have been reviewed and approved by the Department of the Attorney General.
- R. Following approval from the Governor to hold public hearings on the proposed amendments, the Executive Director will hold public hearings on the Islands of Kauai, Oahu, Maui, and Hawaii at a date and locations to be determined.
- S. 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.
- T. After the public hearings, the Executive Director will transmit amendments to and compilation of Chapter 17-2028, HAR, to the Governor for final approval provided that no substantive amendments are made. Staff anticipates the following updated approximate schedule of the process:

<u>Action</u>	<u>Timeframe</u>
Board For Action (adopt amendments)	April 18, 2013
Request to Governor for public hearing	April 19, 2013
Receive Governor authorization	May 13, 2013
Publish hearing notice (30 day notice)	May 14, 2013
Public Hearing	June 13, 2013
Finalize Rule/Transmit to Governor for Adoption	June 17, 2013
Rule effective	July 1, 2013

### III. RECOMMENDATION

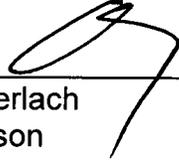
That the HPHA Board of Directors Adopt Amendments to and Compilation of Chapter 17-2028, "Federally-Assisted Housing Projects", Hawaii Administrative Rules, and Authorize the Executive Director to Undertake All Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01 to Implement the Rules

Attachment A: Sections 356D-4, and 356D-13, Hawaii Revised Statutes

Attachment B: Draft changes to Chapter 17-2028, Hawaii Administrative Rules  
(Ramseyer format)

Prepared by: Kiriko Oishi, Chief Compliance Officer ko

Approved by the Board of Directors  
on the date set forth above

  
\_\_\_\_\_  
David Gierlach  
Chairperson

## Attachment A

**The Hawaii Public Housing Authority's authorizing statutes allow the HPHA to adopt administrative rules with the force and effect of law to govern its federal programs.**

**[§356D-4] General powers of the authority.** (a) The authority may:

- (1) Sue and be sued;
- (2) Have a seal and alter the same at pleasure;
- (3) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and

(4) Adopt bylaws and rules in accordance with chapter 91 for its organization, internal management, and to carry into effect its purposes, powers, and programs.

(b) In addition to other powers conferred upon it, the authority may do all things necessary and convenient to carry out the powers expressly provided in this chapter. [L 2006, c 180, pt of §2]

**[§356D-13] Administration of federal programs.** (a) The authority may carry out federal programs designated to be carried out by a public housing agency, or entity designated by the authority.

(b) The authority shall adopt necessary rules in accordance with chapter 91, including the establishment and collection of reasonable fees for administering the program, to carry out any federal program in subsection (a).

(c) All fees collected for administering the program may be deposited into an appropriate special fund of the authority and may be used to cover the administrative expenses of the authority. [L 2006, c 180, pt of §2]

Attachment B

THIS REFLECTS THE DRAFT REVISIONS TO THE RULES APPROVED BY THE BOARD IN SEPTEMBER 2012 AND FEBRUARY 2013 AND INCLUDES THE NEW PROPOSED AMENDMENTS TO THE RULES. NEW PROPOSED AMENDMENTS ARE INDICATED IN BOLD AND HIGHLIGHTED.

Rules Amending Title 17  
Hawaii Administrative Rules

April 18, 2013

1. Chapter 2028 of Title 17, Hawaii Administrative Rules, entitled "Federally-Assisted Public Housing Projects" is amended and compiled to read as follows:

"HAWAII ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 5

HAWAII PUBLIC HOUSING AUTHORITY

CHAPTER 2028

FEDERALLY-ASSISTED PUBLIC HOUSING PROJECTS

Subchapter 1 General Provisions

- §17-2028-1 Purpose
- §17-2028-2 Definitions
- §17-2028-3 Income limits
- §17-2028-4 Asset transfers
- §17-2028-5 Occupancy guidelines
- §17-2028-6 Occupancy standards
- §17-2028-7 Utility allowance
- §17-2028-8 Verification of information

§17-2028-9 Misrepresentation

Subchapter 2 Eligibility

§17-2028-21 Applicants  
§17-2028-22 Eligibility for admission and  
participation  
§17-2028-23 Notification of eligibility  
§17-2028-24 Informal hearing for applicants  
determined to be ineligible for  
admission

Subchapter 3 Tenant Selection

§17-2028-31 Nondiscrimination  
§17-2028-32 Income targeting  
§17-2028-33 Deconcentration  
§17-2028-34 Local preferences  
§17-2028-35 Loss of preference  
§17-2028-36 Waiting list  
§17-2028-37 Removal from waiting list  
§17-2028-38 Closing the waiting list  
§17-2028-39 Offers  
§17-2028-40 Occupancy of accessible dwelling units

Subchapter 4 Occupancy and Rental Agreement

§17-2028-51 Rental agreement  
§17-2028-52 Eligibility for continued occupancy  
§17-2028-53 Reexamination  
§17-2028-54 Reexamination results  
§17-2028-55 Special reexamination  
§17-2028-56 Interim rent adjustment  
§17-2028-57 Tenant transfers  
§17-2028-58 Backcharges  
§17-2028-59 Rental agreement termination  
§17-2028-60 Smoking prohibited

Subchapter 5 Rents [and], Security  
Deposits, and Other Charges

§17-2028-61	Minimum rents
§17-2028-62	Choice of rent
§17-2028-63	Security deposits
§17-2028-64	Other Charges

Subchapter 6 Family Self-Sufficiency  
Program

§17-2028-71	Family self-sufficiency program
§17-2028-72	Eligibility
§17-2028-73	Recruitment and outreach
§17-2028-74	Selection
§17-2028-75	Termination or withholding of service

Subchapter 7 Special Programs

§17-2028-81	Special programs
§17-2028-82	Occupancy by police officers
§17-2028-83	Designated housing

Subchapter 8 Household Pets

§17-2028-91	Pet ownership
§17-2028-92	Conditions of pet ownership

Subchapter 9 Miscellaneous Provisions

§17-2028-101	Severability
§17-2028-102	Number and gender

Historical Note: Chapter 2028 of Title 17, Hawaii Administrative Rules, is substantially based upon Chapter 17-2028, Hawaii Administrative Rules, [Eff 7/21/05; am and comp 9/4/07; am and comp ], Chapter 17-535, Hawaii Administrative Rules, [Eff 1/1/81; am and comp 2/11/85; am and comp 5/26/98; R 12/03/01], and Chapter 15-190, Hawaii Administrative Rules [Eff 12/03/01; R 9/04/07]

## SUBCHAPTER 1

### GENERAL PROVISIONS

\*\*\*\*

§17-2028-2 Definitions. [As used in these rules, except as otherwise required by context:] Whenever used in this chapter, unless specifically defined:

\*\*\*\*

**"Backcharge" means the amount of arrears in rent or other charges owed to the authority.**

\*\*\*\*

**"Common areas" means areas which are available for use by more than one family including lobbies, corridors, hallways, stairways, parking lots, spots, ramps, washing machine or laundry room, rooftops, elevators, washrooms and lobby areas, driveways, storerooms, and shared ventilation ducts that service more than one dwelling unit.**

\*\*\*\*

"Criminal activity" means the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in any conduct constituting a criminal violation of federal law, HRS, or local ordinances regardless of whether there has been an arrest or conviction for such activity and without satisfying the standard of proof used for a criminal conviction.

\*\*\*\*

"Enclosed or partially enclosed" means closed in by a roof or overhang and at least one wall. Enclosed or partially enclosed areas include but are not limited to areas commonly described as public lobbies, lanais, interior courtyards, patios, and covered walkways.

\*\*\*\*

"Extremely low-income family" means a family whose annual income does not exceed thirty per cent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than thirty per cent of the median income for the area [may be established] if HUD finds that such variations are necessary because of unusually high or low family incomes.

"Family" means[:] regardless of actual or perceived sexual orientation, gender identity, or marital status:

- (1) Two or more persons who live or intend to live together as a unit and whose income and resources are available to meet the family's needs and who may be related by blood, marriage, or operation of law and whose head of family has reached the age of majority. Family may include foster children and hanai children;
- (2) An elderly family;
- (3) A disabled family;

- (4) A displaced family;
- (5) The remaining member of a tenant family who is recorded as an authorized occupant on the current list of household members and who has reached the age of majority; or
- (6) A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

\*\*\*\*

"Household" means the family and a live-in aide approved by the authority.

\*\*\*\*

"Live-in aide" means a person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well-being of the persons;
- (2) Is not obligated for the support of the persons; [and]
- (3) Would not be living in the unit except to provide the necessary support services[.];  
and
- (4) Is not a tenant.

\*\*\*\*

"Low-income family" means a family whose annual income does not exceed eighty per cent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty per cent of the median income for the area [may be established] if HUD finds that such variations are necessary because of unusually high or low family incomes.

\*\*\*\*

"Very low-income family" means a family whose annual income does not exceed fifty per cent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than fifty per cent of the median income for the area [may be established] if HUD finds that such variations are necessary because of unusually high or low family incomes.

\*\*\*\*

"Violent criminal activity" means any [illegal] criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force [against the person or property of another.] substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

[Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. Parts 5, 903, 960, 965, 966; HRS §§356D-4, 356D-13)

\*\*\*\*

§17-2028-4 Asset transfers. (a) All assets transferred or assigned from an applicant or tenant to another person, within a [twenty-four month] two year period prior to submitting an application for the program or reexamination shall be included in determining an applicant's assets.

(b) [The value of the assets shall be based on the fair market value.] In determining assets, the authority shall include the value of any business or assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or a bankruptcy sale) during the two years preceding the date of the application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a

**separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.** [Eff

7/21/05; am and comp 9/4/07; comp  
] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R.  
§5.603; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

§17-2028-6 Occupancy standards. [Applicant and tenant] The authority and families shall abide by the occupancy standards for the admission and continued occupancy in housing projects as prescribed by the [occupancy standards which are incorporated by reference and attached as exhibit G. The standards follow the occupancy] housing codes of the county in which the units are located. [Eff 7/21/05; am and comp 9/4/07; am and comp ]  
(Auth: HRS §§356D-4, 356D-13) (Imp: 63 Fed. Reg. 70982 - 70987; 63 Fed. Reg. 70256-70257; HRS §§356D-4, 356D-13, 356D-31).

§17-2028-7 Utility allowances. (a) The monthly rent for a [tenant] family residing in a federally-assisted public housing project shall include utility allowances established in accordance with HUD's standards for utility allowances[.] as described in 24 C.F.R. §965.505 as it existed on March 28, 2013.

(b) Utility allowances shall be calculated by determining the utility rate then multiplying it by the applicable quantity allowance. **A schedule of applicable quantity allowances for lighting, electric domestic hot water heaters, miscellaneous electrical, gas domestic hot water heaters [is incorporated by reference and attached as exhibit H.] shall be developed annually and shall take into account relevant factors affecting consumption requirements, including:**

**(1) The equipment and functions intended to be covered by the allowance for which the utility will be used;**

- (2) The size of the dwelling units and the number of occupants per dwelling unit;**
- (3) Type of construction and design of the housing project;**
- (4) The energy efficiency of authority-supplied appliances and equipment;**
- (5) The utility consumption requirements of appliances and equipment whose reasonable consumption is intended to be covered by the total tenant payment; and**
- (6) Temperature of domestic hot water.**

(c) The authority shall conduct a review of utility rates in January of each year[.] as required by 24 C.F.R. §965.507 as it existed on March 28, 2013. Electric and gas rate schedules for all providers shall be collected and reviewed for each month from the preceding January through December of the calendar year prior to the fiscal year beginning July 1. These monthly rates shall be averaged over the year period.

(d) The new utility allowances shall be posted and noticed to [residents] tenants at least sixty [(60)] days prior to the implementation date, during which time [residents] tenants shall have the opportunity to present written or oral comments. The applicable schedules shall be publicly posted in a conspicuous manner at the authority's project offices and shall be furnished upon request. The implementation date for new allowances shall be July 1.

**(e) Implementation of all new allowances or components of allowances, by utility, shall be required when there is more than a ten per cent change in [rates.]the resulting allowance due to a rate change since the last change was effective. In cases when a utility is granted a substantial rate increase in between the annual review, a mid-year allowance adjustment may be required.**

(f) The authority may update the quantity allowances. To update the quantity allowance, units of various sizes in a sampling of different types of developments shall be surveyed to determine the types of existing equipment as well as to identify any

factors affecting energy efficiency. If there is a variance in energy consumption factors [among] within housing projects, the worst case scenario shall be identified and utilized for calculating the quantity allowances. The authority may, at its option, develop property specific allowances for its properties.

- (1) Allowances for lighting shall be developed by conducting a field survey of [various] a representative sample of units to determine the number and type of fixtures. The following factors shall be used to determine the kilowatt hour per month allowance for each unit size:
  - (A) The number of fixtures;
  - (B) Watts per fixture; and
  - (C) [Hours] Estimated hours of use per day.
- (2) Allowances for miscellaneous electric equipment shall be based upon usage of a television, radio, miscellaneous small appliances, and a fan.
- (3) The allowance for refrigerators is based on [a new, but non-energy efficient model. For 0, 1, and 2 bedroom units a 14 cubic foot model utilizing 155 kilowatt hours per month is assumed. For a 3, 4 and 5 bedroom unit, a 16 cubic foot model utilizing 165 kilowatt hours per month is assumed.] the equipment in place at the time of survey.
- (4) Allowances for cooking shall be [930 kilowatt hours per year for 0, 1, and 2 bedroom units, and 1140 kilowatt hours per year for 3, 4, and 5 bedroom units, respectively.] based on the equipment in place at the time of survey.
- (5) Allowances for electric domestic hot water heating shall be based on engineering calculations for each bedroom size assuming a certain number of occupants. The data used in the calculations include estimated consumption per occupant per day, temperature of incoming water, temperature

of hot water supply, efficiency of heater, and energy required to heat water to supply temperature.

(6) Allowance for solar domestic hot water shall be based on a cost analysis of a domestic hot water heating system.

(7) Gas consumption allowances shall be developed using the same methodology as the electric consumption allowance.

(g) The authority shall provide medical disability allowances for [residents] tenants who have provided proof of medical necessity to the authority. The quantity allowances for medical equipment shall be [as follows:

(1) For window air conditioners, 229 kilowatt hours per month;

(2) For oxygen concentrators, 219 kilowatt hours per month;

(3) For nebulizers, 5 kilowatt hours per month;

(4) For electric hospital beds, 1 kilowatt hour per month;

(5) For alternating pressure pads, 51 kilowatt hours per month;

(6) For low air-loss mattresses, 88 kilowatt hours per month;

(7) For power wheelchairs or scooters, 33 kilowatt hours per month;

(8) For CPAP machines, 9 kilowatt hours per month; and

(9) For any other medical equipment, the quantity allowance shall be determined by taking the equipment's average energy consumption multiplied by the normal frequency of usage.]

determined by taking the equipment's average energy consumption multiplied by the normal frequency of usage.

(h) A [tenant] family shall pay for utility usage in excess of the applicable utility allowance.

(i) A [tenant] family shall receive a utility reimbursement when the utility allowance exceeds the

total [tenant] family payment [with the exception of tenants] except where:

(1) The family is paying a flat rent[.];

(2) The utility reimbursement would result in a rent due to the authority below the minimum rent as established in section 17-2028-61;  
or

(3) The family has received a financial hardship exemption pursuant to section 17-2028-61(b) from the minimum rent payment and reimbursement would result in a balance due from the authority to the household.

(j) If a family resides in a dwelling unit served by authority-furnished utilities and must pay for utility usage in excess of the applicable utility allowance pursuant to subsection (h), where:

(1) A checkmeter has been installed, the family must pay the excess unit cost of the relevant utility amount based on the authority's average utility rate as described in subsection (b).

(2) A checkmeter has not been installed, the family must pay for excess usage resulting from estimated utility consumption attributable to tenant-owned major appliances or to optional functions of authority-furnished equipment according to the schedule described in subsection (b).

[Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. §§5.603, 5.632, 960.253, Part 965 Subpart E, §966.4; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

## SUBCHAPTER 2

### ELIGIBILITY

\*\*\*\*

§17-2028-22 Eligibility for admission and participation. (a) To be eligible for participation in the program, applicant and household members shall meet all of the requirements of the pre-application and final[-] application phases as set forth below:

- (1) During the pre-application phase, the applicant and adult household members shall:
  - (A) Qualify as a family;
  - (B) Be income eligible as determined under section 17-2028-3;
  - (C) Not have an outstanding debt owed to the authority as a participant in any of its programs;
  - (D) Not have an outstanding liability for unpaid rent or damages incurred while previously participating in any section 8 rental subsidy program;
  - (E) Provide a social security number for all family members who are at least six years of age or certify that the person does not have a social security number;
  - (F) Not have been evicted since March 1, 1985, from a public housing program administered by the authority or any of its [predecessor,] predecessors, the housing and community development corporation of Hawaii or Hawaii housing authority;
  - (G) Not have been evicted from assisted housing by reason of drug-related criminal activity for a three-year period beginning on the date of the eviction unless the evicted tenant successfully completes a rehabilitation program approved by the authority;
  - (H) Not have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal or state housing program;
  - (I) Not be [illegally using a controlled substance] currently engaging in

illegal use of a drug or give the authority [a] reasonable cause to believe that [the] a household member's illegal use (or pattern of illegal use) of a [controlled substance] drug or abuse [alcohol by a household member,] (or pattern of abuse) of alcohol may interfere with the health, safety, or right to peaceful enjoyment of [a rental] the premises by other [residents] tenants. For the purposes of this subsection:

(i) [For the purposes of this subsection, "reasonable cause to believe" means by a preponderance of the evidence;] "Currently engaged in" means the person has engaged in the behavior recently enough to justify a reasonable belief that the behavior is current; and

(ii) [For the purposes of this subsection, in] In determining whether to deny eligibility based on a pattern of illegal use of a [controlled substance] drug or a pattern of abuse of alcohol by a household member, the authority may consider rehabilitation as provided for under 42 U.S.C. §13661(b)(2)(A)-(C) [effective October 1, 1999, which is incorporated by reference and attached as exhibit I;] as it existed on March 28, 2013.

(J) Not currently or during a three year period preceding the date when the applicant household would otherwise be selected for admission be engaged in any drug-related criminal activity or violent criminal activity **or other criminal activity** which would adversely

affect the health, safety, right to peaceful enjoyment of the premises by other [residents,] tenants, the [owner,] authority, or [authority employees;] staff;

- (K) Not have been convicted [in] of drug-related criminal activity for the manufacture, production, or distribution of methamphetamines; [and]
  - (L) Not subject to lifetime registration requirements under any [State] state sex offender's registration program[.];
  - (M) Not have a record of conduct or behavior within ten years of the projected date of admission which may be detrimental to the project, its tenants, or employees;
  - (N) Not be using marijuana, even if pursuant to a lawful prescription under part IX of the Hawaii uniform controlled substances act as it existed on March 28, 2013; and
  - (O) Disclose incidence of tobacco use of all family members within the household.
- (2) During the final application phase, the applicant and all adult household members shall meet the requirements as set forth in (1), above, as well as the following requirements:
- (A) Not [engaged] engage in or [threatened] threaten abusive or violent behavior toward the authority's [personnel.] staff. For purposes of this subsection, ["threatened"] "threaten" means an oral or written threat or physical gestures that communicate intent to abuse or commit violence. Abusive or violent behavior may be verbal or physical and include use of expletives that are generally

considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate; and

- (B) Furnish evidence of citizenship or eligible immigrant status as provided for in 24 C.F.R. §5.508[, which is incorporated by reference and attached as exhibit J.] as it existed on March 28, 2013.

**(b) An applicant's past performance in meeting financial obligations, especially rent, shall be considered by the authority in its selection of families for admission into its federally-assisted public housing program.**

(c) An applicant who is continuously assisted under the [U.S.] United States Housing Act of 1937 Housing Act, as amended, shall be admitted to the program as though the applicant was already a program participant. [Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 42 U.S.C. §13661; 24 C.F.R. §§5.216, 960.202, 960.203, 960.204, 960.205; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

**§17-2028-24 Informal hearing for applicants determined to be ineligible for admission.** (a) An applicant determined to be ineligible for admission or participation in the program may request an informal hearing by submitting a written request within **fourteen [working] calendar days** from the date of notification of ineligibility.

(b) The informal hearing shall be scheduled within **twenty-one [working] calendar days** from the date the written request is received and shall be conducted by any person or persons designated by the authority, but shall not be a person who made or

approved the determination of ineligibility or a subordinate of [this] such person.

(c) The applicant shall be given the opportunity to present evidence, which shall be considered by the hearing officer, along with the data compiled by the authority.

(d) A written notice of the hearing officer's decision shall be mailed to the applicant within **twenty-one [working] calendar days** after the hearing. The notice shall include an explanation of the reasons for decision. [Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. §960.208; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

#### SUBCHAPTER 4

#### OCCUPANCY AND RENTAL AGREEMENT

\*\*\*\*

§17-2028-52 Eligibility for continued occupancy.

(a) To be eligible for continued occupancy in a housing project, the tenant shall:

- (1) Qualify as a family;
- (2) Conform to the occupancy standards;
- (3) Abide by smoking prohibitions pursuant to section 17-2028-60;
- (4) Not have a record of conduct or behavior which may be detrimental to the project, its tenants or employees[;] of the authority; and
- (5) Except for an exempt individual, conform to the following community service and economic self-sufficiency requirements:
  - (A) Contribute eight hours per month of community service (not including political activities);

- (B) Participate in an economic self-sufficiency program for eight hours per month; or
- (C) Perform eight hours per month of combined activities as described in paragraphs (A) and (B), above.

(b) Except for a newborn child, a person shall not be permitted to join or rejoin the family until the authority verifies that the person meets the eligibility requirements set forth in section 17-2028-22[.], and approves of the family's request to add a family member as an occupant of the unit.

[Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: C.F.R. §§960.603, 966.4; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

§17-2028-54 Reexamination results. (a) A [tenant] family shall be given written notification within a reasonable time, after determination by the staff, of both the [tenant's] family's eligibility for continued occupancy and rent schedule.

(b) A [tenant] family found ineligible for continued occupancy by the staff shall be required to vacate the dwelling unit[.] unless the ineligibility is due to noncompliance with community service requirements pursuant to 24 C.F.R. Part 960, Subpart F as it existed on March 28, 2013. In such cases of noncompliance with community service requirements, the rental agreement shall not be renewed at the end of the twelve month term unless:

- (1) The tenant, and any other noncompliant resident, enter into a written agreement with the authority, in the form and manner required by the authority, to cure such noncompliance in accordance with such agreement; or
- (2) The family provides written assurance satisfactory to the authority that the

**tenant or other noncompliant resident no longer resides in the unit.**

(c) A [tenant] family aggrieved by the reexamination results may request a hearing pursuant to the authority's grievance procedure as provided in chapter 17-2021[, Hawaii administrative rules]. [Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. §§960.257, 960.607, 966.4, 966.51; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

§17-2028-56 Interim rent adjustment. (a) The authority may adjust a [tenant's] family's rent between reexamination if a tenant reports a change in family income. However, adjustments to rent shall not be made for covered families with reduced welfare benefit payments resulting from welfare sanctions for noncompliance with welfare self-sufficiency and work activity requirements. [(b)] Adjustments, reflecting a lower rent, shall be made effective on the first of the month following the month the report was made. **The authority will not process the rent adjustment if it confirms that the decrease in income will last less than 30 calendar days.**

**[(c)](b) A tenant who has obtained a decrease in rent under this section[,] shall report all income increases to the authority which occur prior to the next reexamination within ten business days of when tenant knows the increase will occur, and rent shall be readjusted accordingly. Any increase in rent shall be effective on the first day of the second month following the month in which the change occurred.**

[(d)](c) A tenant who fails to report any increase in income after obtaining a decrease in rent under this section shall be subject to a back rent charge retroactive to the month in which the rent increase should have been made[.] pursuant to section 17-2028-58.

(d) A tenant shall report to the authority any changes in family composition. Rent adjustment shall be made between reexaminations when a person with income is added to the family and the rent adjustment shall be effective on the first of the second month following the approved inclusion. [Eff 7/21/05; am and comp 9/4/07; am and comp ]  
(Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. §§5.615, 960.257, 966.4; HRS §§356D-4, 356D-13, 356D-31)

§17-2028-57 Tenant transfers. (a) Tenant transfers shall be made without regard to race, sex, color, creed, age, religion, gender identity, sexual orientation, handicap, national origin, or familial status.

(b) The authority may transfer a [tenant] family to another dwelling unit:

- (1) To prevent overcrowding or under utilization of a dwelling unit as determined by the authority at the time of the annual or interim reexamination;
- (2) To preserve the purpose for which a project or unit was specifically developed or designed such as to meet the needs of the elderly or persons with disabilities;
- (3) [To meet a verifiable health or safety need;] Based on an emergency where conditions of the dwelling unit, building or project pose an immediate, verifiable threat to life, health or safety of the family;
- (4) For economic reasons affecting the tenant or the authority; [or]
- (5) For administrative reasons determined by the authority including, but not limited to, permitting modernization, renovation, or rehabilitation work and transferring eligible tenants with disabilities from State-aided public housing projects to federally-assisted public housing projects[.]; or

**(6) As a reasonable accommodation.**

(c) Tenant transfers [shall] may take priority over new admissions.

(d) A [tenant] family shall be afforded one offer to transfer to a unit that meets the criteria set forth in (b) above within the same housing project in which the [tenant] family resides. If such unit is not available, [tenant] the family may then be offered a unit in another housing project under the control of the management unit. If such a unit is not available, [tenant] the family may then be offered a suitable unit on the island on which [tenant] the family resides. Declining an offer to transfer for good cause as determined by the authority shall not be considered a refusal.

**(e) A [tenant] family requesting a transfer shall not be transferred during periods when eviction proceedings have been initiated or are in process against such [tenant] family, which includes the issuance of a notice of violation of the rental agreement by the authority for which the authority is seeking eviction, or scheduling a grievance hearing related to same or during any periods of conditional deferment of eviction action against such [tenant.] family.**

(f) A [tenant] family requesting a transfer, who is not current with rent or other charges, and who does not have an approved payment arrangement shall not be transferred until the situation is resolved to the satisfaction of the authority.

(g) A [tenant] family shall not be transferred between any federally-assisted housing programs.

(h) The authority may terminate the rental agreement of a [tenant] family who refuses to transfer as required by the authority. [Eff 7/21/05; am and comp 9/4/07; am and comp ]

(Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. §966.4; HRS §§356D-4, 356D-13, 356D-31)

§17-2028-58 Backcharges. (a) A [tenant] family shall pay in full any backcharges within [one hundred

eighty] ninety days from the date of notification of the backcharge[.]; provided that where the family timely reports a change in income to the authority and a backcharge results from an increase in income, payment for any backcharges shall not be due until ninety days from the date of a completed reexamination or interim rent adjustment. Failure to do so shall result in the termination of the rental agreement.

(b) The authority may, in its discretion, elect to negotiate a reasonable payment arrangement with a family to ensure payment in full of any backcharges. When the authority determines not to exercise this discretion, the family shall be responsible for the full balance of backcharges as stated in subsection

(a). [Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. §966.4; HRS §§356D-4, 356D-13, 356D-31)

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

(b) The authority may terminate a rental agreement when the 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] or housing project, or law or ordinance of a governmental agency that pertains to or establishes standards of occupancy[;]. This includes but is not limited to the following:

- (i) Serious or repeated violation of the material terms of the rental agreement, including failure to make payments due or fulfill household obligations set forth in the rental agreement;

- (ii) Failure to provide family income, assets, employment and composition information and documentation to enable the authority to determine the family's rental rate and eligibility for continued occupancy;
  - (iii) Family no longer conforms to the occupancy limits as established by the authority for the unit occupied by the family and the family refuses to move to the first appropriate size unit offered;
  - (iv) When requested by the authority due to health and safety, repair, abatement, construction or renovation of the dwelling unit, the family refuses to move;
  - (v) Family is ineligible for continued occupancy;
  - (vi) Failure of a family member to comply with community service requirement provisions of 24 C.F.R. part 960, subpart F as it existed March 28, 2013, provided that such failure shall result in non-renewal of rental agreement and termination of tenancy at the end of the twelve-month rental agreement term;
  - (vii) At the time of admission, reexamination, interim or at any other time, the family has submitted false information or has withheld valuable information or has made wilful misstatements; and
  - (viii) Family fails to accept the authority's offer of a revision to the existing rental agreement.
- (2) Engages in the illegal use of a [controlled substance] drug or gives the authority a reasonable cause to believe that the illegal use (or pattern of illegal use) of a [controlled substance] drug or abuse (or pattern of abuse) of alcohol may interfere

- with the health, safety, or right to peaceful enjoyment of [a rental] the premises by other [residents;] tenants;
- [(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)] (3) 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;] tenants;
- [(5)] (4) Who the authority determines engages in any drug-related criminal activity on or near the authority's [property; or] premises;
- [(6) Tenant threatens or implies to threaten] (5) Threatens the health or safety of an employee[/], contractor or [agency] agent of the authority or State;
- (6) Fails to disclose use of marijuana, even if pursuant to a lawful prescription under part IX of the Hawaii uniform controlled substances act as it existed on March 28, 2013, prior to offer and acceptance of a rental agreement as required in section 17-2028-22;
- (7) Violates the smoking prohibitions pursuant to section 17-2028-60 on more than three occasions and receives written notice of said violations; provided that if tenant, any member of the tenant's household, or any guest or other person under the tenant's control receives only one violation of section 17-2028-60 in one year, and participates in and completes a smoking cessation service program within the same year, the authority will clear the one violation and shall not deem the incident as a violation for the following year;**
- (8) Fails to maintain utility services;**

- (9) Has been convicted of a felony. This subsection does not apply to tenant's guest or other person under tenant's control;**
- (10) Flees to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees;**
- (11) Violates a condition of probation or parole imposed under federal or state law; or**
- (12) Engages in wilful damage to the authority's property.**

(c) The authority shall give a tenant written notice of the proposed termination of the rental agreement [of not less than:] that conforms to 24 C.F.R. §966.4 as it existed on March 28, 2013, such as:

- (1) Fourteen days in the case of failure to pay rent[;] except for nonpayment of minimum rent during the 90-day period beginning the month following the family's request for a financial hardship exemption pursuant to section 17-2028-61(b);
- (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[.], HRS.

(d) The authority may terminate a rental agreement if any member of the family engages in the use of marijuana, even if pursuant to a lawful prescription under part IX of the Hawaii uniform controlled substances act as it existed on March 28, 2013. [Eff 7/21/05; am and comp 9/4/07; am and comp ]  
(Auth: 24 C.F.R. §966.4; §§356D-4, 356D-13; 356D-98)  
(Imp: 24 C.F.R. §966.4; HRS §§356D-4, 356D-13, 356D-31, 356D-92)

§17-2028-60 Smoking prohibited. (a) Smoking is prohibited in all public housing projects, or portions of public housing projects, including inside dwelling units, unless specifically exempted by the authority in the ACOP, including:

- (1) In all common areas and community facilities in and around the authority's public housing projects. The authority may designate additional common areas in the ACOP; and
- (2) Within a presumptively reasonable minimum distance of twenty feet from entrances, exits, and windows that open to common areas, community facilities, and dwelling units, and ventilation intakes that serve common areas, community facilities, and dwelling units, including enclosed or partially enclosed areas where smoking is prohibited.

(b) This prohibition applies to the use of marijuana, even if its use is pursuant to a lawful prescription under part IX of the Hawaii uniform controlled substances act as it existed on March 28, 2013 that prescription was given subsequent to tenant placement in the dwelling unit.

(c) Where smoking is not prohibited in a dwelling unit pursuant to subsection (a) and the household includes a person who smokes as disclosed pursuant to section 17-2028-22, the family shall pay a non-refundable monthly fee of \$5.00.

(d) The authority may discontinue the monthly fee required in subsection (c) when a family can demonstrate to the authority reasonable cause to believe that no member of the household continues to smoke. For the purposes of this subsection:

- (1) "Reasonable cause to believe" means by a preponderance of the evidence; and
- (2) In determining whether to discontinue charging the monthly fee, the authority may consider completion of a smoking cessation program.

[Eff and comp ] (Auth: §§356D-4, 356D-13) (Imp: 24 C.F.R. §§903.7, 966.3; HRS §§356D-4, 356D-13, 356D-31)

## SUBCHAPTER 5

### RENTS [AND], SECURITY DEPOSITS, AND OTHER CHARGES

§17-2028-61 Minimum rents. (a) There is established a minimum rent of [~~\$0.00~~] \$50.00 per month.

(b) The authority shall grant an exemption from payment of minimum rent if the family is unable to pay the minimum rent because of financial hardship attributable only to the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program;
- (2) The family would be evicted because it is unable to pay the minimum rent;
- (3) The income of the family has decreased because of changed circumstances, including loss of employment;
- (4) A death has occurred in the family; and
- (5) Other circumstances determined by the authority or HUD.

(c) If a family requests a financial hardship exemption, the authority shall suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption, and continuing until the authority determines whether there is a qualifying financial hardship and whether it is temporary or long term.

**(d) When the authority determines that a qualifying financial hardship is temporary, the authority shall reinstate the minimum rent from the beginning of the suspension of the minimum rent ninety days after receiving the exemption request. The authority shall offer a reasonable payment arrangement**

**to the family to ensure payment in full of any backcharges.**

(e) When the authority determines a qualifying financial hardship is long term, the authority shall exempt the family from the minimum rent requirements so long as such hardship continues. Such exemption shall apply from the beginning of the month following the family's request for a hardship exemption until the end of the qualifying financial hardship.

(f) When the authority determines that there is no qualifying financial hardship exemption, the authority shall reinstate the minimum rent, including back rent owed from the beginning of the suspension. The family shall be responsible for backcharges as established in section 17-2028-58 and shall not be eligible for payment arrangements as provided under section 17-2028-58(b). [Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §§356D-4, 356D-13) (Imp: 24 C.F.R. 5.630; HRS §§356D-4, 356D-13, 356D-31)

§17-2028-62 Choice of rent. Once a year, the authority shall give each [tenant] family the opportunity to choose between two methods of determining the monthly tenant rent. The [tenant] family may choose to pay either a flat rent or income-based rent.

(a) The flat rent shall be the fair market rents ("FMRs") that are determined by HUD, at least annually, pursuant to 24 C.F.R. §888.113[.] as it existed on March 28, 2013. These [fair market rents,] FMRs, which include utilities (exclusive of telephone and cable television), are established for dwelling units of various bedroom sizes[, and which are incorporated by reference and attached as exhibit K]. Because the FMRs are determined by HUD and the authority has no discretion to amend or change the FMRs, the FMRs shall be established without a public hearing as provided in Chapter 91-3(d), HRS.

(b) The income-based rent is based on thirty per cent of [tenant's] the family's monthly adjusted income or ten per cent of the family's monthly income,

or the minimum rent set forth in section 17-2028-61, whichever is greater.

(1) The income-based rent does not include charges for excess utility consumption or other charges.

**(2) The income-based rent shall not exceed the total tenant payment pursuant to 24 C.F.R. §5.628 as it existed on March 28, 2013, for the family minus any applicable utility allowance for tenant-paid utilities. If the utility allowance exceeds the total tenant payment, the authority shall pay such excess amount (the utility reimbursement) either to the family or directly to the utility supplier to pay the utility bill on behalf of the family. If the authority pays the utility supplier, the authority shall notify the family of the amount of the utility reimbursement paid to the supplier.**

(3) For purposes of establishing the income-based rent, the authority shall exclude from annual income the earned income of previously unemployed family members and increases in earnings of a family member during participation in any economic self-sufficiency or other job training program as provided for in 24 C.F.R. §960.255 as it existed on March 28, 2013 and the PHA plan.

(c) If a [tenant] family is unable to pay the flat rent because of financial hardship, the [tenant] family may at any time request a switch to payment of income-based rent prior to the next annual option to select the type of rent. [Eff 7/21/05; am and comp 9/4/07; am and comp ] (Auth: HRS §356D-15) (Imp: HRS §§356D-4, 356D-13; 24 C.F.R. §§5.628, 960.253, 960.255; HRS §§356D-4, 356D-13, 356D-31)

\*\*\*\*

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 17-2028, 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

## FOR ACTION

**MOTION:** To Adopt Amendments to and Compilation of Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01 and to Implement the Amendments

### I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) Federal Low Income Public Housing (LIPH) inventory is governed by a variety of federal, state, and agency statutes and rules, such as the Code of Federal Regulations and Chapter 356D, Hawaii Revised Statutes (HRS).
- B. 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.
- C. Act 160, SLH 2012 required the HPHA to conform all grievance and eviction practices to federal standards, reduced the required number of board members required to hear an eviction, and authorized the use of video teleconferencing technology for the conduct of hearings.
- D. Sections 356D-13 and 356D-98, HRS (Attachment A), authorize the HPHA to adopt administrative rules with the force and effect of law to govern evictions from its federal low income public housing inventory.
- E. The HPHA has consistently managed the federal LIPH evictions in accordance with Chapter 17-2020 “Evictions – Practice and Procedure”, Hawaii Administrative Rules (HAR).
- F. In September 2012, amendments to 17-2020, HAR, were developed for adoption and compilation, to effectuate the current statutory framework, along with housekeeping amendments to the Rule, such as updating the agency’s name, and the statutory references within the Rule, subject to review and approval by the Department of the Attorney General.

- G. Upon review of the amendments to Chapter 17-2020, HAR, the Department of the Attorney General recommended further revisions to Chapter 17-2020, HAR, for clarification and consistency with Chapter 17-2028, HAR, "Federally-Assisted Public Housing Projects", and applicable Code of Federal Regulations.
- H. 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 give thirty days' notice to the public and hold hearings on the Islands of Kauai, Oahu, Maui, and Hawaii.
- I. 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 Lieutenant Governor.

## II. DISCUSSION

- A. Section 17-2020-2, HAR: The proposed amendments to Chapter 17-2020, HAR, would add definitions of "board" or "eviction board", "drug-related criminal activity", "dwelling unit", "rental agreement", "violent criminal activity", and amend the definition of "criminal activity" to conform to the definition used in Chapter 17-2028, HAR, "Federally-Assisted Housing Projects." The definition of "drug" would also be amended to delete the exception for marijuana prescribed pursuant to part IX of the Hawaii Uniform Controlled Substances Act.
- B. Section 17-2020-4, HAR: The proposed amendments would allow confidential records of an eviction hearing to be released by request of a tenant who is a party to the hearing or upon filing a notice of appeal.
- C. Section 17-2020-5, HAR: The proposed amendments would reference Section 17-2028-59, HAR, "Federally-Assisted Public Housing Projects", for the grounds for termination of tenancy and eviction, and include as grounds for termination other good cause set forth in the rental agreement.
- D. Section 17-2020-33, HAR: The proposed amendments would add to the list of non-curable violations, violent criminal activity; failure to disclose the use of marijuana, even if prescribed pursuant to part IX of the Hawaii Uniform Controlled Substances Act, prior to offer and acceptance of a rental agreement; failure to abide by the smoking prohibition in Section 17-2028-60, HAR; felony conviction of a family member; and termination of the rental agreement pursuant to Section 17-2028-59, HAR, or 24 C.F.R. 966.4, for consistency with Chapter 17-2028, HAR.

- E. The proposed amendments in Attachment B include all changes being proposed, including those approved by the HPHA Board of Directors in September 2012. New substantive changes are highlighted and bolded.
- F. The proposed amendments in the form attached as Attached B have been reviewed and approved by the Department of the Attorney General.
- G. Following approval from the Governor to hold public hearings on the proposed amendments, the Executive Director will hold public hearings on the Islands of Kauai, Oahu, Maui, and Hawaii at a date and locations to be determined.
- H. 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.
- I. After the public hearings, the Executive Director will transmit amendments to and compilation of Chapter 17-2020, HAR, to the Governor for final approval provided that no substantive amendments are made. Staff anticipates the following updated approximate schedule of the process:

<u>Action</u>	<u>Timeframe</u>
Board For Action (adopt amendments)	April 18, 2013
Request to Governor for public hearing	April 19, 2013
Receive Governor authorization	May 13, 2013
Publish hearing notice (30 day notice)	May 14, 2013
Public Hearing	June 13, 2013
Finalize Rule/Transmit to Governor for Adoption	June 17, 2013
Rule effective	July 1, 2013

### III. RECOMMENDATION

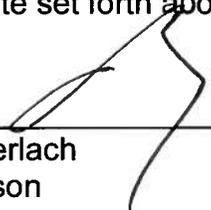
That the HPHA Board of Directors Adopt Amendments to Chapter 17-2020 "Evictions – Practice and Procedure", Hawaii Administrative Rules, and to Authorize the Executive Director to Undertake All Actions Necessary under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments.

Attachment A: Sections 356D-13, and 356D-98, Hawaii Revised Statutes

Attachment B: Draft changes to Chapter 17-2020, Hawaii Administrative Rules  
(Ramseyer format)

Prepared by: Kiriko Oishi, Chief Compliance Officer  \_\_\_\_\_

Approved by the Board of Directors  
on the date set forth above

  
\_\_\_\_\_  
David Gierlach  
Chairperson

**§356D-13 Administration of federal programs.** (a) The authority may carry out federal programs designated to be carried out by a public housing agency, or entity designated by the authority.

(b) The authority shall adopt necessary rules in accordance with chapter 91, including the establishment and collection of reasonable fees for administering the program, to carry out any federal program in subsection (a).

(c) All fees collected for administering the program may be deposited into an appropriate special fund of the authority and may be used to cover the administrative expenses of the authority.

**§356D-98 Rules.** The authority may adopt rules pursuant to chapter 91 necessary for the purposes of this part.

Rules Amending Title 17  
Hawaii Administrative Rules

April 18, 2013

1. Chapter 2020 of Title 17, Hawaii Administrative Rules, entitled "Eviction - Practice and 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 2020

EVICTIION - PRACTICE AND PROCEDURE

Subchapter 1 General Provisions

\$17-2020-1	Purpose
\$17-2020-2	Definitions
\$17-2020-3	Communications
\$17-2020-4	Asset limits
\$17-2020-5	Grounds for termination of tenancy and eviction

Subchapter 2 Hearing Procedure

\$17-2020-11	Notice of cause for cases referred for eviction prior to July 1, 2012
\$17-2020-12	Notice of cause for cases referred for eviction on or after July 1, 2012
\$17-2020-13	Notice of hearing
\$17-2020-14	Request for subpoenas

## Subchapter 3 Hearings

## A. Conditions

§17-2020-21 Counsel  
§17-2020-22 Motions  
§17-2020-23 Waiver of procedure  
§17-2020-24 Records

## B. Hearings

§17-2020-31 Eviction Board  
§17-2020-32 Default  
§17-2020-33 Curable and Non-Curable Violations

## Subchapter 4 Appeals

§17-2020-41 Appeals of contested case hearings

## Subchapter 5 Miscellaneous Provisions

§17-2020-51 Severability  
§17-2020-52 Number

Historical Note: Chapter 17-2020, Hawaii Administrative Rules, is substantially based upon chapter 17-2020, Hawaii Administrative Rules, [Eff 8/6/04; am and comp ], chapter 17-501, Hawaii Administrative Rules, [Eff 1/1/81; am and comp 5/26/98; R 10/25/99], and Chapter 15-182, Hawaii Administrative Rules. [Eff 10/25/99; R 8/6/04]

## SUBCHAPTER 1

## GENERAL PROVISIONS

§17-2020-1 Purpose. These rules shall govern the practice and procedure for terminating the tenancy of persons using or occupying any unit in a project owned or operated by the [housing and community development corporation of Hawaii] Hawaii public housing authority except for rental housing projects governed by [chapter 15-173] chapter 356D-44, HRS. These rules afford tenants an opportunity for a hearing if a tenant disputes any action by the [corporation] authority to evict the tenant from the tenant's unit. These rules shall be liberally construed to ensure that the rights of the parties are preserved in a just and timely resolution of every hearing.

[Eff 8/6/04; am and comp ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §356D-98)

§17-2020-2 Definitions. [As used in these rules, except otherwise required by context:] Whenever used in this chapter, unless specifically defined:

"Agreement" means any lease, rental agreement, permit, or license covering the use and occupation of any unit or other premises owned or controlled by the [corporation.] authority.

"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.

"Authority" means the Hawaii public housing authority.

**"Board" or "eviction board" means the board appointed by the authority to conduct eviction hearings and terminate rental agreements in accordance with this chapter.**

"C.F.R." means the United States Code of Federal Regulations.

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

"Criminal activity" means the tenant, any member of the tenant's household, a guest or another person under the tenant's control has engaged in[:

- (1) 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
- (2) 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;]

any conduct constituting a criminal violation of federal law, HRS, or local ordinances regardless of whether there has been an arrest or conviction for such activity and without satisfying the standard of proof used for a criminal conviction.

"Document" means written decisions, orders, and notices issued for the purposes of this chapter.

"Drug" means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. §802) as it existed on March 28, 2013.

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

["Examiner" means a trial examiner, hearing board or eviction board appointed by the corporation for the purposes of chapter 201G, HRS.]

"Dwelling unit" means a residential unit in a housing project.

"Grievance hearing" means the hearing prescribed in the grievance procedure set forth in rules of the [corporation] authority.

"HRS" means the Hawaii Revised Statutes.

"Hearing" means a quasi-judicial proceeding in which the [corporation] authority prepares to terminate an agreement.

"Hearings clerk" means the person responsible for receiving, recording, and preserving the records of the [examiner] eviction board.

"Hearings officer" means the person representing the [corporation] authority in a hearing.

"Party" means a person or agency as defined in section [201G-51,] 356D-91, HRS, as it existed on March 28, 2013.

"Presiding officer" means the [trial examiner, a member of the hearing board, or a] member of the eviction board duly elected by a majority of the board members to serve as its chairman where the eviction board is comprised of more than one member.

"Project manager" means the [corporation's] authority's representative assigned to manage projects in a management area or any other employee of the [corporation] authority specifically designated by position description.

**"Rental agreement" means the agreement or contract containing the terms and conditions of occupancy of a dwelling unit entered into by the tenant and authority.**

"Tenant" means [a person] the person or persons who enter into a rental agreement with the authority to reside in a dwelling unit and who [is] are subject to eviction proceedings under this chapter.

"U.S.C." means the United States Code.

**"Violent criminal activity" means any criminal 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.** [Eff

8/6/04; am and comp ] (Auth: 24 CFR \$966.4; HRS §§92-6, 356D-4, 356D-13, 356D-98) (Imp: HRS §§356D-92, 356D-93, 356D-94, 356D-98)

\$17-2020-3 [Examiner.] Communications. (a) Communications to the [examiner] eviction board may be mailed or delivered to the [corporation's] authority's hearings office [in the respective county in care of the hearings clerk].

(b) [When the examiner is a hearing board, or an eviction board, a] A quorum [of members] of the eviction board, consisting of at least one, but not more than three members, shall be present to validate any action taken.

(c) No employee of the [corporation] authority shall be [an examiner] an eviction board member, unless specifically designated by the [corporation] authority.

(d) All documents issued by the [examiner] eviction board may be executed by facsimile signature. [Eff 8/6/04; am and comp ] (Auth: 24 CFR §966.4; HRS §§92-15, 356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-92, 356D-93, 356D-98)

§17-2020-4 Process service. (a) All documents issued for the purposes of this chapter shall be served either:

- (1) Personally to the tenant or adult household member by [a law enforcement officer] any person who is not a party and is not less than 18 years of age of the State [or county, or an officer appointed by the corporation]; or
  - (2) By certified mail return receipt requested; or
  - (3) If personal service or service by certified mail cannot be effectuated, the document or documents may be served:
    - (i) By posting the document or documents on the unit occupied by the tenant and by first class mail to the party's last known address; or
    - (ii) By publication in a newspaper of general circulation and by first class mail.
- (b) Service upon a party shall be complete if:
- (1) The party or the party's attorney is personally served;
  - (2) The party signs the receipt for certified mail;
  - (3) The document or documents are posted on the unit occupied by the tenant and mailed to the party's last known address by first-class mail;

- (4) Upon publication in a newspaper of general circulation; or
- (5) By special order of the [examiner,] eviction board, upon a finding that service by other means is not practicable, a document is posted on the unit occupied by the party.  
[Eff 8/6/04; am and comp ]  
(Auth: HRS §§356D-4, 356D-13, 356D-98) (Imp: HRS §§356D-92, 356D-93, 356D-98)

§17-2020-5 Grounds for termination of tenancy and eviction. (a) The [examiner] eviction board shall determine whether there are sufficient grounds for termination of the rental agreement.

**(b) The [following constitutes] grounds for termination of the rental agreement[:**

- (1) Serious or repeated violation of material terms of the rental agreement, including, but not limited to:**
  - (A) Failure to make payments due under the rental agreement;**
  - (B) Failure to fulfill household obligations as defined in the rental agreement.**
- (2) Other good cause, including, but not limited to, the following:**
  - (A) Criminal activity or alcohol abuse;**
  - (B) Discovery after admission of facts that made the tenant ineligible;**
  - (C) Discovery of material false statements or fraud by the tenant in connection with an application for assistance or with reexamination of income; and**
  - (D) Failure of a family member to comply with service requirement provisions of 24 C.F.R. part 960, subpart F; and**
  - (E) Failure to accept the corporation's offer of a revision to the existing rental agreement, subject to the requirements of 24 C.F.R. 966.4(1).]**

**and other good cause are set forth within the tenant obligations of the rental agreement, section 17-2028-59 and as may be allowed by 24 CFR §966.4.** [Eff 8/6/04;

am and comp ] (Auth: 24 CFR §966.4;  
HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4;  
HRS §§356D-92, 356D-98)

## SUBCHAPTER 2

## [PRE-] HEARING PROCEDURE

§17-2020-11 Notice of cause for cases referred for eviction prior to June 28, 2002. (a) Any violation under section 201G-52, HRS, shall constitute cause for the project managers within each county to initiate eviction proceedings. The tenant shall be notified in writing and the document shall state the reason for and the date of the proposed termination of the agreement. The document shall also inform the tenant of the tenant's rights to reply to the corporation's staff and to request a grievance hearing.

(b) The tenant shall be notified in accordance with the terms of the agreement.

(c) If the tenant fails to respond within the time period prescribed by the notice of proposed termination; the project manager shall submit a written request to the examiner that the tenant be evicted.]  
 [[Eff: 8/6/04; R ] (Auth: 24 CFR \$966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR \$966.4; HRS §356D-98)]

§17-2020-[12]11 Notice of cause for cases referred for eviction [on or after June 28, 2002] prior to July 1, 2012. (a) Any violation under section [201G-52] 356D-92, HRS, occurring prior to July 1, 2012 shall constitute cause for the project managers within each county to initiate eviction proceedings. The tenant shall be notified in writing and the document shall state the reason for and the date of the proposed termination of the agreement. The document shall also inform the tenant of the tenant's rights to reply to the [corporation's] authority's staff and to request a grievance hearing.

(b) The tenant shall be notified in accordance with the terms of the rental agreement.

(c) If the tenant fails to respond within the time period prescribed by the notice of proposed

termination, the project manager shall submit a written request to the [examiner] eviction board that the tenant be evicted.

(d) If the violation is for delinquent payment in rent,

- (1) The written notice shall conform to the requirements of section [201G-52(b), HRS;] 356D-92, HRS, as it existed on June 30, 2012 (prior to the effective date of Act 160, Session Laws of Hawaii 2012); and
- (2) The [corporation] authority shall schedule a meeting with the tenant to discuss the delinquency.
- (3) If the tenant fails to attend the meeting and does not contact the [corporation] authority or the [corporation's] authority's agents to reschedule the meeting, the [corporation] authority shall provide the tenant with a second written notice conforming to the requirements of section [201G-52(e), HRS.] 356D-92 (e), HRS, as it existed on June 30, 2012 (prior to the effective date of Act 160, Session Laws of Hawaii 2012).

(e) At the meeting, the [corporation] authority or its agent and the tenant shall complete, sign, and date a checklist conforming to the requirements of section [201G-52(c), HRS,] 356D-92, HRS, as it existed on June 30, 2012 (prior to the effective date of Act 160, Session Laws of Hawaii 2012) to memorialize the meeting.

(f) If the tenant appears at the meeting, the [corporation] authority will consider whether the tenant's situation is appropriate for a reasonable payment plan. The [corporation] authority or its agent may consider, [but is not limited to considering] without limitation, the following factors to determine whether the tenant's situation is appropriate for a reasonable payment plan:

- (1) The amount of the delinquent balance;
- (2) The amount of tenant's monthly rent charge;
- (3) The tenant's household income;
- (4) Any other sources of income of the tenant;
- (5) The history of rent payment by the tenant;

(6) Any history of other violations of the rental agreement by the tenant;

(7) The cause of the delinquency; and

(8) Any mitigating factors.

(g) The [corporation] authority or its agent may consider, [but is not limited to considering,] without limitation, the following factors to determine if the payment plan is reasonable:

(1) The tenant's household income;

(2) Any other sources of income of the tenant;

(3) Any other debts of the tenant;

(4) Whether the tenant can clear the delinquent balance within six months; and

(5) Any hardship on the tenant.

(h) If the [corporation] authority or its agent determines that the tenant will be unable to clear the delinquent balance within a six-month period, the tenant's situation is not appropriate for a reasonable payment plan.

(i) If the [corporation] authority or its agent determines that the tenant's situation is appropriate for a reasonable payment plan, one may be offered as agreed upon between the [corporation] authority or its agent and the tenant. A reasonable payment plan shall not exceed a period of six months.

(j) The [corporation] authority shall inform the tenant of its decision in writing. The written notice shall further notify the tenant of the tenant's right to request a grievance hearing within thirty days of receipt of the notice.

(k) In the event the tenant breaches the reasonable payment plan, the [corporation] authority or its agent shall proceed to terminate the tenant's tenancy by referring the matter to the hearings office to schedule a hearing before the eviction board. [Eff: 8/6/04; am and ren ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-92, 356D-98)

§17-2020-12 Notice of cause for cases referred for eviction on or after July 1, 2012. (a) Any violation under section 356D-92, HRS, occurring on or after July 1, 2012, shall constitute cause for the project managers within each county to initiate eviction proceedings. The tenant shall be notified in writing and the document shall state the reason for and the date of the proposed termination of the agreement. The document shall also inform the tenant of the tenant's rights to reply to the authority's staff and to request a grievance hearing.

(b) If the violation is for delinquent payment of rent, the authority may negotiate a reasonable payment arrangement with a family in accordance with section 17-2028-58.

(c) The tenant shall be notified in accordance with 24 C.F.R. §966.4(k) and (l)(3) and section 356D-93(a), HRS, as they existed on March 28, 2013.

(d) If the tenant fails to respond within the time period prescribed by the notice of proposed termination, the project manager shall submit a written request to the eviction board that the tenant be evicted. [Eff and comp ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §356D-92, 356D-98)

§17-2020-13 Notice of hearing. Notice of hearing shall meet the requirements of [chapter 201G, HRS.] 24 C.F.R. §966.4(k), (l)(3), (m) and section 356D-93(a), HRS, as they existed on March 28, 2013. [Eff: 8/6/04; am and comp ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-92, 356D-93, 356D-98)

§17-2020-14 Request for subpoena. (a) Only [an examiner or] the parties to the hearing may request the issuance of a subpoena, [provided that] subject to subsection (b) [shall be complied with]. The [examiner or the examiner's] eviction board or its designated representative shall issue the subpoena.

(b) The request for issuance of a subpoena of a witness shall be in writing and shall state the name

and address of the desired witness and the reasons why the testimony of the witness is material and relevant to the issues in the hearing. The party requesting the subpoena shall pay to the witness the same fees and mileage as prescribed in chapter 607, HRS. The request for issuance of a subpoena duces tecum for documents and records shall be in writing. The party requesting the subpoena duces tecum for documents and records shall pay all copying costs. The request shall specify the particular document or record, or part thereof sought, and shall state the reasons why the document or record is material and relevant to the issues of the hearing. [Eff 8/6/04; am and comp ]  
(Auth: 24 CFR §966.4; HRS §§92-16, 356D-4, 356D-13, 356D-98, 607-12) (Imp: 24 CFR §966.4; HRS §§356D-92, 356D-98)

## SUBCHAPTER 3

[HEARING PROCEDURE] HEARINGS

## A. Conditions

§17-2020-21 Counsel. (a) Unless otherwise directed by the [presiding officer] eviction board, one counsel for each party represented shall be permitted to conduct direct and cross examination of a witness, state and argue an objection or motion, and make opening or closing argument.

(b) A tenant may appear [in] on the tenant's own behalf or with another person as the tenant may authorize. [Eff 8/6/04; am and comp ]  
 (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98)  
 (Imp: 24 CFR §966.4; HRS §§356D-93, 356D-98)

§17-2020-22 Motions. (a) All motions shall state the grounds and shall set forth the relief or order sought. Motions need not be in writing.

(b) All motions shall be presented to the [examiner] eviction board at the commencement of the hearing. If a written motion is presented, a copy shall be provided to the opposing party.

(c) The opposing party may state opposition to any motion presented to the [examiner] eviction board. The [examiner] eviction board may consider all motions and opposing motions [in executive session] and shall rule on each motion when appropriate. [Eff 8/6/04; am and comp ] (Auth: HRS §§356D-4, 356D-13, 356D-98) (Imp: HRS §§356D-93, 356D-98)

§17-2020-23 Waiver of procedure. Upon agreement of the parties, any procedure in a hearing may be modified or waived and informal disposition may be made of any case by agreed settlement, consent order, or default. [Eff 8/6/04; comp ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-93, 356D-98)

§17-2020-24 Records. (a) The hearings clerk shall keep written summaries of all hearings. Neither a full transcript nor recording of the hearing shall be required.

**(b) All records of a hearing shall be confidential pursuant to section 92F-13(2), HRS, and released only at the direction of the [examiner or] eviction board, by judicial order[.], upon request by a tenant who is a party to the hearing, or upon the filing of a notice of appeal pursuant to chapter 91, HRS, and section 356D-96, HRS.** [Eff 8/6/04; am and comp ] (Auth: 24 CFR §966.4; HRS §§91, 92F-13(2), 356D-4, 356D-13, 356D-96, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-93, 356D-98)

B. Hearings

§17-2020-31 [Hearings.] Eviction Board. (a) In all hearings where the eviction board consists of more than one member, the presiding officer shall preside. [The vice-chairman of a hearing board or an eviction board shall preside at a hearing in the absence of the presiding officer.]

(b) The [presiding officer] eviction board shall determine the order of appearance of the parties to a hearing and shall administer the oath to all witnesses as prescribed by section 621-12, HRS. The [presiding officer] eviction board may limit the time of each witness giving testimony upon a particular issue.

(c) The eviction board shall consist of not less than one and no more than three members, of which one member shall be a tenant.

[(c)](d) Hearings shall be conducted in an informal manner unless otherwise required by law.

[(d)](e) The [examiner] eviction board may remove any person who disrupts a hearing.

[(e)](f) If a tenant, the tenant's attorney, or the tenant's representative is removed for disruptive conduct, the hearing may continue and a determination made based upon the available evidence and testimony presented.

[(f)](g) All hearings shall be confidential and closed to the public unless the tenant agrees otherwise.

(h) The hearing may be conducted through the use of video conferencing technology in accordance with section 356D-93(b), HRS, as it existed on March 28, 2013. The authority shall notify the tenant, the tenant's attorney, or the tenant's representative in writing prior to the scheduled hearing date that the hearing shall be conducted using video conferencing technology. [Eff 8/6/04; am and comp ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-93, 356D-98)

§17-2020-32 Default. A tenant who fails to appear at a hearing after being duly notified may be found in default and the [examiner] eviction board may proceed with the hearing. [Eff 8/6/04; am and comp ] (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-93, 356D-98)

§17-2020-33 Curable and Non-Curable Violations.

(a) The [examiner] eviction board shall determine whether or not the violation of the rental agreement is curable by the tenant. A violation is curable if the violation for which the tenant is being referred is a first offense and is not defined as a non-curable violation.

- (b) Non-curable violations include:
- (1) Chronic or consistent violations of any material term of the rental agreement;
  - (2) A history of chronic or consistent rent delinquency;
  - (3) Violations of any material term of the rental agreement subsequent to a finding of violation of said term by [a hearing or] an eviction board;
  - (4) Any violations that threaten the health or safety of the other residents or the [corporation's] authority's employees or representatives;

- (5) Any drug-related criminal activity [occurring on or near the project premises;] or violent criminal activity;**
- (6) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the other residents or the [corporation's] authority's employees or representatives;
- (7) Where the 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[.];
- (8) Where the tenant fails to disclose the use of marijuana, even if pursuant to a lawful prescription under part IX of the Hawaii uniform controlled substances act as it existed on March 28, 2013, prior to offer and acceptance of a rental agreement;**
- (9) Where the tenant fails to abide by smoking prohibitions pursuant to section 17-2028-60;**
- (10) Where any member of the family has been convicted of a felony;**
- (11) Termination of the rental agreement pursuant to section 17-2028-59; or**
- (12) As may be required by 24 C.F.R. §966.4 as it existed on February 19, 2013.**

[Eff 8/6/04; am and comp ]  
 (Auth: 24 CFR §966.4; HRS §§356D-4, 356D-13, 356D-94, 356D-98) (Imp: 24 CFR §5.100; 24 CFR §966.4; HRS §356D-94, 356D-98)

## SUBCHAPTER 4

## APPEALS

[§17-2020-41 Appeals of contested case hearings referred for eviction prior to June 28, 2002. (a) An appeal of the decision of the examiner may be taken to the corporation as provided in section 201G-54, HRS. The appeal shall be in writing and may be mailed or delivered to the corporation's office at 677 Queen Street, Suite 300, Honolulu, Hawaii, 96813, in care of the hearings clerk. The appeal may be heard and decided by the corporation or an appeals board appointed by the corporation.

(b) The corporation shall give written notice of the appeal hearing to the tenant fixing the date, time, and place of the appeal hearing. The notice shall be given at least five days before the date set for the appeal hearing.

(c) A tenant who fails to appear at an appeals hearing after being duly notified may be found in default and the corporation may proceed with the hearing.

(d) The corporation's decision shall be based solely on the record of the examiners which may be orally summarized by the hearings officer.

(e) Any person aggrieved by the final decision and order of the corporation may institute proceedings for review in the circuit court within thirty days after receipt of the decision as provided in section 201G-57, HRS.] [[Eff 8/6/04; R ] (Auth: HRS §§356D-4, 356D-13, 356D-98) (Imp: HRS §356D-98)]

§17-2020-[42] 41 Appeals of contested case hearings [referred for eviction on or after June 28, 2002]. Any person aggrieved by the final decision and order of the [examiner] eviction board may institute proceedings for review in the circuit court within thirty days after receipt of the decision as provided in section [201G-57,] 356D-96, HRS. [Eff 8/6/04; am and ren ] (Auth: 24 CFR §966.4; HRS

SS356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS  
SS356D-96, 356D-98)

## SUBCHAPTER 5

## MISCELLANEOUS PROVISIONS

§17-2020-51 Severability. If any part, section, sentence, clause, or phrase of these rules or its application to any person or circumstance is for any reason held to be unconstitutional or invalid, the remaining parts, sections, sentences, clauses, and phrases or applications of these rules to other persons or circumstances shall not be affected.

[Eff 8/6/04; comp ] (Auth: HRS §§356D-4, 356D-13, 356D-98) (Imp: HRS §356D-98)

§17-2020-52 Number. The use of all words used in the singular shall extend to and include the plural.

[Eff 8/6/04; comp ] (Auth: HRS §§356D-4, 356D-13, 356D-98) (Imp: HRS §356D-98)

[§17-2020-53 Termination of rental agreement based on Public Law 104-120. The corporation may also terminate a rental agreement as provided for in section 15-190-59.]" [[Eff 8/6/04; R ] (Auth: 42 U.S.C. §1437d; Pub. L. 104-120; HRS §§356D-4, 356D-13, 356D-98) (Imp: 24 CFR §966.4; HRS §§356D-92, 356D-98)]

2. Material, except source 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 17-2020, 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

## FOR ACTION

**MOTION:** To Adopt Amendments to and Compilation of Chapter 15-185-25 "Section 8 - Housing Choice Voucher Program", Hawaii Administrative Rules, and Adopt Amendments to the Section 8 Housing Choice Voucher Program's Administrative Plan to Remove Waitlist Preferences, to Update all Chapter Numbers, and Update References to Applicable State Statutes and Federal Regulations, Subject to Review by the Department of the Attorney General; and to Authorize the Executive Director to Take All Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments, including Amending the Rules to Incorporate Revisions Recommended by the Department of the Attorney General

### I. FACTS

- A. This For Action is the result of the Hawaii Public Housing Authority's Board of Directors approval to amend the Five Year and Annual Public Housing Agency (PHA) Plan on January 17, 2013, which included the removal of existing preferences for the Section 8 Housing Choice Voucher Program and provided that Housing Choice Vouchers would be awarded to applicants by date and time of the application.
- B. Sections 356D-4 and 356D-13 (Attachment A) authorize the HPHA to adopt administrative rules with the force and effect of law to govern its federal programs.
- C. The establishment of local preferences for the selection of families admitted to the program is a PHA option. The U.S. Department of Housing and Urban Development (HUD) PIH notice 2012-15 regarding Streamlining Administrative Practices in the Housing Choice Voucher program, recommended to PHAs needing to reduce administrative burden and administrative costs to eliminate all local preferences and house families solely by date and time of application (Attachment B). HUD's reasoning was that this approach eliminates the staff time needed to verify the preferences and the ongoing monitoring of the waiting list to ensure compliance with the preference system. The PIH Notice required PHAs to amend the Section 8 Administrative Plan to reflect this change.
- D. The HPHA has consistently managed the Section 8 Housing Choice Voucher Program in accordance with Chapter 15-185-25, Hawaii

Administrative Rules (HAR), "Section 8 – Housing Choice Voucher Program", as well as the Section 8 Administrative Plan. Amendments to these documents are necessary to effectuate the removal of the preferences.

- E. The Hawaii Administrative Rules for the Section 8 HCV program have not been updated since December 3, 2001, and still bear references to the Housing and Community Development Corporation of Hawaii, and Chapter 201G, Hawaii Revised Statutes. Additionally, the administrative rules need to be renumbered from Title 15 under the Department of Business Economic Development and Tourism to Title 17 under the Department of Human Services.
- F. 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 give thirty days' notice to the public and hold hearings on the Islands of Kauai, Oahu, Maui, and Hawaii.
- G. 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 Lieutenant Governor.

## II. DISCUSSION

- A. The HPHA's intention in removing the waitlist preferences is to streamline the application process and remove administrative burdens from the leasing staff, saving time and resources resulting in fast processing of families; to increase the issuance of vouchers and funding for the participants; and to avoid the recapture of HAP funds due to the delays in processing applicants.
- B. The HPHA had met with and discussed the preference changes with the Resident Advisory Board in September 2012. The Resident Advisory Board approved the changes to the preference criteria.
- C. The proposed amendments to Chapter 15-185, HAR, would update the rules regarding preferences to determine eligibility for housing assistance. All clients would be called up from the waitlist according to the date and time of their application. The Hawaii Administrative Rules will be amended as follows:

1. By repealing Section 15-185-25, HAR, in its entirety.
2. By amending Section 15-185-26(c), HAR, to read as follows:

(c) Placement of applicants on the waiting list shall be based upon ~~[the following:~~

- ~~(1) Applicable local preferences; and~~
- ~~(2) Date] date and time of application's receipt.~~

3. By amending Section 15-185-29(a), HAR, to read as follows:

(a) Selection for certification shall be from the established waiting list and shall be based on ~~[the following:~~

- ~~(1) Applicable local preferences; and~~
- ~~(2) Date] date and time of receipt of application.~~

These amendments can be seen in Ramseyer format in Attachment C. Any other references to placement by preferences that may be found in Chapter 15-185, HAR, will also be removed.

- D. The proposed amendment to the Section 8 Housing Choice Voucher Administrative Plan would also update HPHA policies regarding preferences to determine eligibility for housing assistance. All clients would be called up from the waitlist according to the date and time of their application. The Section 8 Administrative Plan will be amended to remove all preferences for eligibility as follows:

#### 4-III.C. Selection Method

\*\*\*\*

#### PHA Policy

~~[Each preference is of equal weight and an applicant who qualifies for any of the preferences shall receive a voucher before any other applicant who is not so qualified regardless of (1) Place on the waiting list; of (2) date or time of submission of an application.]~~  
Eligible applicants shall be certified in the order of the dates and times in which their applications are received.

All preferences or references to placement by preferences subsequently listed in the Administrative Plan will be deleted as detailed in Attachment D, as well as elsewhere in the Administrative Plan.

- E. This motion was previously considered by the Board of Directors at the Regular Meeting on March 21, 2013.
- F. During that meeting, several homeless providers and individuals testified against the removal of the homeless preferences for admission to the public housing program. (Our assumption was that they may have been misinformed about the public housing program and were testifying against removal of preferences for the section 8 program instead.)
- G. Subsequent to the Board meeting, the HPHA met with the State's Homeless Coordinator and several homeless providers/advocates for each side to have a better understanding of the pertinent issues surrounding this proposed action. Based on those discussions, the staff are resubmitting this proposed action for the Board's reconsideration.
- H. Staff has also prepared Attachment E, which outlines the comparison of the process for placing applicants with and without preferences. Staff is currently working on category 1 applications dated 2006, which consist of involuntary displaced, victims of domestic violence, and homeless. The timeline shows that due to continuous changes in applicant status, and to verify and re-verify qualification for preference, it takes staff approximately 3-8 weeks longer to place new applicants with preferences in place. This delay equates to loss of funding for those months that vouchers cannot be issued for, which cannot be recouped.
- I. Section 8 waitlist records indicate that of the over 2,300 families who are currently on the waitlist, about 350 eligible families who do not qualify for a category 1 preference have been on the waitlist for over 10 years, and 50 eligible families have been on the waitlist for over 20 years.
- J. Staff has confirmed that the City and County of Honolulu has a limited preference for homeless individuals that allows the City to use up to 5% of total budget authority for this preference, and to be eligible for the preference, the individual must be actively participating in and continue to participate in and meet the requirements of a HUD program for the homeless. Currently, HUD only has one program in Honolulu that would qualify an individual for this preference.
- K. Following approval of the Board, the staff will work with the Department of the Attorney General to incorporate any nonsubstantive revisions recommended by the Department of the Attorney General, and update all chapter numbers from Title 15 under the Department of Business Economic Development and Tourism to Title 17 under the Department of Human Services. All references to the Housing and Community Development Corporation of Hawaii and §201G, Hawaii Revised Statutes will be revised to the Hawaii Public Housing Authority and its authorizing

statute §356D, Hawaii Revised Statutes. All references to the federal regulations will be updated or revised to the correct federal citations.

- L. Following approval from the Governor to hold public hearings on the proposed amendments, the Executive Director will hold public hearings on the Islands of Kauai, Oahu, Maui, and Hawaii at a date and locations to be determined.
- M. 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.
- N. After the public hearings, the Executive Director will transmit amendments to and compilation of Chapter 15-185, HAR, as amended, to the Governor for final approval provided that no substantive amendments are made. Staff anticipates the following updated approximate schedule of the process:

<u>Action</u>	<u>Timeframe</u>
Board For Action (adopt amendments)	April 18, 2013
Receive AG approval	May 3, 2013
Request to Governor for public hearing	May 6, 2013
Receive Governor authorization	May 20, 2013
Publish hearing notice (30 day notice)	May 27, 2013
Public Hearing	June 27, 2013
Finalize Rule/Transmit to Governor for Adoption	July 5, 2013
Rule effective	July 22, 2013

### III. RECOMMENDATION

That the HPHA Board of Directors adopt amendments to and compilation of Chapter 15-185-25 "Section 8 - Housing Choice Voucher Program", Hawaii Administrative Rules, and adopt amendments to the Section 8 Housing Choice Voucher Program's Administrative Plan to Remove Waitlist Preferences, to Update all Chapter Numbers, and Update References to Applicable State Statutes and Federal Regulations, Subject to Review by the Department of the Attorney General; and to Authorize the Executive Director to Take All Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 09-01, to Implement the Amendments, including Amending the Rules to Incorporate Revisions Recommended by the Department of the Attorney General

Attachment A: Sections 356D-4, and 356D-13, Hawaii Revised Statutes

Attachment B: February 25, 2013 Letter from Assistant Secretary Sandra Henriquez and HUD Notice PIH 2012-15

Attachment C: Chapter 15-185, Hawaii Administrative Rules (Ramseyer format)

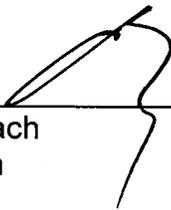
Attachment D: Chapter 4-III.C, Section 8 Administrative Plan (Ramseyer format)

Attachment E: Housing Choice Voucher Placement Time: Timeline of Preference vs. No Preference application processing

Prepared by: Stephanie Fo, Acting Section 8 Branch Chief SF

Reviewed by Kiriko Oishi, Chief Compliance Officer KO

Approved by the Board of Directors  
on the date set forth above

  
\_\_\_\_\_  
David Gierlach  
Chairperson

## Attachment A

**The Hawaii Public Housing Authority's authorizing statutes allow the HPHA to adopt administrative rules with the force and effect of law to govern its federal programs.**

**[§356D-4] General powers of the authority.** (a) The authority may:

- (1) Sue and be sued;
- (2) Have a seal and alter the same at pleasure;
- (3) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and
- (4) Adopt bylaws and rules in accordance with chapter 91 for its organization, internal management, and to carry into effect its purposes, powers, and programs.

(b) In addition to other powers conferred upon it, the authority may do all things necessary and convenient to carry out the powers expressly provided in this chapter. [L 2006, c 180, pt of §2]

**[§356D-13] Administration of federal programs.** (a) The authority may carry out federal programs designated to be carried out by a public housing agency, or entity designated by the authority.

(b) The authority shall adopt necessary rules in accordance with chapter 91, including the establishment and collection of reasonable fees for administering the program, to carry out any federal program in subsection (a).

(c) All fees collected for administering the program may be deposited into an appropriate special fund of the authority and may be used to cover the administrative expenses of the authority. [L 2006, c 180, pt of §2]



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

OFFICE OF PUBLIC AND INDIAN HOUSING

February 25, 2013

Dear Executive Director:

**Subject: Corrected: 2013 Budget Update–Potential Sequestration Cuts - Housing Choice Voucher Program**

The purpose of this letter is to provide your agency with an update on the 2013 HCV Budget situation with regard to the possible funding cuts resulting from sequestration. It also provides guidance on actions your agency may wish to consider if you have not already done so given these potential cuts. HUD encourages you to share this letter with your Section 8 Housing Choice Voucher Director, your Chief Financial Officer, and your Board of Commissioners.

**Background:**

The Housing Choice Voucher Program is currently operating under a Continuing Resolution that expires on March 27, 2013. This means that the Housing Choice Voucher Program continues to be funded at last year's level until an Appropriations Act is passed or Congress takes other action. This year, HUD programs, including the Housing Choice Voucher Program, may also be subject to "sequestration" cuts. Sequestration refers to a series of automatic across-the-board cuts to domestic and defense programs outlined in the Budget Control Act of 2011. These cuts occur if Congress does not pass a deficit reduction package by March 1, 2013.<sup>1</sup>

**Potential Impact of Sequestration and Mitigation Strategies**

If sequestration occurs, there will be an immediate across-the-board cut to the HCV program funding from FY 2012 funding levels for the remainder of 2013. (Based on the projected renewal eligibility for 2013, this will result in a proration of approximately 94 percent of estimated renewal need.) Since these cuts could have a profound impact on your PHA's ability to serve families, the Department is encouraging PHAs to take measures to mitigate the potential impact of these funding cuts on the families that you serve. Given the nature of the program, some PHAs will be more at risk in being able to cope with funding reductions. Housing Authorities with low turnover rates, with increasing per unit cost trends and with low HAP reserves need to be particularly cautious. HUD is requesting that if you have not already done so, you take the following measures to ensure that your agency does not experience a funding shortfall and is able to continue to assist all HCV participants.

- (1) Utilization of the HCV Forecasting Tool: HUD has developed a HCV forecasting tool that is available on-line for PHA use.<sup>2</sup> The tool will assist you in mapping out various funding scenarios for your agency, with the ability to adjust for factors such as attrition and success rates. Please contact your local field office for any questions or technical assistance on using the tool.

<sup>1</sup> The American Taxpayer Relief Act, passed January 1, 2013, delayed the effective date of sequestration cuts to March 1, 2013.

<sup>2</sup>The utilization tool is found on the Office of Housing Voucher Programs webpage under "Related Program Information" at [www.hud.gov](http://www.hud.gov)

**Regardless of whether your agency uses the HCV utilization tool or its own forecasting process, it is critical that an analysis is done to determine whether your agency should be issuing vouchers to applicants at this time in light of these potential cuts.** In the past, certain PHAs have experienced funding shortfalls due to continued or increased leasing without the available budget authority to support the vouchers throughout the calendar year.

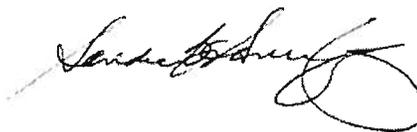
While it is possible that the sequestration cuts may be a temporary measure, it will be necessary during this uncertain budget climate to manage resources so as to minimize the effect of sequestration on existing HCV participants.

- (2) HUD encourages your agency to review PIH Notice 2011-28, which provides guidance on administrative flexibility and actions PHAs may take to reduce costs in the Housing Choice Voucher Program. Suggested actions listed in the Notice include lowering payment standards, reviewing utility allowances, changing portability and moves policies. Further, PHAs may wish to consider revising subsidy standards to reduce over-housed families, increasing minimum rents, and redoubling efforts to eliminate fraud and abuse. Early implementation of these measures may allow your PHA to better manage any proration in its funding over the course of the calendar year.

Sequestration will also have a significant impact on Administrative Fee Funding to PHAs in 2013. The formula for sequestration cuts will result in an administrative fee proration of approximately 69 percent of fee eligibility. This deep proration, following the significant prorations of the past few years, could pose major challenges for PHAs in managing their HCV programs. PHAs should begin to make plans for this contingency if they have not done so already. PHAs are encouraged to review PIH Notice 2012-15, Streamlining Administrative Practices in the Housing Choice Voucher Program. PHAs are encouraged to refer to PIH Notice 2013-3, which provides options to PHAs in meeting certain program requirements during this period of decreased resources.

If you have any questions concerning this letter or how to use the HCV forecasting tool, please contact your local Field Office. If you believe that your agency might be at risk of being in a funding shortfall position as a result of these potential funding cuts or any other reason, please also contact your local Field Office.

Sincerely,



Sandra B. Henriquez  
Assistant Secretary  
Office of Public and Indian Housing



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

Special Attention of: Section 8 Public  
Housing Agencies; HUD Office of  
Public Housing Directors; Section 8  
Financial Management Center

**Notice:** PIH 2012-15 (HA)

Issued: February 27, 2012

Expires: This notice remains in effect until  
amended, superseded, or rescinded

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**Subject: Streamlining Administrative Practices in the Housing Choice Voucher  
Program**

- 1. Purpose.** This Notice provides guidance on actions public housing agencies (PHAs) administering the Housing Choice Voucher (HCV) program may take to streamline administrative practices and reduce administrative costs.
- 2. Background.** The statutory authority for administrative fees is found in section 8(q) of the United States Housing Act of 1937. However, in recent years, the appropriations acts have specified the formula by which HUD must calculate how administrative fees are calculated. Since 2008, the appropriations acts have directed HUD to calculate administrative fees based on the formula in section 8(q) prior to enactment of the Quality Housing and Work Responsibility Act of 1998 (and related appropriations acts). This formula uses the higher of the 1993 or 1994 two-bedroom Fair Market Rent. PHAs were paid 7.65 percent of that rent for the first 600 units under lease and 7.5 percent for the remaining units. These per unit rates are adjusted annually by local wage rate data.

Since 2008, Congress has not appropriated 100 percent of funding eligibility under the formula. Based on the amount of funding for administrative fees in H.R. 2112, Consolidated and Further Continuing Appropriations Act, 2012, enacted on November 18, 2011, the Department is expecting the proration to be approximately 75 percent for fiscal year 2012. The reduction in administrative fees makes it necessary for many PHAs to streamline their business practices and look for ways to reduce costs. This Notice provides guidance that PHAs may wish to consider in order to reduce administrative burdens and administrative costs.

PHA administrative fees must only be used for HCV program expenses. These include but are not limited to: (1) waiting list management and updates; (2) preference verifications; (3) eligibility determinations; (4) intake and briefings; (5) voucher issuances; (6) owner outreach efforts; (7) unit inspections; (8) rent negotiations and reasonableness determinations; (9) annual and interim income reexaminations; (10) tenant fraud investigations and hearings; (11) processing subsequent moves, including

portability moves outside the PHA jurisdiction; (12) the costs associated with making housing assistance payments to owners; and (13) monthly reporting in HUD systems (VMS, PIC, FASS, SEMAP).

3. **PHA Actions to Reduce HCV Administrative Costs.** The following cost-saving measures are optional and have varying degrees of impact on each PHA. The PHA should consider the impact of each action prior to implementation. PHAs must continue to comply with all program requirements, regardless of whether the PHA is experiencing financial difficulties, and regardless of what cost savings measures are taken. This is not intended to be an exhaustive list of PHA cost savings actions.

a. **Use of Upfront Income Verification (UIV) Tools.** UIV is the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals. The use of UIV tools can reduce the administrative time spent verifying income of participants because time-consuming third party verification methods can be avoided. UIV tools include but are not limited to the EIV System, the Work Number, and Advanced HR Solutions. PHAs should review Notice PIH 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System, and further revisions or extensions for compliance with EIV requirements.

b. **Verifying HQS Deficiencies Remotely for Annual or Interim Inspections.** If the PHA determines that a unit does not meet the Housing Quality Standards (HQS) requirements during an annual or interim inspection, verification that the deficiencies are corrected may be done by means other than a re-inspection. The regulation at 24 CFR 982.404(a)(3) states that the PHA must verify the correction of deficiencies but does not prescribe a particular method. For example, a PHA might accept an owner's certification, a receipt from a vendor, a photo of the repair or tenant confirmation that required repairs are complete and then verify that action at the next on-site inspection. Further, a PHA might tie the verification process to the severity of corrections needed and/or its experience with the owner and property. PHAs must include in the PHA's Administrative Plan how the PHA will verify the correction of HQS deficiencies.

In the case of initial inspections, the PHA is required to conduct an actual follow-up on-site inspection if the unit does not pass HQS pursuant to the initial inspection. Additionally, in the case of project based vouchers, the PHA is required to conduct follow-up inspections to determine if the HQS deficiency is corrected pursuant to 24 CFR 983.103(e)(2). Please refer to Notice PIH 2011-29 for additional information related to HQS inspections.

c. **Separating the Annual HQS Inspection from the Annual Reexamination of Income.** Many PHAs time the annual HQS inspections to coincide with the tenant's annual reexamination of income. However, this is not a regulatory requirement and may not be the most efficient method of

completing annual HQS inspections. Separating these two functions may allow a PHA to schedule inspections based on geographic areas resulting in a more efficient use of staff time and a reduction in transportation costs.

PHAs should be aware that implementing this step would require the submission of an additional form HUD-50058, Family Report, into the PIC system. In accordance with Notice PIH 2010-25, Timely Reporting Requirements of the Family Report (form HUD-50058 and form HUD-50058 MTW), and any subsequent revisions, the Department has determined that reports must be submitted no later than 60 calendar days from the effective date of **any** action recorded on line 2b of the form HUD-50058 or form HUD-50058 MTW.

- d. **Eliminating Interim Reexaminations for Increases in Income.** PHAs may wish to consider the administrative costs of processing interim increases in income compared to the reduction in HAP expenses. Although many PHAs conduct interim reexaminations for increases in participant's income, the regulations do not require this action. The regulations at 24 CFR 982.516 require a PHA to develop policies prescribing when and under what conditions the family must report a change in family income or composition. Therefore, a PHA may adopt policies that do not require families to report increases in income until the next annual reexamination.

PHAs should consider the impact on the PHA's HAP expenses before implementing such a policy. For example, a PHA might conduct an analysis of the previous year's interim reexaminations to determine the effect on HAP expenses before the PHA takes any action.

Another alternative is to implement a policy where the PHA only requires the family to report an increase in income above a set threshold. This policy would decrease the number of interim reexaminations that the PHA must conduct. This approach creates a balance between the staff resources required to conduct the interim reexamination and the reduction in HAP expenses for the PHA. For example, a PHA could require an increase of at least \$5,000 in annual income before a family is required to report a change and the PHA conducts an interim reexamination.

PHAs are required to include in their Administrative Plan their policy on when an interim reexamination will be conducted. PHAs must conduct an interim reexamination if requested by the family due to a change in income or family composition.

- e. **Closing the Waiting List.** If a PHA has sufficient applicants on its waiting list to house families for a reasonable period of time based on past leasing rates, the PHA may close the waiting list to reduce the administrative tasks associated with accepting and processing applications. The PHA must comply with the requirements established in 24 CFR 982.206 for opening and closing the waiting list.

- f. **Eliminating Waiting List Preferences.** The establishment of local preferences for the selection of families admitted to the program is a PHA option. PHAs needing to reduce administrative burdens could elect to eliminate all local preferences and house families solely by the date and time of the application. This approach eliminates the staff time needed to verify the preferences and the on-going monitoring of the waiting list to ensure compliance with the preference system. The PHA would be required to amend the Administrative Plan to reflect the policy adopted.
- g. **Conducting Group Briefing Sessions.** The regulations at 24 CFR 982.301 outline the requirements of a PHA briefing for families selected to participate in the tenant-based program. The regulations do not prohibit a PHA from conducting these briefings in a group setting. Many PHAs follow this approach and it significantly reduces the amount of time PHA staff spends on the voucher briefing and issuance process.
- h. **Eliminating the Process of Screening Families for Tenant Suitability.** Screening families for suitability for tenancy is discretionary for PHAs as stated in 24 CFR 982.307. Owners are responsible for screening families on the basis of their tenancy history and may include factors such as: payment of rent and utility bills; caring for a unit and premises; respecting the rights of other residents to the peaceful enjoyment of their housing; drug related criminal activity or other criminal activity that is a threat to the health, safety or property of others; and compliance with other essential conditions of tenancy. The PHA's Administrative Plan must state the policies on screening applicants for suitability.

The PHA must comply with the requirements outlined in 24 CFR 982.553, Denial of Admission and Termination of Assistance for Criminals and Alcohol Abusers, when determining eligibility for an applicant or participant.

- i. **Absorbing Portability Vouchers.** In order to reduce the administrative task associated with portability billing arrangements, a PHA may absorb incoming portability families as long as they are financially able to do so. A receiving PHA cannot "absorb" a family into its HCV program until it executes a HAP contract on behalf of the family that moves to a new unit. PHAs may not engage in sham or fake portability paperwork exercises in an attempt to address their utilization or leasing problems. If the family is not placed under a HAP contract for a new unit in the receiving PHA's jurisdiction, the receiving PHA cannot absorb the family. PHAs should refer to Notice PIH 2011-3 for additional guidance on portability.
- j. **Limiting Portability and Moves within the PHA Jurisdiction.** The HCV program regulations at 24 CFR § 982.314(c) allow PHAs to adopt policies that prohibit moves during the initial lease term and prohibit more than one move by the family during any one year period. A PHA may only deny a move where the requested move is voluntary. A PHA must not deny moves for a unit that does not pass HQS or for a family requesting assistance under

the Violence Against Women Act (VAWA). PHAs should refer to Notice PIH 2011-3 for additional guidance on portability.

- k. **Streamlining the Reexamination Process.** PHAs should review their policies and procedures for conducting annual reexaminations of income to remove unnecessary steps. Removing unnecessary steps will reduce the amount of time spent on the annual reexamination process and allow staff to complete other responsibilities.
- The PHA should collect certain documents only at initial occupancy such as birth certificates and declarations of U.S. citizenship. However, HUD staff often sees multiple copies of these documents in tenant files because the PHA is collecting them unnecessarily at each annual reexamination.
  - Notice PIH 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System, page 4, which is extended by Notice PIH 2011-25, provides updated information regarding written third party verification that can reduce the administrative burden of verifying income. The Notice clarifies that Written Third Party Verification, (Level 4), can be an original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date and that such documentation may be in the possession of the tenant (or applicant). In the past, written third party verification had to come directly from the source and could not be in the tenant's possession. It is the Department's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations. Please refer to Notice PIH 2010-19 for complete details.

- Notice PIH 2010-19, page 5, also makes an exception to obtaining third party verification for assets and expenses when: (1) the asset or expense to be verified is not a significant amount and would have minimum impact on the total tenant payment (TTP) **and** the PHA is able to verify the asset or expense through review of original documents provided by the tenant; or (2) an independent source does not have the capability of sending written third party verification directly to the PHA or does not facilitate oral third party verification; or (3) it is not cost effective or reasonable to obtain third party verification of assets and expenses.



administrative repayment agreement. Reasonable and necessary costs include the costs of the investigation, legal fees and collection agency fees. If HUD incurs costs on behalf of the PHA in obtaining the judgment, these costs must be deducted from the amount to be retained by the PHA.

Since these funds must only be used to support the Section 8 program, they can provide added relief to an agency's administrative costs. Please refer to 24 CFR 792, Public Housing Agency and Section 8 Fraud Recoveries, for a full explanation of fraud recoveries.

5. **PHA Plan Requirements.** Any cost-savings measures referenced in this Notice that would result in a policy change that constitutes a significant amendment or modification as defined in 24 CFR 903.7(r)(2) are subject to the requirements of §§ 903.13, 903.15, 903.17, and 903.21, which include a public hearing and comment period. **However, not all cost-savings measures constitute a significant amendment; the PHA must make that determination based on the PHA's definition of significant amendment as provided in their PHA plan.**

6. **Further Information.** Any questions regarding this Notice should be directed to the Housing Voucher Management and Operations Division, Office of Public Housing and Voucher Programs, at (202) 708-0477 (this is not a toll-free number).

7. **Paperwork Reduction Act.** The information collection requirements contained in this Notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3520). In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The information collection contained in this Notice has been approved under the PRA OMB Control Number 2577-0169.

/s/

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

Attachment C

HAWAII ADMINISTRATIVE RULES

TITLE 15

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT  
AND TOURISM

SUBTITLE 14

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF  
HAWAII

CHAPTER 185

SECTION 8 - HOUSING CHOICE VOUCHER PROGRAM

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§15-185-1	Purpose
§15-185-2	Nondiscrimination
§15-185-3	Definitions
§15-185-4	Public notice to lower-income families
§15-185-5	Participation by owners and others
§15-185-6	Income limits
§15-185-7	Assets
§15-185-8	Subsidy and occupancy standards
§15-185-9	Allowance for utilities and other services
§15-185-10	Verification of information

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§15-185-22	Eligibility for admission and participation
§15-185-23	Income targeting
§15-185-24	Notification of eligibility
§15-185-25	Local preferences
§15-185-26	Waiting list
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~~§15-185-28~~ Closing and reopening the waiting list  
~~§15-185-29~~ Final application process - selection  
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- ~~§15-185-81~~ Family self-sufficiency program
- ~~§15-185-82~~ Eligibility
- ~~§15-185-83~~ Recruitment and outreach
- ~~§15-185-84~~ Selection
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SUBCHAPTER 8 Project-Based Section 8 Program

- ~~§15-185-91~~ Purpose
- ~~§15-185-92~~ Eligible projects
- ~~§15-185-93~~ Notification of project-based assistance
- ~~§15-185-94~~ Applications for project-based assistance; information required
- ~~§15-185-95~~ Preference
- ~~§15-185-96~~ Review and screening of applications
- ~~§15-185-97~~ Selection of project applications
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- ~~§15-185-99~~ Selection of eligible tenants

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- ~~§15-185-201~~ Severability
- ~~§15-185-202~~ Number

Historical Note: Chapter 185 of Title 15, Hawaii Administrative Rules, is substantially based upon Chapter 17-511, Hawaii Administrative Rules, [Effective 2/18/82; am 10/31/88; R

DEC 03 2007 1

SUBCHAPTER 1

GENERAL PROVISIONS

§15-185-1 Purpose. These rules are adopted under chapter 91, HRS, and shall govern the implementation of the management requirements of the housing choice voucher program authorized by the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, and the Quality Housing Work Responsibility Act (QHWRA) of 1998, and establishes the role and responsibility of the participants and the housing and community development corporation of Hawaii. [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; C.F.R. §982.54)

§15-185-2 Nondiscrimination. (a) The corporation shall not deny any family or individual the opportunity to apply for or receive assistance under this chapter on the basis of race, color, sex, religion, marital status, creed, national or ethnic origin, age, familial status, handicap or disability or HIV infection.

(b) The corporation shall comply with federal and state nondiscrimination laws and with rules and regulations governing fair housing and equal opportunity in the administration of the program. The corporation shall provide a family with the United States Department of Housing and Urban Development discrimination complaint form and information on how to file a fair housing complaint if the family claims that discrimination prevented them from finding or leasing a suitable unit under the program. [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-5; 24 C.F.R. §§982.53, 982.304)

§15-185-3 Definitions. As used in this chapter:

"Adjusted income" means "annual income" minus any HUD allowable expenses and deductions as defined in 24 C.F.R. §5.611, which is incorporated by reference and attached as exhibit A.

"Annual income" means the gross amount of income anticipated to be received by the family during the twelve months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income which has been excluded by HUD, as defined in 24 C.F.R. §5.609, which is incorporated by reference and attached as exhibit B.

"Applicant" means an individual or family that submits an application for admission to the program but is not yet a participant in the program.

"Assets" or "net family assets" means net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment as defined in 24 C.F.R. §5.603, which is incorporated by reference and attached as exhibit C.

"Board" means the board of directors of the housing and community development corporation of Hawaii.

"Certificate" means a document issued by the corporation to a family selected for admission to the certificate program.

"C.F.R." means the United States Code of Federal Regulations.

"Community wide" means inclusive of any location that is under the jurisdiction of the corporation.

"Continuously assisted" means that the applicant is currently receiving assistance under any program of the U.S. Housing Act of 1937, as amended, and there is no break in assistance to the family.

"Contract rent" means the total rent payable to the owner of a dwelling unit through a housing assistance payments contract.

"Corporation" means the housing and community development corporation of Hawaii, the successor to the Hawaii housing authority.

"Covered families" means families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance."

"Disabled family" means a family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

"Domestic violence" means the actual or threatened physical violence directed against a family member by a spouse or other household member who lives in the unit with the family.

"Drug related criminal activity" means the manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance as defined in 21 U.S.C. 802 and which activity is conducted on or near the premises of the assisted dwelling unit.

"Dwelling unit" means a residential unit accepted for lease in the program.

"Economic self-sufficiency program" means any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families.

"Elderly" or "elderly family" means a family whose head, spouse, or sole member is a person who is at least sixty-two years of age; or two or more persons who are at least sixty-two years of age living together; or one or more persons who are at least sixty-two years of age living with one or more live-in aides.

"Eligible family" means a family that meets the qualifications and requirements of the program.

"Executive director" means the executive director of the corporation or the executive director's designated representative.

"Extremely low income family" means a family whose annual income does not exceed thirty per cent of the median income for the area, with adjustments for smaller and larger families, except that income ceilings higher or lower than thirty per cent of the median income for the area may be established if such variations are necessary because of unusually high or low family incomes.

"Fair market rent" or "FMR" means the rent including the cost of utilities (except telephone or cable television), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities.

"Family" means:

- (1) Two or more persons who live or intend to live together as a unit and whose income and resources are available to meet the family's needs and who may be related by blood, marriage, or operation of law and whose head of family has reached the age of majority. Family may include foster children and hanai children;
- (2) An elderly family;
- (3) A disabled family;
- (4) A displaced family;
- (5) The remaining member of a tenant family who is recorded as an authorized occupant on the current list of household members and who has reached the age of majority; or
- (6) A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

"Family self sufficiency program" or "FSS program" means the program established by the corporation in accordance with 24 C.F.R. Part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services.

"Gross rent" means the contract rent plus allowances for utilities and other services.

"Hanai children" means a person or persons, under eighteen years of age, for whom an applicant or participant provides food, nourishment and support for a minimum period of at least a year or has been recognized in the household for support by the Department of Human Services and who is acknowledged as the applicant's or participant's child among friends, relatives and the community.

"HAP" means the monthly housing assistance payment by the corporation as defined in 24 C.F.R. §982.4 which includes:

- (1) A payment to the owner for rent under the family's lease and
- (2) Any additional payment to the family if the total assistance payment exceeds the rent to the owner.

"HAP contract" means housing assistance payments contract.

"HRS" means Hawaii Revised Statutes.

"Housing quality standards" means the HUD minimum quality standards for housing assisted under the tenant-based programs.

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

"Imputed welfare income" means the amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

"Involuntarily displaced" means an applicant who has vacated or may have to vacate the unit where the applicant lives because of one or more of the following:

- (1) Displacement by disaster;
- (2) Displacement by governmental action; or
- (3) Displacement by action of housing owner for reasons beyond the applicant's control and despite the applicant meeting all previously imposed conditions of occupancy. The action

- (4) taken by the owner is for reasons other than rent increase.

"Landlord" means either the owner of the property or his or her representative or the managing agent or his or her representative, as shall be designated by the owner.

"Live-in aide" means a person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well-being of the persons;
- (2) Is not obligated for the support of the persons; and
- (3) Would not be living in the unit except to provide the necessary support services.

"Owner" means any persons or entity having the legal right to lease or sublease a residential dwelling unit to a participant and includes, when applicable, a mortgagee.

"Participant" or "tenant" means a person or family that is receiving rental assistance in the program. Participation begins on the first day of the approved lease term.

"Payment standard" means the maximum monthly assistance payment for a family assisted in the voucher program before deducting the total tenant payment by the family.

"Portability" means the right to receive Section 8 tenant-based assistance outside of the jurisdiction of the initial public housing agency.

"Program" means the tenant-based Section 8 rental certificate and voucher programs.

"Resident" means a United States citizen or a permanent United States resident who is able to demonstrate his or her intent to reside in Hawaii. Intent to reside in Hawaii shall be demonstrated by the following: length of time spent in Hawaii; leasing or renting of a home in Hawaii; filing of personal Hawaii income tax returns; registering to vote in Hawaii; Hawaii driver's license; record of Hawaii residency; enrollment of minor children in Hawaii schools; establishment of bank accounts and other

accounts in Hawaii; written reference from Hawaii residents, relatives, or social agencies; and any other indicia which could substantiate a claim of an intent to reside.

"Security deposit" means the deposit required by an owner from a participant as defined in the Residential Landlord-Tenant Code, §521-44, HRS.

"Utility allowance" means the value of utilities such as electricity, gas, and water costs that are included in the gross rent of the participant. This does not include telephone or cable TV services.

"Veteran" means a person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released from active service under conditions other than dishonorable.

"Violent criminal activity" means any illegal criminal activity that has one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

"Voucher" means a document issued by the corporation to a family selected for admission to the voucher program.

"Voucher holder" means an applicant who has a valid voucher, but not an approved lease.

[Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. **Parts 5 and 982**)

§15-185-4 Public notice to lower-income families. The corporation shall inform the public of the availability and nature of housing assistance for families within allowed income limits through publications of general circulation and shall ensure wide and appropriate coverage.

[Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. **§982.206**)

§15-185-5 Participation by owners and others. The corporation shall invite eligible owners, including owners of suitable units located outside of

poverty or racially concentrated areas, to make dwelling units available for leasing by eligible families and to expand opportunities for disabled persons. [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§ 982.54) and 982.306)

§15-185-6 Income limits. (a) Income limits for a family's participation in the program shall be the same income limits established by HUD for its section 8 tenant-based housing choice voucher program, which are incorporated by reference and attached as exhibit D.

(b) Applicable income limits as provided in subsection (a) shall be published once per year in a publication with wide circulation, be posted at all times in a conspicuous place at the corporation's offices that accept applications, and printed in the corporation's informational materials on eligibility for the programs. [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §5.607)

§15-185-7 Assets. All assets held by each member of an eligible family shall be used to determine annual income. [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §5.609)

§15-185-8 Subsidy and occupancy standards. (a) The corporation shall establish subsidy standards that shall provide for a minimum commitment of subsidy while avoiding overcrowding. The subsidy standards are incorporated by reference and attached as exhibit E.

(b) The standards determine the number of bedrooms to be entered on the voucher and not a family's actual living arrangement.

(c) The corporation's occupancy standards follow the occupancy codes of the County in which the unit is located. The occupancy standards are incorporated by

§15-185-8

reference and attached as exhibit F. [Eff  
DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS  
§201G-32; 24 C.F.R. §§982.54(d)(9), 982.401, 982.402)

§15-185-9 Allowance for utilities and other services. (a) The corporation shall maintain a utility allowance schedule for utilities and other services that shall be coordinated with the allowance schedules of the respective counties. The utility allowance schedules are incorporated by reference and attached as exhibit G.

(b) On request from a family that includes a person with disabilities, the corporation shall approve a utility allowance which is higher than the applicable amount in the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 C.F.R. part 8 to make the program accessible to and usable by the family member with a disability.

(c) A participant shall receive a utility reimbursement when the utility allowance exceeds the total tenant payment. [Eff DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.517)

§15-185-10 Verification of information. (a) The corporation shall require an applicant or participant to provide documentation verifying information provided by the family relating to the program.

(b) An applicant or participant who fails to provide documentation to verify information requested by staff shall be ineligible for participation in the program.

(c) Verification documents shall be valid for the following lengths of time:

- (1) For applicants, sixty days before the voucher is issued to the applicant.
- (2) For participants, one hundred twenty days from the date received by the corporation.

[Eff **DEC 03 2001** ] (Auth: HRS §201G-15)  
(Imp: HRS §201G-15; 24 C.F.R. §§982.201,  
982.551; 982.552; 982.553)

SUBCHAPTER 2

ELIGIBILITY

§15-185-21 Applications. (a) A family seeking to participate in the program shall submit a completed pre-application form prepared by the corporation. The applicant is permitted to file an application in person or by mail and at any of the corporation's applications offices for any and all waiting list areas prescribed in section 15-185-26.

(b) The initial pre-application review shall not require an interview. Only applicants who are determined eligible in the initial review shall be placed on the waiting list. A final eligibility review shall be conducted when the applicant reaches the top of the waiting list.

(c) An applicant who has misrepresented material information may not be eligible to file an application with the corporation. [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.201, 982.202)

§15-185-22 Eligibility for admission and participation. (a) To be eligible for participation in the program, an applicant and household members shall meet all of the requirements of the pre-application and final-application phases as set forth below:

- (1) During the pre-application phase, the applicant and adult household members shall:
  - (A) Qualify as a family;
  - (B) Be income eligible as determined under section 15-185-6;

- (C) Not have an outstanding debt owed to the corporation as a participant in any of its programs;
- (D) Not have an outstanding liability for unpaid rent or damages incurred while previously participating in any section 8 rental subsidy program;
- (E) Provide a social security number for all family members who are at least six years of age or certify that the person does not have a social security number;
- (F) Not have been evicted since March 1, 1985 from a public housing program administered by the corporation or its predecessor, Hawaii housing authority;
- (G) Not have been terminated for assistance under the program;
- (H) Not have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- (I) Within one year of the projected date of voucher award, not have been engaged in any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, right of peaceful enjoyment of the premises by other residents, the owner, or corporation employees;
- (J) Not be illegally using a controlled substance or give the corporation a reasonable cause to believe that the illegal use (or pattern of illegal use) of a controlled substance or abuse of alcohol (or pattern of abuse) may interfere with the health, safety, or right to peaceful enjoyment of a rental premises by other residents;
  - (i) For the purposes of this subsection, "reasonable cause to

- believe" means by a preponderance of the evidence;
- (ii) For the purposes of this subsection, in determining whether to deny eligibility based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol, the corporation may consider rehabilitation as provided for under 42 U.S.C. §13661(b)(2)(A)-(C) effective October 1, 1999, which is incorporated by reference and attached as exhibit H;
  - (K) Not be engaged in any drug-related criminal activity or violent criminal activity which would adversely affect the health, safety, right to peaceful enjoyment of the premises by other residents, the owner, or corporation employees;
  - (L) Not have been convicted of the manufacture, production, or distribution of methamphetamines; and
  - (M) Not subject to lifetime registration requirements under any State sex offender's registration program.
- (2) During the final application phase the applicant and all adult household members shall meet the requirements set forth in subsection 15-185-22(a)(1), as well as the following requirements:
- (A) Not engaged in or threatened abusive or violent behavior toward the corporation's personnel. For purposes of this subsection, "threatened" means an oral or written threat or physical gestures that communicate an intent to abuse or commit violence. Abusive or violent behavior may be verbal or physical and include use of expletives that are generally considered

insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate; and

- (B) Furnish evidence of citizenship or eligible immigrant status as provided for in 24 C.F.R. §5.508, which is incorporated by reference and attached as exhibit I.

(b) An applicant who is continuously assisted under the U.S. Housing Act of 1937 shall be admitted to the program as though the applicant was already a program participant.

(c) A participant shall not receive a voucher at the same time as other rent supplement or housing benefits including state rent supplement payments authorized under chapter 201G-236, Hawaii Revised Statutes.

(d) Before the corporation denies or terminates assistance on the basis of a criminal record, the corporation shall provide the applicant or participant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record pursuant to section 15-185-71 or 15-185-72.

[Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§5.216, 982.201, 982.202, 982.307, 982.551, 982.552, 982.553)

§15-185-23 Income targeting. At least seventy five per cent of families admitted to the program during the fiscal year from the waiting list shall be extremely low income families. [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.201)

§15-185-24 Notification of eligibility. (a) An applicant shall be mailed a written notification after an eligibility determination is made. The notification shall specifically state the reasons for the determination.

(b) An eligible applicant shall be placed on the waiting list.

(c) An applicant determined to be ineligible for admission or participation in the program shall be accorded an opportunity to request for an informal review as set forth in section 15-185-71. [Eff

DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.554)

§15-185-25 Local preferences. (a) Eligible applicants shall be given preference for certification in the program in the order of the dates of their applications if, at the time they are seeking housing assistance, they fall within the following preference categories:

- (1) The following preferences shall be given first priority but have equal weight within this group:
  - (A) Involuntarily displaced;
  - (B) Victims of domestic violence; or
  - (C) Homeless.
- (2) The following preferences shall be given second priority but have equal weight within this group:
  - (A) Living in substandard housing; or
  - (B) Paying more than fifty per cent of annual income for rent.
- (3) The following are other preferences that have equal weight:
  - (A) Working families and those unable to work because of age or disability;
  - (B) Veterans and veterans' surviving spouse;
  - (C) Residents who live or work in the jurisdiction (by county); or
  - (D) Victims of reprisals or hate crimes.

(b) Each preference in each priority group is of equal weight and an applicant who qualifies for any of the preferences shall receive assistance before any other applicant who is not so qualified regardless of:

- (1) Place on the waiting list; or

(2) Date or time of submission of an application.

(c) An applicant who is an elderly, disabled or displaced family with up to two members in the household shall be given preference over all other single applicants, regardless of the other single applicant's local preference.

(d) An applicant shall not receive preference if any adult member of the applicant family is a person who was evicted or terminated from any housing program operated by the corporation during the past three years because of drug-related criminal activities unless the adult member has successfully completed a rehabilitation program approved by the corporation.]

[Eff DEC 03 2007] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§5.405, 5.410, 5.415, 5.420, 5.425, 5.430, and 982.207)

§15-185-26 Waiting list. (a) The corporation shall maintain separate waiting lists for each of the islands of Oahu, Kauai, Maui, Molokai and Lanai, and for the west Hawaii-north Kohala district to south Kona district and the east Hawaii-Ka'u district to the Hamakua district, which is community wide in scope.

(b) Applicants shall be notified of the opportunity to apply for and be placed on any and all waiting lists through notices posted in a conspicuous place at the corporation's offices that accept applications and in a printed statement in the corporation's information material on its application process.

(c) Placement of applicants on the waiting list shall be based upon the following:

(1) Applicable local preference; and

(2) Date and time of application's receipt.

(d) An applicant must notify the corporation, at least annually, of any change that may affect the applicant's place on the waiting list and the corporation's ability to contact applicant. Changes include, but are not limited to, familial status,

financial status, [preference status,] mailing address and current residence.

(e) An applicant may continue to be on the waiting list even though the applicant is a tenant in or receiving housing assistance from another housing program. (Eff DEC 03 2001 (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.204))

§15-185-27 Removal from the waiting list. An applicant shall be removed from the waiting list for any one of the following reasons:

- (1) The applicant requests that applicant's name be removed;
- (2) The applicant fails to notify the corporation of applicant's continued interest for housing at least once every twelve months;
- (3) The applicant no longer meets the eligibility criteria set forth in section 15-185-22;
- (4) The applicant fails to respond to the corporation's reasonable contact efforts. Two written notices to the last known address shall constitute reasonable effort to contact;
- (5) The applicant fails without good cause to keep a scheduled interview or to provide requested information necessary to determine eligibility;
- (6) The applicant refuses a voucher for housing assistance; or
- (7) The applicant misrepresents any material information to the corporation on the application or otherwise. (Eff DEC 03 2001 (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.204(c)))

§15-185-28 Closing and reopening the waiting list. (a) The corporation may suspend the acceptance of applications and close the waiting list, in whole

or in part, when it is determined that there are enough applicants on the waiting list to fill anticipated openings for the next twenty-four months.

(b) The corporation may publicly announce any closure and reopening of the application taking process pursuant to section 15-185-4. If the list is opened for only a limited time, the opening announcement shall include the closing date and not require further notice. Publicly announce may include, but is not limited to, publishing notices in a newspaper of general circulation and minority newspapers or notifying social service organizations.

(c) During periods when the waiting list is closed, the corporation is not required to maintain a list of persons to be notified when application taking is reopened. (Eff **DEC 03 2001** ) (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.206)

§15-185-29 Final application process - selection and certification. (a) Selection for certification shall be from the established waiting list and shall be based on the following:

- (1) Applicable local preferences; and
- (2) Date and time of receipt of application.

(b) Applicants shall be provided with a briefing packet containing all required materials and shall be informed of their responsibilities prior to acceptance of a voucher. A voucher shall not be issued unless the applicant or an authorized representative attends a briefing and signs the voucher.

(c) A voucher holder shall be responsible for finding a qualified dwelling unit of appropriate size prior to the expiration of the voucher.

(d) A voucher shall expire at the end of sixty days from issuance unless within that timeframe, the family submits a request for lease approval, in which case the sixty day time limit shall be suspended while the corporation determines whether to approve the lease.

(e) An applicant may request an extension to the initial sixty day time period if the voucher is about

to expire. The request for extension shall be in writing and be received by the corporation or postmarked no later than the last day of the voucher term. The extension request shall include an explanation for the request and a progress report on efforts made to locate a suitable unit.

(f) An applicant may request an extension beyond one hundred twenty days provided there are verifiable circumstances beyond the applicant's control that hinders the applicant from locating a suitable unit. The request for extension shall be in writing and be received by the corporation or postmarked no later than the last day of the voucher term. The extension request shall include an explanation for the request and a progress report on efforts made to locate a suitable unit. If an extension is granted, the corporation shall recertify the applicant's eligibility and income.

(g) Upon request from a prospective landlord, the corporation may furnish the current address and the name and address of any current or prior landlord of the voucher holder as shown in the corporation's records. Also upon request from the prospective landlord, the corporation may furnish other information about the tenancy history of family members, or (provided that there has been a criminal conviction) about drug trafficking by family members. [Eff DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§ 982.301, 982.302, 982.303, 982.305, 982.306, 982.307)

§15-185-30 Exception for designated programs.

(a) The corporation may admit families not on the established waiting list that are targeted for specific funding awards from HUD, including, but not limited to:

- (1) A family displaced because of modernization, demolition or disposition of a public or Indian housing project;

- (2) A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project;
  - (3) Housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990;
  - (4) A family residing in a project covered by a section 8 project-based housing assistance payment contract at or near the end of the housing assistance payment contract term; or
  - (5) A non-purchasing family residing in a HOPE 1 or HOPE 2 project; or
  - (6) A family that resides or will reside in a unit covered by a project-based section 8 housing assistance payment contract.
- (b) The corporation shall admit families on the established waiting list who qualify for special funding awards from HUD including, but not limited to:
- (1) The Mainstream Housing Opportunities for Persons with Disabilities program and
  - (2) The Welfare-to-Work or similar self-sufficiency programs.
- (c) This section shall also apply to a family displaced because of demolition or disposition of a corporation owned housing project that is not federally assisted.
- (d) A family may be admitted under this section without qualifying for any preferences, or without being on the program waiting list. [Eff **DEC 03 2001**]  
(Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.203)

§15-185-31 Annual income. The corporation shall determine each applicant's and participant's annual income pursuant to 24 C.F.R. §5.609, which is incorporated by reference and attached as exhibit B. [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §5.609)

§15-185-32 Reexaminations. (a) At least once every twelve months, the corporation may reexamine a family's income, composition and any other matter necessary to determine the participant's rent and eligibility for continued housing assistance.

(b) If at the time of admission or reexamination, a family's income cannot be reasonably anticipated for the next twelve-month period, the corporation may schedule a special reexamination at any time prior to the next annual reexamination when deemed necessary.

(c) The participant and owner shall be notified in writing by the corporation of the results of any reexamination within a reasonable time. [Eff

DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§5.617, 982.516)

§15-185-33 Interim rent adjustment. (a) The corporation may adjust a participant's rent between reexaminations if a participant reports a change in income.

(b) Adjustments reflecting a lower rent shall be made effective on the first day of the month following the month the report was made. A participant who has obtained a decrease in rent under this section, shall report all income increases which occur prior to the next reexamination and rent may be readjusted accordingly.

(c) A rent adjustment shall be made between reexaminations when a participant's income increases as a result of the inclusion of additional persons with income to the family, and such adjustment shall be made effective on the first day of the second month following the inclusion.

(d) The participant and owner shall be notified in writing by the corporation of the results of any reexamination within a reasonable time. [Eff

DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.516)

§15-185-34 Continued assistance. (a) When one family splits into two eligible families, both families wish to continue assistance, and there is no court order, the corporation shall decide to continue assistance to one family instead of the other if that family:

- (1) Retains the children or includes any disabled or elderly members. Children subject to a joint custody agreement but live with one parent for a cumulative period of at least one hundred eighty three days of the year shall be considered a member of that household;
- (2) Includes the family member that applied as head of household;
- (3) Includes the responsible party for domestic violence which caused the split of the family;
- (4) Is subject to other factors specified by the corporation;
- (5) Is recommended by social service agencies or qualified professionals to retain assistance. [Eff: **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.315)

### SUBCHAPTER 3

#### LEASE

§15-185-41 Request for lease approval. Upon finding a dwelling unit that an owner is willing to lease, the family shall submit a request to have the lease approved by the corporation. [Eff: **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.305)

§15-185-42 Dwelling unit inspection. (a) Prior to approving a lease, the corporation shall inspect

the dwelling unit within a reasonable time after receipt of the owner's inspection request.

(b) Dwelling units approved for lease in the program shall meet minimum housing quality standards. [Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.305, 982.401)

§15-185-43 Lease requirements. (a) The corporation shall review the lease, particularly noting compliance with HUD regulations and state and local law. The participant also must have legal capacity to enter a lease under state and local law.

(b) The family and owner must submit a standard form lease used in the locality and that is generally used for other unassisted tenants in the premises by the owner. The terms and conditions of the lease must be consistent with state and local law. The lease must specify what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family. The HUD prescribed tenancy addendum must be included in the lease word-for-word before the lease is executed. The HUD tenancy addendum is incorporated by reference and attached as exhibit J. [Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.308)

§15-185-44 Lease approval. (a) If the corporation determines that a dwelling unit is suitable for the program and the lease meets the requirements of the program, the owner and family shall be notified, and a contract executed.

(b) The initial lease shall be for at least one year.

(c) If the corporation determines that a lease cannot be approved for any reason, the owner and family shall be notified in writing. [Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.308(b), 982.309(b)(1))

SUBCHAPTER 4

HOUSING ASSISTANCE PAYMENTS AND RENT

§15-185-51 Housing assistance payments. The corporation shall make housing assistance payments to the owner on behalf of an eligible family. [Eff DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.311)

§15-185-52 Contract rents. (a) The contract rent for a dwelling unit in the program shall be determined on a case-by-case basis. The approved rent shall be reasonable in comparison to rent for other comparable unassisted units in the housing market.

(b) Contract rents may be adjusted at each annual anniversary date of the HAP contract at the request of the owner. [Eff DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.507)

§15-185-53 Total tenant payment. (a) The corporation shall compute the total tenant payment.

(b) There shall be an established minimum rent of \$25.00 per month. Exception to the application of the minimum monthly rental amount shall apply if the family is unable to pay because of financial hardship which is determined pursuant to 24 C.F.R. §5.630

(2000) and includes the following situations:

- (1) The family has lost eligibility or is awaiting an eligibility determination for federal, state, or local assistance;
- (2) The family would be evicted as a result of the imposition of the minimum rent requirement;
- (3) The income of the family has decreased because of changed circumstances, including:
  - (A) Loss of employment;
  - (B) An income producing family member dies;and

(C) Other circumstances beyond the family's control as determined by the corporation. [Eff **DEC 03 2001** ]  
(Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§5.630, 982.518)

**§15-185-54 Rent.** (a) Certificate rents shall not exceed the fair market rent as determined by the corporation which may or may not be guided by the fair market rent published annually by HUD except to provide reasonable accommodation for a family that includes a person with disabilities. On request from the family that includes a person with disabilities, the corporation shall approve an exception rent of up to one hundred twenty per cent of the fair market rent if the exception rent is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 C.F.R. Part 8 (2000).

(b) Voucher rents are based on the payment standard as set by the corporation.

(c) The fair market rent, which includes utilities and is established for dwelling units of various bedroom sizes, is incorporated by reference and attached as exhibit K. [Eff **DEC 03 2001** ]  
(Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§888.111, 982.504, 982.507)

**§15-185-55 Payment standard.** (a) The maximum monthly subsidy payment for a family before deducting the family contribution is set by the corporation between ninety per cent and one hundred ten per cent of the HUD determined fair market rent. The corporation may establish a payment standard amount that is higher or lower than the basic range subject to HUD approval.

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(b) The corporation may approve a higher payment standard within the basic range to reasonably accommodate a family that includes a person with disabilities. [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.503)

§15-185-56 Security deposits. (a) The participant shall be responsible for the payment of a security and utility deposit.

(b) The corporation shall not be responsible for the payment of security and utility deposits. [Eff **DEC 03 2001**] (Auth: HRS §§201G-15 and 521) (Imp: HRS §201G-15; 24 C.F.R. §982.313)

§15-185-57 Ownership change. (a) A change in ownership of a dwelling unit under a HAP contract does not require execution of a new contract or lease. The corporation may approve the assignment of the HAP contract at the previous owner's request.

(b) The owner who is selling the dwelling unit shall provide written notice to the corporation at least thirty days prior to the sale closing.

(c) The new owner shall provide documents to verify the sale and other information requested by the corporation.

(d) Housing assistance payments to the owner who is selling the dwelling unit shall be suspended effective the first of the month following the receipt of the notification of the sale of the dwelling unit and when the assignment of the HAP contract to the new owner is approved by the corporation. [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.305, 982.306)

## SUBCHAPTER 5

### OPERATIONS

\$15-185-61 Inspections. (a) The corporation shall annually inspect each dwelling unit leased to a participant of the program.

(b) The corporation may conduct special inspections upon notification by the participant or owner that the unit does not meet housing quality standards or based on information from third parties such as neighbors or public officials.

[Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.405(a))

\$15-185-62 Overcrowded or under occupied units. A participant shall be issued a new voucher if the corporation determines that the dwelling unit does not meet the corporation's subsidy standards for occupancy.

[Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §982.403)

\$15-185-63 Portability. (a) The corporation may require applicants who were nonresidents at the time of application to live in its jurisdiction during the first twelve-month period.

(b) The corporation shall not absorb a family under portability assistance into its program unless funds are available and there is no applicant with a preference on the applicable waiting list.

[Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.354, 982.355)

\$15-185-64 Transfers. (a) A family may terminate its lease with the landlord at any time after the first twelve months as provided by the rental agreement with the landlord and shall provide a copy of the notice to the corporation.

(b) The corporation shall deny permission to move if:

- (1) There are insufficient program funds for continued assistance;

- (2) The participant has violated a family obligation listed on the certificate of family participation or voucher;
- (3) The participant owes the corporation money; or
- (4) The participant has moved or has been issued a voucher within the last twelve months.  
[Eff **DEC 03 2001** ] (Auth: HRS §201G-15)  
(Imp: HRS §201G-15; 24 C.F.R. §§982.314, 982.552)

§15-185-65 Eviction - termination of tenancy by owner. (a) If the owner wishes to terminate the lease, the owner is required to provide proper notice as provided in the lease and the Hawaii Residential Landlord-Tenant Code.

- (b) During the term of the lease the owner may only evict for:
- (1) Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;
  - (2) Violations of federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises;
  - (3) Criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises;
  - (4) Failure to comply with all obligations, restrictions, rules and the like which are in accordance with section 521-52, Hawaii Revised Statutes, and which the landlord can demonstrate are reasonably necessary for the

preservation of the property or protection of the persons of the landlord, other tenants, or any other person; or

(S) Other good cause.

(c) During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do.

(d) The owner shall provide the tenant a written notice specifying the grounds for termination of tenancy pursuant to chapter 521, Hawaii Revised Statutes, before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

(e) Housing assistance payments are paid to the owner under the terms of the HAP contract. If the owner has begun eviction and the family continues to reside in the unit, the corporation shall continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant. The corporation may continue housing assistance payments until the family moves or is evicted from the unit. If the action is finalized in court, the owner must provide the corporation with the documentation, including notice of the date of physical eviction.

(f) The corporation shall continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit in accordance with the terms of the lease. By endorsing the monthly check from the corporation, the owner certifies that the tenant is still in the unit, and that the rent is reasonable and is in compliance with the contract.

(g) If an eviction is not due to a serious or repeated violation of the lease, and if the corporation has no other grounds for termination of assistance, the corporation may issue a new

certificate or voucher so that the family can move with continued assistance. [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.310, 982.455)

§15-185-66 Termination of participation. (a)

The corporation shall terminate a family's participation in the program when:

- (1) The family has been evicted from housing assistance under the program for serious violation of the lease;
  - (2) Any member of the family fails to sign and submit consent forms for obtaining information in accordance with the program; or
  - (3) The family does not submit required evidence of citizenship or eligible immigration status.
- (b) The corporation may terminate a family's participation in the program when:
- (1) The family fails to fulfill their obligations under the program;
  - (2) Any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
  - (3) The family is under contract and one hundred and eighty days have elapsed since the last housing assistance payment was made;
  - (4) The family has not reimbursed any public housing agency for amounts paid to an owner under a HAP contract on behalf of the family for rent, damages to the unit, or other amounts owed by the family under the lease;
  - (5) The family breaches an agreement with the corporation to pay amounts owed to the corporation, or amounts paid to an owner by the corporation;
  - (6) Any member of the family has engaged in or threatened abusive or violent behavior toward the corporation's personnel.

Threatened means an oral or written threat or physical gestures that communicate an intent to abuse or commit violence. Abusive or violent behavior may be verbal or physical and include use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate;

- (7) Any member of the family has engaged in any drug-related criminal activity or violent criminal activity. For the purpose of this subsection, "violent criminal activity" means any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another;
- (8) Any member of the family is illegally using a controlled substance or whose illegal use or pattern of abuse of a controlled substance, or whose abuse of alcohol or pattern of abuse of alcohol is determined by the corporation to interfere with the health, safety, or right to peaceful enjoyment of a rental premises by other residents. In determining whether to terminate assistance based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, the corporation may consider rehabilitation as provided for under 42 U.S.C. §13661(b)(2)(A)-(C) effective October 1, 1999, which is incorporated by reference and attached as exhibit I;
- (9) A family participating in the family self-sufficiency program fails to comply, without good cause, with the family's family self-sufficiency contract of participation; or
- (10) Welfare-to-work family fails, willfully and persistently, to fulfill its obligations under the welfare-to-work voucher program.

(c) A participant found to be ineligible for continued participation in the program shall be notified in writing by the corporation and be accorded an opportunity to request an informal hearing as set forth in these rules. Such notice shall state the reasons for the corporation's determination and that the participant has the opportunity to request an informal hearing. [Eff. DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.551, 982.552, 982.553)

#### SUBCHAPTER 6

#### INFORMAL REVIEWS

§15-185-71 Informal review process for applicants. (a) An applicant who has been denied assistance by the corporation shall have an opportunity for an informal review pursuant to 24 C.F.R. §982.554 (2000).

(b) The applicant shall provide the corporation with a request for an informal review within fifteen days from the date of the corporation's notification of denial of assistance.

(c) The informal review shall be scheduled within fifteen days from the date the written request is received by the corporation and shall be conducted by any person or persons designated by the corporation, but shall not be a person who made or approved the decision under review or a subordinate of this person.

(d) The applicant shall be given the opportunity to present oral or written objections to the corporation's denial of assistance. Both the corporation and the applicant may present evidence and witnesses. The applicant may be assisted by an attorney or other representative at his or her own expense.

(e) The informal review may be conducted by mail or telephone if acceptable to both parties.

(f) A written notice of the review of findings shall be provided to the applicant within thirty days after the review. The notice shall include the decision of the hearing officer and an explanation of the reasons for decision.

(g) An applicant who is denied assistance for citizen or immigrant status shall have an opportunity for an informal hearing pursuant to 24 C.F.R. 5.514 (2000). [Eff DEC 03 2001 ] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§982.54(d)(12), 982.554)

§15-185-72 Informal hearing process for participants. (a) The corporation shall give a participant an opportunity for an informal hearing to consider whether the following corporation decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and corporation rules pursuant to:

- (1) A determination of the family's annual or adjusted income and the use of such income to compute the housing assistance payment;
- (2) A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the corporation's utility allowance schedule;
- (3) A determination of the family unit size under the corporation's subsidy standards;
- (4) A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the corporation's subsidy standards, or the corporation's determination to deny the family's request for an exception from the standards;
- (5) A determination to terminate assistance for a participant family because of the family's action or failure to act;
- (6) A determination to terminate assistance because the participant family has been absent from the assisted unit for longer

- than the maximum period permitted; or
- (7) A determination to terminate a family's family self-sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account.
- (b) The opportunity for informal hearing shall be provided to participants prior to the termination of assistance.
- (c) The participant shall provide the corporation with a request for an informal hearing within fifteen days of the corporation's notification of determination.
- (d) The informal hearing shall be scheduled within fifteen days from the date the written request is received and shall be conducted by any person or persons designated by the corporation, but shall not be a person who made or approved the decision under review or a subordinate of this person.
- (e) Prior to the informal hearing:
- (1) The participant shall be given the opportunity to examine any corporation documents that are directly relevant to the hearing. The participant may copy any relevant document at the participant's expense.
- (2) The corporation shall be given the opportunity to examine any family documents that are directly relevant to the hearing. The corporation may copy any relevant document at the corporation's expense.
- (f) The participant and the corporation shall be given the opportunity to present evidence and may question witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- (g) The participant may be assisted by an attorney or other representative at the participant's expense.
- (h) A written notice of the findings of the hearing officer shall be provided to the corporation and participant within ten days upon conclusion of the informal hearing. The notice shall include:

- (1) A summary of the decision and reasons for the decision;
  - (2) The amount owed and documentation of the calculation of monies owed and
  - (3) The effective date of the decision.
- (i) The corporation shall not be bound by the decision of the hearing officer that:
- (1) Concerns matters in which the corporation is not required to provide an opportunity for a hearing or that otherwise exceeds the authority of the hearing; or
  - (2) Is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
  - (3) If the corporation determines that it is not bound by a decision of the hearing officer, the corporation shall send a letter to the participant within thirty days of its determination. The letter shall state the reasons for the determination.
- (j) A participant who is determined to be ineligible for assistance due to citizen or immigration status shall have an opportunity for an informal hearing pursuant to 24 C.F.R. §5.514. [Eff DEC 03 2001] (Auth: HRS §§91, 201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§5.514, 982.54(d)(13), 982.555)

#### SUBCHAPTER 7

#### FAMILY SELF-SUFFICIENCY PROGRAM

§15-185-81 Family self-sufficiency program.

The objective of the corporation's family self-sufficiency ("FSS") program is to reduce the dependency of low-income families on welfare assistance and to reduce Section 8, public housing, or any federal, state, and local rent or homeownership subsidies. Under the family self-sufficiency program, low-income families are provided opportunities for

education, job training, counseling, and other forms of social service assistance, while living in assisted housing, so that they may obtain the education, employment, and business and social skills necessary [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. Part 984)

§15-185-82 Eligibility. (a) Participants in the corporation's Section 8 tenant-based and federal public housing programs are eligible to participate in the family self-sufficiency program.

(b) Preference shall be given to applicants who already receive family self-sufficiency-related support services for fifty per cent or less of the allocations. [Eff **DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. Part 984)

§15-185-83 Recruitment and outreach. (a) The corporation shall conduct outreach programs to recruit family self-sufficiency participants.

(b) Outreach efforts may include the following:

- (1) Sending informational brochures to each family participating in the corporation's Section 8 and federal public housing programs;
- (2) Conducting orientation sessions for families who express an interest in participating in the family self-sufficiency program; and
- (3) Identifying and targeting potential families in the corporation's caseloads.

[Eff **DEC 03 2001**] (Auth: HRS §201G-15)  
(Imp: HRS §201G-15; 24 C.F.R. Part 984)

§15-185-84 Selection. (a) Families shall be selected without regard to race, color, religion, sex, handicap, familial status, or national origin.

(b) Families may be selected by date of receipt of application.

(c) In the event there are more applicants than family self-sufficiency allocations, the corporation shall conduct a lottery to determine placement on the waiting list.

(d) Initially, up to one hundred thirty-six section 8 participants shall be selected to participate in the family self-sufficiency program.

[Eff: **DEC 03 2001** (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. Part 984)]

§15-185-85 Termination or withholding services.

(a) The corporation shall monitor and assess the family self-sufficiency participant's progress and compliance with the goals set forth in the contract of participation. When the corporation determines that the family self-sufficiency participant is not making progress or complying with the goals set forth in the contract of participation, the corporation shall notify the family self-sufficiency participant of such determination and provide the family self-sufficiency participant six months to demonstrate compliance with the plan of the contract of participation.

(b) If no progress has been made or the family self-sufficiency participant is still not complying with the contract of participation after the six-month period, the corporation shall provide the family self-sufficiency participant with a written notice of intent to terminate or withhold services and of the opportunity to request an informal hearing. [Eff:

**DEC 03 2001**] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. Part 984)

SUBCHAPTER 8

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

§15-185-91 Purpose. The purpose of this subchapter is to establish a procedure for the selection of units to which the corporation may attach

§15-185-91

section 8 voucher assistance. [Eff **DEC 03 2001** ]  
(Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R.  
Part 983)

§15-185-92 Eligible projects. (a) The corporation may attach section 8 voucher assistance to units in newly constructed and existing structures of various types including single-family housing and multifamily structures.

(b) The corporation may not attach section 8 voucher assistance to units in the following types of housing:

- (1) Owner occupied units; however, cooperatives are considered to be rental housing for purposes of this subchapter;
- (2) Mobile or manufactured homes;
- (3) Shared housing, nursing homes, and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;
- (4) Except for existing units, housing for which the construction or rehabilitation has started prior to execution of an agreement with the corporation;
- (5) Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- (6) Housing located in an area that has been identified by the Federal Emergency Management Agency as having special flood hazards unless the community in which the area is situated is participating in the National Flood Insurance Program;
- (7) Housing located in the coastal barrier resources system designated under the Coastal Barrier Resources Act;
- (8) College or other school dormitories;
- (9) Units subsidized under other federal housing programs including:
  - (i) Public housing;

- (ii) A unit subsidized by any other form of section 8 assistance;
- (iii) A unit subsidized with any local or state rent subsidy;
- (iv) A section 236 project or a unit subsidized with section 236 rental assistance payments;
- (v) A Rural Development Administration section 515 project;
- (vi) A unit subsidized with rental assistance payments under section 521 of the Housing Act of 1949 (a Rural Development Administration Program);
- (vii) Housing assisted under former section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- (viii) A section 221(d)(3) project;
- (ix) A project with a section 202 loan;
- (x) A section 202 project for non-elderly persons with disabilities;
- (xi) Section 202 supportive housing for the elderly;
- (xii) Section 811 supportive housing for persons with disabilities;
- (xiii) A section 101 rent supplement project;
- (xiv) A unit subsidized with tenant-based assistance under the HOME program, or any unit with any other duplicative federal, state, or local housing subsidy, as determined by the United States Department of Housing and Urban Development. [Eff **DEC 03 2001**  
(Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §983.7)

§15-185-93. Notification of project-based assistance. (a) The corporation shall publish requests for applications to participate in the

section 8 project-based voucher program in a newspaper of general circulation once a week for three consecutive weeks. The advertisement shall state the number of vouchers available for project-based assistance; whether applications will be accepted for rehabilitation, new construction, or existing units; state the selection criteria; and specify an application deadline of at least thirty days after the date the advertisement is last published.

(b) The corporation may select units to which assistance is to be attached, without advertising under paragraph (a) of this section and without applying the selection factors otherwise required under section 15-185-95, if attachment of project-based assistance would further the purposes of the sale of a public housing project to a resident management corporation under section 21 of the United States Housing Act of 1937. [Eff DEC 03 2001 Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §983.51)

§15-185-94 Applications for project-based assistance; information required. (a) Applicants desiring section 8 project-based voucher assistance shall submit to the corporation an application, on forms provided by the corporation, along with any additional information that the corporation determines to be applicable.

(b) Applicant information may include, but is not limited to the following:

- (1) Name and address of the eligible owner and other project principals and officers and principal members, shareholders, investors, and other parties having a substantial interest in the ownership of the project, and evidence of the applicant's status as a corporation, partnership, joint venture or other business organization;
- (2) Certification showing that the above-mentioned parties are not on the United States General Services Administration list of parties excluded from federal procurement

and non-procurement programs; a disclosure of any possible conflict of interest by any of these parties that would be a violation of the agreement or the housing assistance payments contract;

- (3) To the extent available, certified copies of the applicant's organizational documents, including its articles of incorporation and bylaws, declaration of trust, partnership or limited partnership agreement, together with all amendments thereto and, in the case of nonprofit organizations, a copy of the determination letter from the Internal Revenue Service as to recognition of exemption from federal income taxation.
- (4) A resume of the applicant's experience in the construction or rehabilitation of rental housing projects including a list and a brief description of the projects in which the applicant participated;
- (5) A resume of the applicant's experience in the management of rental housing projects including a list and a brief description of the projects which the applicant manages;
- (6) The name, title, address, and telephone number of the person to whom communications should be addressed;
- (7) Evidence of the applicant's legal authority to incur obligations and to sign and deliver such documents as may be necessary to finance, construct, or rehabilitate the project;
- (8) A current certificate of good standing from the State department of commerce and consumer affairs and tax clearance from the State department of taxation;
- (9) Evidence of the applicant's ability to develop, own, market, manage, and provide appropriate services in connection with housing project;
- (10) Evidence of the applicant's financial ability to complete the project;

- (11) The applicant's ties to the community and support from local community groups;
  - (12) A description of any financial default, modification of terms and conditions of financing, or legal action taken or pending against the applicant or its principals;
  - (13) A description of the applicant's experience or involvement in the provision of supportive services;
  - (14) A statement of the applicant's past or current involvement with the corporation or its predecessors, the housing finance and development corporation or the Hawaii housing authority, and the assistance, if any, received from those entities.
- (c) Project information may include, but is not limited to the following:
- (1) A description of the proposed housing project, including the number of units by square footage, bedroom count, bathroom count, sketches of the proposed building, units plans, listing of amenities and services, and the estimated date of completion;
  - (2) Identification and description of the proposed site, site plan, and neighborhood characteristics;
  - (3) Identification of the census tract in which the project is located;
  - (4) Evidence of site control (such as a deed, agreement of sale, commitment letter, or development agreement);
  - (5) Availability of public services and facilities such as schools, sewers, parks, and fire protection, and the adequacy thereof;
  - (6) If applicable, evidence that the proposed new construction is permitted by current zoning ordinances or regulations or evidence to indicate that the needed re-zoning is likely and will not delay the project;

- (7) The proposed contract rent per unit, including an indication of which utilities, services, and equipment are included in the rent and which are not included. For those utilities that are not included in the rent, an estimate of the average monthly cost for each unit type for the first year of occupancy;
- (8) A signed certification of the owner's intention to comply with Title VI of the Civil Rights Act of 1966, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, Executive Order 11246, Section 3 of the Housing and Urban Development Act of 1968, and all applicable federal requirements listed in 24 C.F.R. §983.11, which is incorporated by reference and attached as Exhibit L;
- (9) A statement from the owner certifying the number of persons, businesses, non-profit corporations occupying the property on the date of submission of the application; the number of persons displaced, temporarily relocated or moved permanently within the building complex; estimated cost of relocation payments and services; the funding source of relocation activities; and the name of the organization that will carry out the relocation activities;
- (10) The owner's plan for managing and maintaining the units;
- (11) Evidence of financing or lender interest and the proposed terms of financing;
- (12) The proposed term of the housing assistance payments contract;
- (13) If applicable, a relocation plan that includes steps that will be taken to minimize the displacement of households, businesses, nonprofit organizations, and farms as a result of the project; and
- (14) Such other information as the corporation deems necessary. [Eff DEC 03 2001 ]

§15-185-94

(Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §§983.3, 983.6, 983.51)

§15-185-95 Review and screening of applications.

(a) Applications shall be time and date stamped and assigned a number.

(b) Applications shall be screened for completeness (i.e., submission of information required under sections 15-185-92 and 94). Applications that do not meet the application submission deadline or information requirements shall be rejected by the executive director.

(c) The corporation shall review each application and any additional information submitted by the applicant or obtained from other sources in its review of each application. Additional information or data may be requested and the corporation may independently verify any or all information supplied by the applicant. [Eff DEC 03 2001] (Auth: HRS §201G-15) (Imp: HRS §201G-15; 24 C.F.R. §983.51)

§15-185-96 Selection of project applications.

(a) Based upon the review of the applications, documents, and any additional information submitted by the applicants or obtained from other sources by the corporation, the executive director shall prepare a recommendation to the board to attach section 8 voucher assistance to specific projects.

(b) The board shall review the recommendation of the executive director and, if the board determines that the project-basing of section 8 voucher assistance for a specific project is consistent with the public housing agency plan and the goals of deconcentrating poverty and expanding housing and economic opportunities, it may approve the application and authorize the executive director to allocate an appropriate amount of section 8 voucher funding, subject to such terms and conditions as it deems necessary or appropriate to assure compliance with 24 C.F.R. part 983 and these rules.

(c) Upon the board's approval to allocate section 8 voucher funding to an applicant, the executive director shall notify the applicant of the allocation. [Eff **DEC 03 2001**] (Auth: ~~HRS §201G-15~~) (Imp: ~~HRS §201G-15~~; 24 C.F.R. ~~§983.52~~)

§15-185-97 Agreement to enter into housing assistance contract. (a) The corporation shall enter into an agreement with the selected project owner prior to the start of any new construction or rehabilitation.

(b) After the agreement has been executed, the owner shall promptly proceed with the construction or rehabilitation work as provided for in the agreement. If the work is not promptly commenced, diligently continued, or completed, the corporation may terminate the agreement or take other appropriate action. (Auth: ~~HRS §201G-15~~) (Imp: ~~HRS §201G-15~~; 24 C.F.R. ~~§983.101~~; ~~Pub. Law 106-377, 114 Stat. 1441~~)

§15-185-98 Eligibility and selection of tenants.

(a) Tenants in a section 8 project-based voucher assisted unit shall meet the eligibility criteria set forth in section 15-185-22.

(b) The corporation may use the section 8 tenant-based waiting list as set forth in section 15-185-26. [Eff **DEC 03 2001**] (Auth: ~~HRS §201G-15~~) (Imp: ~~HRS §201G-15~~; 24 C.F.R. ~~§983.203~~)

#### SUBCHAPTER 9

#### MISCELLANEOUS PROVISIONS

§15-185-201 Severability. If any part, section, sentence, clause, or phrase of this chapter, of its application to any person or transaction of other circumstances is for any reason held to be

§15-185-201

unconstitutional or invalid, the remaining parts, sections, sentences, clauses, and phrases of this chapter, or the application of this chapter to other persons or transactions or circumstances shall not be affected. [Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §201G-15)

§15-185-202 Number. The use of all words used in the singular shall extend to and include the plural. [Eff **DEC 03 2001** ] (Auth: HRS §201G-15) (Imp: HRS §1-17)

## Attachment D

### 4-III.C. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

#### **[Local Preferences [24 CFR 982.207; HCV p. 4-16]**

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.]

#### PHA Policy

[Each preference is of equal weight and an applicant who qualifies for any of the preferences shall receive a voucher before any other applicant who is not so qualified regardless of (1) Place on the waiting list; or (2) date or time of submission of an application.]

Eligible applicants shall be certified in the order of the dates and times in which their applications are received.

[The PHA will offer a preference to any family that is:

- ~~Involuntarily Displaced:~~ Involuntarily displaced applicants are applicants who have been involuntarily displaced and are not living in standard, permanent replacement housing, or will be involuntarily displaced with no more than 12 months from the date of verification by the PHA.

Families are considered involuntarily displaced if they are required to vacate housing as a result of:

1. A disaster (fire, flood, earthquake, etc.) that has caused the unit to be uninhabitable.
2. Federal, state or local government action related to code enforcement, public improvement or development.
3. Action by a housing owner which is beyond an applicant's ability to control, and which occurs despite the applicant's having met all previous conditions of occupancy, and is other than a rent increase.

If the owner is an immediate family relative and there has been no previous rental agreement and the applicant has been part of the owner's family immediately prior to application, the applicant will not be considered involuntarily displaced.

For purposes of the definitional element, reasons for an applicant having to vacate a housing unit include, but are not limited to:

- Conversion of an applicant's housing unit to non rental or non residential use;
- Closure of an applicant's housing unit for rehabilitation or non residential use;

Notice to an applicant that s/he must vacate a unit because the owner wants the unit for the owner's personal or family use or occupancy;

Sale of a housing unit in which an applicant resides under an agreement that the unit must be vacant when possession is transferred; or

Any other legally authorized act that results, or will result, in the withdrawal by the owner of the unit or structure from the rental market.

4. To avoid reprisals because the family provided information on criminal activities to a law enforcement agency and, after a threat assessment, the law enforcement agency recommends rehousing the family to avoid or reduce risk of violence against the family.

The family must be part of a Witness Protection Program, or the HUD Office or law enforcement agency must have informed the PHA that the family is part of a similar program.

The PHA will take precautions to ensure that the new location of the family is concealed in cases of witness protection.

5. By hate crimes if a member of the family has been the victim of one or more hate crimes, and the applicant has vacated the unit because of the crime or the fear of such a crime has destroyed the applicant's peaceful enjoyment of the unit.

A hate crime is actual or threatened physical violence or intimidation that is directed against a person or his property and is based on the person's race, color, religion, sex, national origin, disability or familial status, including sexual orientation and occurred within the last 12 months or is of a continuing nature.

6. Displacement by non-suitability of the unit when a member of the family has a mobility or other impairment that makes the person unable to use critical elements of the unit and the owner is not legally obligated to make changes to the unit.

Critical elements are: entry and egress of the unit and building/a sleeping area/a full bathroom/a kitchen if the person with a disability must do their own food preparation/other.

7. Due to HUD disposition of a multifamily project under Section 203 of the Housing and Community Development Amendments of 1978.

In order to receive the displacement preference, applicants who have been displaced must not be living in "standard, permanent replacement housing."

Standard replacement housing is defined as housing that is decent, safe and sanitary, in accordance with the Housing Quality Standards, that is adequate for the family size according to local and state code, and that the family is occupying pursuant to a written or oral lease or occupancy agreement.

Standard replacement housing does not include transient facilities, hotels, motels, temporary shelters, and (in the case of Victims of Domestic Violence) housing occupied by the individual who engages in such violence.

It does not include any individual imprisoned or detained pursuant to State Law or an Act of Congress. Shared housing with family or friends is considered temporary and is not considered standard replacement housing.

- **Victims of Domestic Violence:** The PHA will offer a local preference to families that includes victims of domestic violence. To qualify for this preference, the family must have:

Actual or threatened physical violence directed against the applicant or the applicant's family by a spouse or other household member who lives in the unit with the family must have occurred within the past 12 months or be of a continuing nature.

The family must have been displaced as a result of fleeing violence in the home or they are currently living in a situation where they are being subjected to or victimized by violence in the home.

The applicant must certify that the abuser will not reside with the applicant unless the PHA gives prior written approval.

Applicants must be participating or have graduated from a program with case management in a domestic violence shelter or clearance house.

- **Homelessness:** Homeless applicants are families who lack a fixed, regular and adequate nighttime residence and

Have a primary nighttime residence that is a supervised public or private shelter providing temporary accommodations (including welfare hotels, congregate shelters and transitional housing), or an institution providing temporary residence for individuals intended to be institutionalized, or a public or private place not ordinarily used as a sleeping accommodation for human beings.

Families are eligible for this preference if they are participating or have graduated from a transitional or supportive services housing program.

Homeless families may maintain their place on the waiting list while completing a transitional housing program.

Families who are residing with friends or relatives on a temporary basis will be included in the homeless definition.

Persons who reside as part of a family unit shall not be considered a separate household.]

### **Income Targeting Requirement [24 CFR 982.201(b)(2)]**

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

#### PHA Policy

The PHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

### **Order of Selection**

The PHA system of preferences may select families either according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. When selecting families from the waiting list PHAs are required to use targeted funding to assist only those families who meet the specified criteria, and PHAs are not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

#### PHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA's hierarchy of preferences, if applicable. Within each targeted funding [~~or preference~~] category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA. Documentation will be maintained by the PHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher placed families each time targeted selections are made.

#### 4-III.F. COMPLETING THE APPLICATION PROCESS

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information, the PHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, or targeted admission~~[, or selection preference]~~ that affected the order in which the family was selected from the waiting list.

##### PHA Policy

If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination immediately of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The PHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

If the PHA determines that the family is eligible to receive assistance, the PHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

## FOR ACTION

**MOTION:** To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Federally Assisted Low Income Public Housing Program Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes

### I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) would like to implement a substantive change to the Section 8 Housing Choice Voucher (HCV) Program's Administrative Plan (Admin Plan) and the federal Low Income Public Housing (LIPH) Program in order to maximize the use of U.S. Department of Housing and Urban Development (HUD) funding, assist families more efficiently, and to comply with HUD guidance.
- B. The Section 8 HCV Administrative Plan and LIPH Admissions and Continued Occupancy Policy (ACOP) currently reflect HUD's income hierarchy from 2007. HUD established new requirements in Notice PIH 2010-19 *Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification System* (Attachment A) and subsequently extended the changes in Notices PIH 2011-25 (Attachment B) and PIH 2012-26 (Attachment C).
- C. In order to implement these proposed changes, the Board of Directors must adopt changes to update the Section 8 HCV Program's Administrative Plan and Low Income Public Housing Program's Admissions and Continued Occupancy Policy.

### II. DISCUSSION

- A. The HPHA's Section 8 Administrative Plan, Chapter 7 Introduction and ACOP, Chapter 7 Introduction currently provide:

"The PHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance and any subsequent guidance issued by HUD."

- B. Chapter 7, Part I, Section B of the Admin Plan and ACOP on Overview of Verification Requirements currently provides:

“In order of priority, the forms of verification that the PHA will use are:  
Upfront Income Verification (UIV), whenever available  
Third-party Written Verification  
Third-party Oral Verification  
Review of Documents  
Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.”

(Exhibit 7-1 reflects the guidance in PIH Notice 2004-01. This guidance was superseded by guidance in PIH Notice 2010-19, which was subsequently extended in PIH Notice 2011-25 and 2012-26.)

- C. These provisions must be amended to reflect the verification hierarchy required under the HUD Notice PIH 2010-19 (HA) and allowing for future HUD changes in the income hierarchy by modifying the current language to incorporate the current income verification hierarchy, as well as make technical changes to the chapter for consistency with these changes. The proposed changes to the relevant sections of the Section 8 Administrative Plan are attached as Attachment E. The proposed changes to the relevant sections of the LIPH ACOP are attached as Attachment D. The language to be removed is bracketed and stricken. New language is underlined. In addition, Exhibit 7-1 will be removed in its entirety.
- D. The proposed changes may be subject to review by the Department of the Attorney General. However, the substance of the policy change is based on HUD guidance.

**III. RECOMMENDATION**

That the Board of Directors Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Federally Assisted Low Income Public Housing Program Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes

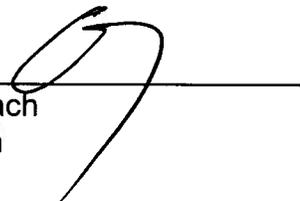
- Attachment A: Notice PIH 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification System, Issued May 17, 2010
- Attachment B: Notice PIH 2011-25, Extension
- Attachment C: Notice PIH 2012-26, Extension
- Attachment D: Draft Changes to the Low Income Public Housing Admissions and Continued Occupancy Policy, Chapter 7 Verification
- Attachment E: Draft Changes to the Section 8 Housing Choice Voucher Administrative Plan, Chapter 7 Verification

Prepared by: Stephanie Fo, Acting Section 8 Branch Chief  
Joanna Renken, Public Housing Supervisor



Approved by the Board of Directors  
on the date set forth above

David Gierlach  
Chairperson





**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Special Attention of:**

Public Housing and Section 8 Program Administrators,  
Public Housing Hub Office Directors; Public Housing  
Resident Management Corporations; Resident Councils;  
Applicants and Participants of Public Housing, Housing  
Choice Voucher, Section 8 Moderate Rehabilitation,  
and Project-Based Certificate and Voucher Programs

**Notice PIH 2010 - 19 (HA)**

Issued: May 17, 2010

Expires: May 31, 2011

Cross References: 24 CFR §5.233,  
24 CFR §5.236, 24 CFR §908.101

**SUBJECT: Administrative Guidance for Effective and Mandated Use of the Enterprise  
Income Verification (EIV) System**

1. **Purpose:** This Notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's Enterprise Income Verification (EIV) system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the *Final Rule: Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published at 74 FR 68924, on December 29, 2009.
2. **Applicability:** This Notice applies to the following HUD-PIH rental assistance programs: Public Housing, Section 8 Moderate Rehabilitation, Project-Based Voucher, Project-Based Certificate, and Housing Choice Voucher (HCV) Programs.
3. **Background:** On December 29, 2009, HUD issued the final rule entitled *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification (EIV) System-Amendments*, which requires PHAs to use the EIV system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income; and reduce administrative and subsidy payment errors in accordance with 24 CFR §5.236 and administrative guidance issued by HUD.

Using EIV as an upfront income verification (UIV) technique will be valuable in validating tenant-reported income during interim and annual reexaminations of family income; as well as streamlining the income verification process. This will result in less administrative burden in complying with third party verification requirements. Additionally, EIV will help to identify and cure inaccuracies in housing subsidy determinations, which will benefit PHAs, tenants, and taxpayers by ensuring that the level of benefits provided on behalf of families is proper and will prevent fraud and abuse within Public and Indian Housing (PIH) rental assistance programs.

4. **Effective Date:** This Notice is effective as of issuance date.
5. **The New HUD Regulation: 24 CFR 5.233.** Effective January 31, 2010, all PHAs are required to use the EIV system in its entirety. This means that PHAs must use all features of the EIV system to:
- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
  - b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

6. **What is the EIV System?** The EIV System is a web-based application, which provides PHAs with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). This system is available to all PHAs nationwide. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.

All PHAs are required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an UIV technique (or automated written third party verification), which helps to identify income sources and/or amounts that the tenant may not have disclosed. This UIV technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist PHAs with the following:

- a. Identifying tenants whose reported personal identifiers do not match the SSA database;
  - b. Identifying tenants who need to disclose a SSN;
  - c. Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
  - d. Identifying tenants who may not have reported complete and accurate income information;
  - e. Identifying tenants who have started a new job;
  - f. Identifying tenants who may be receiving duplicate rental assistance;
  - g. Identifying tenants who are deceased and possibly continuing to receive rental assistance;
  - h. Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.
7. **How to obtain access to the EIV System.** All PHA staff (including PHA-hired management agents), who have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV Coordinator in the local HUD office.

The form is available online at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

The user's access must be approved by the PHA Executive Director or designee in order for the local HUD office to process all EIV access requests. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file (do not submit the form to the local HUD office).

8. **The Verification Hierarchy.** PHAs should begin with the highest level of verification techniques.

PHAs are required to access the EIV system and obtain an Income Report for each household. The PHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA should attempt the next lower level verification technique, as noted in the below chart.

Level	Verification Technique	Ranking
6	<b>Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system</b> (not available for income verifications of applicants)	<b>Highest (Mandatory)</b>
5	<b>Upfront Income Verification (UIV) using non-HUD system</b>	<b>Highest (Optional)</b>
4	<b>Written third Party Verification</b>	<b>High</b> (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information <b>and</b> is unable to provide acceptable documentation to support dispute)
3	<b>Written Third Party Verification Form</b>	<b>Medium-Low</b> (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	<b>Oral Third Party Verification</b>	<b>Low</b> (Mandatory if written third party verification is not available)
1	<b>Tenant Declaration</b>	<b>Low</b> (Use as a last resort when unable to obtain any type of third party verification)

**Note:** This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

## Verification Technique Definitions

### Third Party Verification Techniques

**Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.

It should be noted that the EIV system is available to all PHAs as a UIV technique. PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

**Written Third Party Verification (Level 4):** An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the Department's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations.

The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the PHA should project income based on the information from a traditional written third party verification form or the best available information.

**Note:** Documents older than 60 days (from the PHA interview/determination or request date) is acceptable for confirming effective dates of income.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email.

It is the Department's position that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The Department recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

The Department requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

#### **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant submits an affidavit or notarized statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

#### **Exceptions to Third Party Verification Requirements**

HUD is aware that in some situations, third party verification is not available for a variety of reasons. Oftentimes, the PHA may have made numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal. In these cases, the PHA is **required to document in the family file the reason(s) why third party verification was not available.**

The exception to third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2), which states, "The PHA must obtain and document in the family file third party verification of the following factors, **or must document in the file why third party verification was not available.**"

9. **Third party verification requirements.** In accordance with 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2) for the Public Housing and the HCV programs, respectively, the PHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.

10. **How to comply with and reduce administrative burden of third party verification requirements of family annual income.** PHAs can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by:

- a. Reviewing the EIV Income Report to confirm/validate tenant-reported income; and
- b. Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
- c. Obtaining current acceptable tenant-provided documentation to supplement EIV information; and
- d. Using current tenant-provided documentation and/or third party verification to calculate annual income.

**Note:** Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, PHAs do not need to obtain or request a benefit verification letter from the tenant. See PIH Notice 2010-03 for guidance on verifying Social Security benefit income through the EIV system.

The PHA may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third party, but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

11. **When the PHA is required to request written third party verification** The PHA must request written third party verification under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
- b. When the PHA requires additional information that is not available in EIV and/or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

**Note:** 24 CFR §5.236(a), prohibits PHAs from taking adverse action based solely on EIV information

12. **Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).**

A. For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:

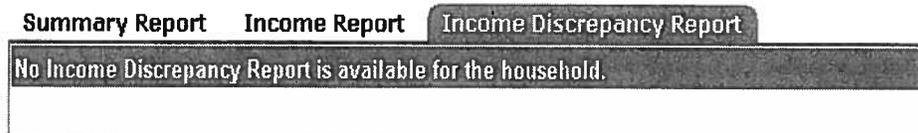
- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

B. For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:

- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

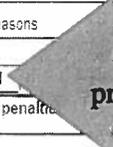
C. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:

- i. **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required.) See sample screen shot below.



**Note:** The ICN Page is available from the Summary Report tab. See sample screen shot below:

[Print All](#)

Summary Report	Certification Page	Income Report	Income Discrepancy Report			
<b>Head of Household Identifiers</b>						
Name:	MIKILA					
Social Security Number:	***-**-****					
Date of Birth (mm/dd/yyyy):	XX/XX/1989					
Program Type:	Sec 8 Vouchers					
Project:						
Unit Address:						
Participant Code:						
Annual Reexamination Date:	05/01/2010					
Tenant Data from Form 50058 as of:	10/20/2009					
Most Recent Type of Action:	3-Interim Reexamination					
Effective Date:	10/01/2009					
<b>Household Members</b>						
Member SSH	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identify Verification Status
***-**-****	MIKILA		XX/XX/1989	20	Head	Verified
***-**-****	MELAYA		XX/XX/2009		Other youth under 18	Verified
The month and day values in the Date of Birth field have been masked for security reasons						
<a href="#">Provide ICN</a>				 <b>Click here to generate printer-friendly ICN page</b>		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.						
Report Generated By - H18XXX NICOLE X FAISON						

- ii. **EIV Income Report** when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. See sample screen shot below.

Summary Report	Income Report	Income Discrepancy Report
<b>Head of Household Information</b>		
Name:	DEBRA	
Social Security Number:		
Program Type:	Public Housing	
Project:		
Effective Date of Action:	03/10/2009	
Annual Reexamination Date:	02/01/2010	
Projected Annual Wages and Benefits from Form HUD-50058:	\$8,328.00	
Period Of Income for Discrepancy Analysis	12/10/2007 - 12/09/2008	
<b>Discrepancy Analysis</b>	<b>Actuals</b>	<b>Annualized Last Quarter</b>
Reported Annual Wages and Benefits from EIV Data:	\$24,919.06	\$26,131.00
Amount of Annual Income Discrepancy:	(\$16,591.06)	<b>(\$17,803.00)</b>
Amount of Monthly Income Discrepancy:	(\$1,382.59)	(\$1,483.58)
Percentage of Income Discrepancy:	(66.58%)	(68.13%)
<small>Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.</small>		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.		
<small>Report Generated By - H18XXX NICOLE X FAISON</small>		

D. For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:

- i. **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the PHA), traditional third party verification form(s). See examples 1 and 3 below.
- ii. **Disputed EIV Information:** EIV Income report, current acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information. See example 2 below.
- iii. **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the PHA), traditional third party verification form(s). See example 3 below.

**Example 1: No Disputed EIV Information & Tenant Provided Documents**

You are conducting an annual reexam with tenant, Mary Jones. Ms. Jones reports that she is employed at the ABC Box Company. You pull up the EIV income report for the Jones family, which shows quarterly wages from the ABC Box Company for the full year of 2008, and the first two quarters of 2009. Last year's (2009) annual reexam reflects wages from the same employer. There is no other income information on the report.

The PHA may streamline the income verification process by requesting Ms. Jones provide current pay stubs dated within the last 60 days of the interview or PHA request date. The PHA must obtain a minimum of two current and consecutive pay stubs from Ms. Jones. Since there is no disparity between tenant-reported and EIV-reported income, the PHA may obtain original and current tenant-provided pay stubs to calculate annual income.

The PHA may **not** use quarterly EIV wage (or unemployment benefit) information to calculate annual income since this information is at least six months old and more current income information (from pay stubs) is available.

**Example 2: Disputed EIV Information & No Tenant-Provided Documents**

You are conducting an annual reexam with tenant, Bob Miller. Mr. Miller reports that his only source of income is monetary support from his sister, Betty Miller. You pull up the EIV income report for the Miller family, which shows quarterly wages from the Home Depot for the full year of 2008, and the first two quarters of 2009. There is no other income information on the EIV report. Last year's (2009) annual reexam reflects no wage information and only source of income is other non-wage income (monetary support from family member).

You inform Mr. Miller that the EIV system shows wages from the Home Depot and ask him to provide you with current pay stubs. Mr. Miller states that he does not work there and has no pay stubs.

Because Mr. Miller disputes the EIV-reported income and is unable to provide documents to support his dispute, the PHA **must** request written third party verification from Home Depot. You mail a third party verification request form to the address listed for Home Depot.

A few days later, you receive the third party verification request form back from Home Depot, which indicates that Mr. Miller has been employed there since January 5, 2008, and a payroll summary report, showing Mr. Miller's bi-weekly gross and net pay since January 2008. Since the disputed EIV information has been confirmed to be correct by the independent third party source (Home Depot), the PHA will use the income information from the payroll summary report to calculate annual income. The PHA would also calculate the retroactive rent (using the information provided by Home Depot) since Mr. Miller failed to disclose his employment at the 2008 and 2009, annual reexams. The PHA would also inform Mr. Miller of this retroactive rent and take action according to PHA-established policies.

**Example 3: Tenant Unreported Income, Income not Verifiable through EIV & Tenant- Provided Documents**

You are conducting an annual reexam with tenant, Sharon Duvet. Ms. Duvet reports that her only source of income is child support and provides you with four current and consecutive child support pay stubs. You pull up the EIV Income Report for the Duvet family, which shows: hire date at the District Police Department effective January 9, 2005; quarterly wages from the District Police Department for the full years of 2005, 2006, 2007, and 2008, and the first two quarters of 2009. There is no other income information on the EIV Income Report. Last year's (2009) annual reexam reflects income from only child support. You inform Ms. Duvet that the EIV system is showing wages from the District Police Department and you ask her to provide you with current pay stubs. Ms. Duvet admits that she has been working at the District Police Department and indicates that she can provide you with current pay stubs. You inform Ms. Duvet that you will also have to calculate her retroactive rent for the previous years in which she did not disclose her employment. You go over the EIV-reported wages with Ms. Duvet and she indicates that she does not dispute the information.

Since Ms. Duvet does not dispute the EIV-reported information, the PHA may use the tenant provided documents to calculate income and rent for the 2010 annual reexam, and use the EIV-reported earnings for years 2005 through 2008, to calculate the retroactive rent Ms. Duvet will owe. The PHA should require Ms. Duvet to provide her last pay stub from 2009, or her 2009 W- 2, to calculate the retroactive rent for 2009. The PHA will use the tenant-provided child support pay stubs (child support income is not available in EIV) to calculate annual income from this source.

13. **What if the tenant does not provide the PHA with requested information?** If the tenant does not provide the requested information, the PHA may mail or fax a third party verification request form to the third party source. The PHA is **required** to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the PHA should **also** remind the tenant that s/he is required to supply any information requested by the PHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The PHA may **determine** that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner (as prescribed by the PHA).

14. **How to use EIV to reduce administrative and subsidy payment errors.** EIV has the ability to identify other potential issues which may impact a family's level of assistance. EIV contains stand-alone reports, which a PHA may generate at any time (i.e. Deceased Tenants Report, New Hires Report, Multiple Subsidy Report, Identity Verification Report, Income Discrepancy Report, Debts Owed to PHAs & Termination Report, and Immigration Report). However, it should be noted that the information from these stand-alone reports are contained in the Income Report for each household. PHAs are required to address any and all potential issues at the time of the annual or interim reexam, as conveyed in the Income Report.

PHAs may use the stand-alone reports to monitor staff's progress in reducing the following administrative and subsidy payment errors by using the listed reports:

- a. Incorrect/invalid SSNs/name/date of birth – Identity Verification Report
- b. Follow-up with families who need to disclose a SSN – Immigration Report
- c. Duplicate rental assistance – Multiple Subsidy Report
- d. Unreported increase in income – Income discrepancy Report
- e. Improper payments on behalf of deceased tenants – Deceased Tenants Report
- f. Unreported new employment (PHAs with interim increase policy) – New Hires Report
- g. Adverse Termination/Outstanding Debt to PHA – Debts Owed to PHAs & Termination Search

In order to ensure PHAs are aware of potential subsidy payment errors, PHAs are **required** to monitor the following EIV reports on a monthly basis:

1. Deceased Tenants Report
2. Identity Verification Report
3. Immigration Report

In order to ensure PHAs are aware of potential subsidy payment errors, PHAs are **required** to monitor the following EIV reports on a quarterly basis:

1. Income Discrepancy Report
2. Multiple Subsidy Report
3. New Hires Report (if your agency has an interim increase policy)

15. **How to use the EIV Income Report as a third party source to verify tenant employment and income information.** The EIV Income Report provides a variety of information about each household member of the family. The report contains the following information for each household member:

- a. Personal identifiers: name, date of birth, and SSN
- b. Identity verification status (pending, verified, deceased, or failed)
- c. Employment information
  1. New Hire Information (W-4)
    - i. Date hired
    - ii. Employer name
  2. Employer name, address, and employer identification number of current and past employers
  3. Quarterly earnings
- d. Quarterly unemployment compensation
- e. Social Security benefit information
  1. Social Security (SS) benefits
    - i. Payment status code
    - ii. Date of current entitlement
    - iii. Current net monthly benefit amount (if payable)
    - iv. Gross monthly benefit history (last 8 changes in benefit amount)
    - v. Lump sum payment amount and date
    - vi. Payee name and address
  2. Dual Entitlement (Social Security benefits under another person's SSN)
    - i. Claim Number (the other person's SSN)
    - ii. Payment status code
    - iii. Date of current entitlement
    - iv. Current net monthly benefit amount (if payable)
    - v. Gross monthly benefit history (last 8 changes in benefit amount)
    - vi. Payee name and address
  3. Supplemental Security Income (SSI)
    - i. Payment status code
    - ii. Alien indicator
    - iii. Current net monthly benefit amount
    - iv. Current monthly state supplement benefit amount (if available)
    - v. Gross monthly benefit history (last 8 changes in benefit amount)
    - vi. Payee name and address
  4. Medicare data
    - i. Payee name and address
    - ii. Monthly hospital insurance premium amount, buy-in status, and buy-in start and end dates
    - iii. Monthly supplemental medical insurance premium amount, buy-in status, and buy-in start and end dates
- f. Disability status and onset date
- g. Identity verification status
- h. Indicator of possible multiple rental subsidy
- i. Indicator of debt and/or termination information from another PHA (effective September 2010)

All EIV Income Reports contain the date the report was generated and by whom; and the date EIV received each type of information.

To minimize tenant underreporting of income, PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual or interim reexamination of family income and composition.

In accordance with 24 CFR §5.236(b)(2)(3), PHAs are required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the PHA is required to take the following actions:

1. Discuss the income discrepancy with the tenant; and
2. Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources; and
3. In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the PHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
4. If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively\*; and
5. Take any other appropriate action as directed by HUD or the PHA's administrative policies.

\*The PHA is required to determine the retroactive rent as far back as the existence of complete file documentation (form HUD-50058 and supporting documentation) to support such retroactive rent determinations.

**Note:** A substantial difference is defined as an amount equal to or greater than \$2,400, annually.

The tenant must be provided an opportunity to contest the PHA's determination of tenant rent underpayment. HUD regulations require PHAs to promptly notify tenants in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with the PHA's established grievance procedures, as required by HUD. The PHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the PHA is required to obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the PHA may reject any tenant-provided documentation, if the PHA deems the documentation unacceptable. The PHA may reject documentation provided by the tenant for only the following HUD-approved reasons:

1. The document is not an original; or
2. The original document has been altered, mutilated, or is not legible; or

3. The document appears to be a forged document (i.e. does not appear to be authentic).

The PHA should explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the PHA deems necessary to complete the income determination process, the PHA is required to submit a traditional third party verification form to the third party source for completion and submission to the PHA.

If the third party source does not respond to the PHA's request for information, the PHA is required to document the tenant file of its attempt to obtain third party verification and that no response to the third party verification request was received.

The PHA should then pursue lower level verifications in accordance with the verification hierarchy listed in section 8 of this notice.

16. **Tenant Repayment Agreement.** Tenants are required to reimburse the PHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent. If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any PHA-sponsored amnesty or debt forgiveness programs.

All repayment agreements must be in writing, dated, signed by both the tenant and the PHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the paragraphs in the Public Housing lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the PHA.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

PHAs are required to determine retroactive rent amount as far back as the PHA has documentation of family reported income. For example, if the PHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, the PHA is only able determine retroactive rent for the three years for which documentation is available.

The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income. However, PHAs have the discretion to establish thresholds and policies for repayment agreements in addition to HUD required procedures.

**Example:**

- Family's monthly adjusted income is \$1,230.
- Family's monthly rent payment is \$369 (30% of the family's monthly adjusted income).
- 40% of the family's monthly adjusted income is \$492.
- The monthly payment for the repayment agreement should not exceed \$123 per month (\$369 monthly rent + \$123 repayment = \$492, 40% of the family's monthly adjusted income.)

**Repayment Time Period.** The period in which the retroactive rent balance will be repaid is based on the monthly payments and original retroactive balance.

**Example:** The tenant agrees to repay \$1,000, by making a monthly payment of \$25 for 40 months.

**Repayment Options.** Tenants have the option to repay the retroactive rent balance as follows:

1. In a lump sum payment; or
2. Monthly installment; or
3. A combination of 1 and 2, above
  - a. For example, a tenant may owe \$1,000, make a lump sum payment of \$300 and enter into a repayment agreement for the remaining balance of \$700.

**17. How long should the PHA maintain EIV printouts in a tenant file?** The PHA's record retention policy will determine the length of time the PHA should maintain EIV printouts in a tenant file. PHAs are authorized to maintain the EIV Income Report in the tenant file for the duration of tenancy and no longer than three years from the end of participation (EOP) date. In accordance with revised regulation, 24 CFR §908.101, PHAs are required to maintain at a minimum, the last three years of the form HUD-50058, and supporting documentation for all annual and interim reexaminations of family income. All records are to be maintained for a period of at least three years from the effective date of the action.

**18. Disclosure of an Individual's EIV Information.** The Federal Privacy Act (5 USC §552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or a copy provided or displayed) with another adult household member, unless the individual has provided written consent to disclose such information.

However, the PHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

EIV information and any other information obtained by the PHA for the purpose of determining eligibility and level of assistance for a PIH rental assistance program may not be disclosed to third parties for any reason (even for similar verifications under other programs, such as eligibility for low income housing tax credit units, other federal or state assistance programs), unless the tenant has authorized such disclosure in writing.

**19. What to do if the EIV Information is incorrect.**

Sometimes the source or originator of EIV information may make an error when submitting or reporting information about tenants. HUD cannot correct data in the EIV system. Only the originator of the data can correct the information. When the originator corrects the data, HUD will obtain the updated information with its next computer matching process. Below are the procedures tenants and PHAs should follow regarding incorrect EIV information.

***Employment and wage information*** reported in EIV originates from the employer. The employer reports this information to the local State Workforce Agency (SWA), who in turn, reports the information to HHS' National Directory of New Hires (NDNH) database.

If the tenant disputes this information, s/he should contact the employer directly, in writing to dispute the employment and/or wage information, and request that the employer correct erroneous information.

The tenant should provide the PHA with this written correspondence so that it may be maintained in the tenant file. If employer resolution is not possible, the tenant should contact the local SWA for assistance.

***Unemployment benefit information*** reported in EIV originates from the local SWA. If the tenant disputes this information, s/he should contact the SWA directly, in writing to dispute the unemployment benefit information, and request that the SWA correct erroneous information. The tenant should provide the PHA with this written correspondence so that it may be maintained in the tenant file.

***SS and SSI benefit information*** reported in EIV originates from the SSA. If the tenant disputes this information, s/he should contact the SSA at (800) 772-1213, or visit the local SSA office. SSA office information is available in the government pages of the local telephone directory or online at <http://www.socialsecurity.gov>.

**Note:** The tenant may also provide the PHA with third party documents which are in the tenant's possession to support their dispute of EIV information. The PHA, with the tenant's consent, is required to submit a third party verification form to third party sources for completion and submission to the PHA, when the tenant disputes EIV information and is unable to provide documentation to validate the disputed information. The tenant's failure to sign the consent form is grounds for termination of tenancy and/or assistance in accordance with 24 CFR §5.232.

***Debts owed to PHAs and termination information*** reported in EIV originates from the PHA. If a current or former tenant disputes this information, s/he should contact the PHA (who reported the information) directly in writing to dispute this information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the PIH program.

***Identity Theft.*** Seemingly incorrect information in EIV may be a sign of identity theft. Sometimes someone else may use an individual's SSN, either on purpose or by accident. SSA does not require an individual to report a lost or stolen SSN card, and reporting a lost or stolen SSN card to SSA will not prevent the misuse of an individual's SSN. However, a person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name. So, if the tenant suspects someone is using his/her SSN, s/he should check their Social Security records to ensure their records are correct (call SSA at (800) 772-1213); file an identity theft complaint with the local police department and/or Federal Trade Commission (call FTC at (877) 438-4338, or visit their website at: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>); and s/he should also monitor their credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian). The tenant should provide the PHA written documentation of filed identity theft complaint. (Refer back to paragraph on Employment and wage information regarding disputed EIV information related to identity theft).

Tenants may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: [www.annualcreditreport.com](http://www.annualcreditreport.com) or by contacting the credit reporting agency directly. Each agency's contact information is listed below.

#### **National Credit Reporting Agencies Contact Information**

Equifax Credit Information Services, Inc.  
P.O. Box 740241  
Atlanta, GA 30374  
Website: [www.equifax.com](http://www.equifax.com)  
Telephone: (800) 685-1111

Experian  
P.O. Box 2104  
Allen, TX 75013  
Website: [www.experian.com](http://www.experian.com)  
Telephone (888) 397-3742

TransUnion  
P.O. Box 6790  
Fullerton, CA 92834  
Website: [www.transunion.com](http://www.transunion.com)  
Telephone: (800) 680-7289 or (800) 888-4213

20. **Security of EIV Data.** The data in EIV contains personal information on individual tenants which is protected under the Federal Privacy Act. The information in EIV may only be used for limited official purposes, as noted below.

**A. Official Purposes Include:**

1. PHAs, in connection with the administration of PIH programs, for verifying the employment and income at the time of interim and annual reexaminations.
2. HUD staff for monitoring and oversight of PHA compliance with HUD program requirements.
3. Independent Auditors hired by the PHA or HUD to perform a financial audit for use in determining the PHA's compliance with HUD program requirements, including verifying income and determining the accuracy of the rent and subsidy calculations.

**Restrictions on disclosure requirements for Independent Auditors:**

- (a) May only access EIV income information within family files and only within the offices of the PHA or PHA-hired management agent;
- (b) May not transmit or transport EIV income information in any form;
- (c) May not enter EIV income information on any portable media;
- (d) Must sign non-disclosure oaths that the EIV income information will be used only for the purpose of the audit; and
- (e) May not duplicate EIV income information or re-disclose EIV income information to any user not authorized by Section 435(j)(7) of the Social Security Act to have access to the EIV income data.

**B. Official Purposes Does NOT Include:**

1. Sharing the information with governmental or private entities not involved in the reexamination process specifically used for PIH rental assistance programs.

Disclosing the EIV information to other private or public entities for purposes other than determining eligibility and level of assistance for PIH rental assistance programs is prohibited since these entities are not a party to the computer matching agreements with the HHS and SSA. The fact that these entities may find the EIV beneficial for similar eligibility and determination purposes for other low-income housing programs or public benefits, does not permit these entities to use or view information in the EIV system that is covered by the computer matching agreements.

The computer matching agreements are governed by the Privacy Act and the Social Security Act. Specifically, sections 453(j)(7)(E)(ii) and (iv) of the Social Security Act (42 USC §653j) limit disclosure of the data matched between HUD and HHS' National Directory of New Hires (NDNH) database to PHAs, Independent Auditors, the Inspector General (IG) and Attorney General, private owners, management agents, and contract administrators of Multifamily Housing programs.

**C. Penalties for Willful Disclosure or Inspection of EIV Data.**

1. **Unauthorized Disclosure** – felony conviction and fine up to \$5,000 or imprisonment up to five (5) years, as well as civil damages.
2. **Unauthorized Inspection** – misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.

21. **Penalties for Noncompliance with Mandated EIV System Use.** PHAs may be subject to sanctions and/or the assessment of disallowed costs associated with any resulting incorrect subsidy or tenant rent calculation or both. It should be noted that HUD may impose a sanction on any PHA who does not have access to the EIV system or the PHA has access to the system, however, has not used the system within the last six months. To avoid sanctions or disallowed costs, PHAs should follow all formal and informal guidance provided to PHAs via webcast trainings, PIH Rental Housing Integrity Improvement Project (RHIP) periodic electronic mailings, and any other HUD Headquarters'-generated guidance.

**EIV System Tip Sheets (ETS).** PHAs are required to comply with guidance provided via ETS and HUD Headquarters-sponsored EIV training, via webcast and satellite. PIH will also post ETS to the PIH RHIP technical assistance web pages at: <http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>, and send via email to all subscribers of the PIH RHIP mailing list. ETS is designed to explain effective use of the EIV system to ensure PHAs' compliance with the third party verification requirements and reduce administrative and subsidy payment errors, so that PHAs may avoid penalties for failure to use the EIV system in its entirety.

22. **EIV System Training Information.** As a condition of initial and continued access to the EIV System, HUD and PHA staff are required to complete Annual Security Awareness training and EIV system training (initial (complete system training) and update (interim system changes) training) when offered by HUD Headquarters (HHQ). This training requirement also applies to those individuals who will not access EIV, but will view or handle printed and/or electronic EIV data. Individuals who will view and/or handle printed EIV information are required to complete only annual Security Awareness training (EIV system training is optional for these individuals). EIV training provided by third parties (other than HUD Headquarters) does not fulfill the mandatory EIV training requirement.

HHQ offers training in Washington, DC and via webcast at least once a year. EIV system users who need to complete EIV training may view EIV training webcasts at: <http://www.hud.gov/webcasts/archives/iv.cfm>. HUD offers a *Certificate of Completion* for a period of six months following the broadcast date, for those who desire confirmation of completed training.

However, it should be noted that a certificate is not required in order for an individual to be granted access to the EIV system or be certified for continued EIV system access. The most recent PIH RHIIP/EIV training was held on January 28, 2010. EIV system users may request a *Certificate of Completion* for this training through October 30, 2010.

Training information is posted at the following websites:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm> and is emailed to all subscribers of the PIH RHIIP mailing list. To subscribe to this mailing list, paste the following URL into your browser, enter your email address, and click OK:

<http://www.hud.gov/subscribe/signup.cfm?listname=Public%20and%20Indian%20Housing%20Rental%20Housing%20Integrity%20Improvement%20Project&list=PIH-RHIIP-L>

Instructions for requesting a *Certificate of Completion* is posted at

<http://www.hud.gov/webcasts/archives/iv.cfm> or

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>, and is automatically emailed to all subscribers of the PIH RHIIP mailing list.

EIV system users must complete HHQ-offered training as follows:

<b>Training Offered</b>	<b>Training Must be Completed By</b>
October 1 <sup>st</sup> – March 31 <sup>st</sup>	April 29 <sup>th</sup>
April 1 <sup>st</sup> – September 30 <sup>th</sup>	October 30 <sup>th</sup>

New employees, who begin employment after March 31<sup>st</sup>, are required to complete the training by October 30<sup>th</sup>.

New employees, who begin employment after September 30<sup>th</sup>, are required to complete the training by April 29<sup>th</sup>, of the following year.

**Note:** Employees must complete the training **prior** to accessing the EIV system and/or printed EIV reports.

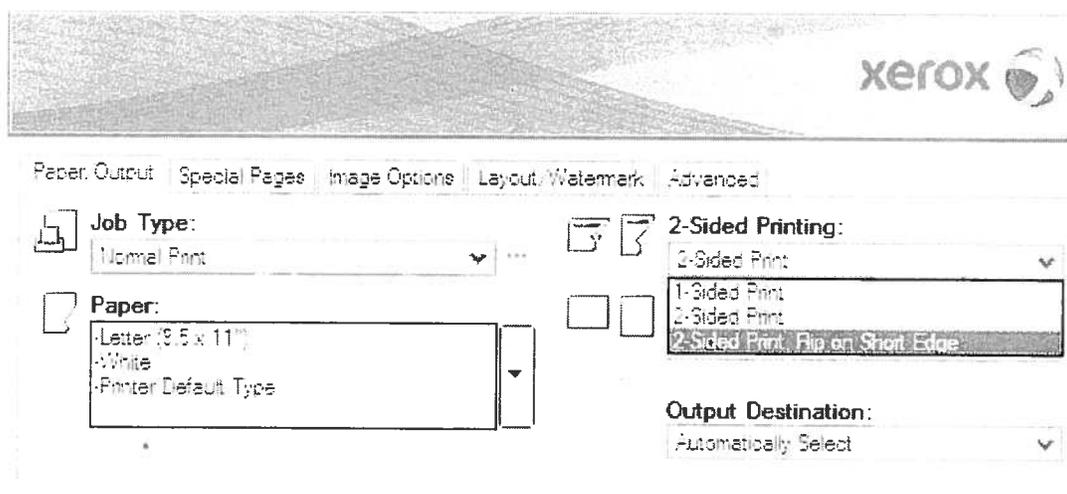
23. **Updating of PHA Policies and Procedures.** PHAs are required to immediately implement all new and modified regulatory requirements of the *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*.

The Department recognizes that many PHAs have already begun to modify existing policies and procedures to reflect use of EIV during all mandatory annual and interim reexams. PHAs should immediately update their policies and procedures to reflect these new regulatory provisions.

24. **Notice to Applicants and Tenants.** PIH is providing PHAs with the attached EIV system information guide that PHAs may provide to applicants and tenants of PIH rental assistance programs. PHAs are **not** required to distribute this document. However, PHAs are strongly encouraged to provide applicants and tenants with the *What You Should Know About EIV Guide* to educate families about EIV and inform them of how it affects their family.

There are two versions of the document: 1) with a signature block; and 2) without a signature block. HUD does not require applicants or tenants to acknowledge receipt of the document; however, PHAs may, at their discretion, require the family to acknowledge receipt of the guide. If your PHA will require families to acknowledge receipt of the guide, provide the family with a copy of the guide to take with them, and maintain a signed copy in the family file folder.

The guide is a two page document or one double-side printed document. To print the file on one page (if your printer has two-sided printing capability), select **Print Properties** when printing the document, select **2-Sided Print, Flip on Short Edge**, and then print. This document is not available for ordering from HUD. Simply click and print the guide.



Currently, the guide is only available in English, however, in the future; HUD may make this document available in other languages. As a subscriber to the PIH RHIIP mailing list, you will automatically receive the guide in other languages, when they become available.

**Tip:** Print on color paper to add a little flare!

25. **Rental Housing Integrity Improvement Project (RHIP)/EIV Resources.** For your convenience, PIH EIV information is available on the web at the below listed URLs. Many of your questions can be answered by viewing information that is posted on the HUD web pages. Bookmark these pages:

**Overview of Upfront Income Verification (UIV) Technique:**

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uiv.cfm>

**Training and Technical Assistance (including webcast training materials):**

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>

**EIV System, Access Authorization Form, and User Manuals:**

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>

**Subscribe to PIH RHIIP Mailing list:**

**<http://www.hud.gov/subscribe/signup.cfm?listname=Public%20and%20Indian%20Housing%20Rental%20Housing%20Integrity%20Improvement%20Project&list=PIH-RHIIP-L>**

**PIH EIV Webcasts Archives:**

**<http://portal.hud.gov/portal/page/portal/HUD/webcasts/archives/iv>**

**Latest EIV News: <http://www.hud.gov/offices/pih/programs/ph/rhiip/uivnewsflash.cfm>**

**Income Discrepancy Resolution:**

**<http://www.hud.gov/offices/pih/programs/ph/rhiip/indisres.cfm>**

**Public Notices: <http://www.hud.gov/offices/pih/programs/ph/rhiip/pubnotices.cfm>**

**Report Fraud, Waste & Abuse to HUD OIG:**

**<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivreporting.cfm>**

**PIH Notices: <http://www.hud.gov/offices/pih/publications/notices/>**

26. **Paperwork Reduction:** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB under the Paperwork Reduction Act of 1995 (44 USC §3520) and assigned OMB control number(s) 2577-0083 and 2577-0266. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.
27. **For inquiries about this Notice contact:** the designated EIV Coordinator in the local HUD field office or Nicole Faison of HUD Headquarters' Office of Public and Indian Housing at (202) 475-7949, or via email at [PIH.RHIIP.TA@HUD.GOV](mailto:PIH.RHIIP.TA@HUD.GOV).

/s/

\_\_\_\_\_  
Sandra B. Henriquez, Assistant Secretary for  
Public and Indian Housing

**Attachments:**

1. *What You Should Know About EIV Guide* (with signature block)
2. *What You Should Know About EIV Guide* (without signature block)



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Special Attention of:**

Public Housing and Section 8 Program Administrators,  
Public Housing Hub Office Directors; Public Housing  
Field Office Directors; Program Center Coordinators;  
Resident Management Corporations; Resident Councils;  
Applicants and Participants of Public Housing, Housing  
Choice Voucher and Project-Based Voucher Programs

**Notice PIH 2011-25 (HA)**

Issued: May 30, 2011

Expires: May 31, 2012

Cross References: 24 CFR §5.233,  
24 CFR §5.236, 24 CFR §908.101,  
and PIH Notice 2010-19

**SUBJECT: Extension: Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System**

1. **Extension:** This notice extends notice PIH-2010-19(HA), same subject, for another year until May 31, 2012.
2. **Purpose:** This notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's EIV system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the Final Rule: *Refinement of Income and Rent Determinations in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published in the Federal Register (FR) at 74 FR 68924, on December 29, 2009.
3. **For inquiries about this notice contact:** your local HUD field office or Nicole Faison of HUD Headquarters' Office of Public and Indian Housing, Real Estate Assessment Center via email at [PIH.RHIIP.TA@HUD.GOV](mailto:PIH.RHIIP.TA@HUD.GOV).
4. **Paperwork Reduction:** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control number(s) 2577-0083, 2577-0266, and 2577-0267. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

/s/

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



**U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing**

**Special Attention of:**

Public Housing and Section 8 Program Administrators,  
Public Housing Hub Office Directors; Public Housing  
Field Office Directors; Program Center Coordinators;  
Resident Management Corporations; Resident Councils;  
Applicants and Participants of Public Housing, Housing  
Choice Voucher and Project-Based Voucher Programs

**Notice PIH 2012-26 (HA)**

Issued: June 1, 2012

Expires: May 31, 2013

Cross References: 24 CFR §5.233,  
24 CFR §5.236, 24 CFR §908.101,  
PIH Notice 2010-19 and PIH Notice  
2011-25

**SUBJECT: Extension: Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System**

1. **Extension:** This notice extends notice PIH-2010-19(HA), which was extended under notice PIH-2011-25, same subject, for another year until May 31, 2013.
2. **Purpose:** This notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's EIV system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the Final Rule: *Refinement of Income and Rent Determinations in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published in the Federal Register (FR) at 74 FR 68924, on December 29, 2009.
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Sandra B. Henriquez, Assistant Secretary  
for Public and Indian Housing

## ATTACHMENT D

### Chapter 7

#### VERIFICATION

[24 CFR 960.259, 24 CFR 5.230]

#### INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in PIH Notice [2004-01-Verification-Guidance] 2010 – 19 (HA) Administrative Guidance for Effective and Mandated Use of the EIV System (extended by PIH Notices 2011-25 and 2012-26) and any subsequent [guidance] mandatory changes or extensions issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

#### PART I. GENERAL VERIFICATION REQUIREMENTS

##### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information.

##### Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

## **Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## **7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS**

The PHA will follow the verification guidance provided by HUD in PIH Notice 2010-19 and any subsequent guidance issued by HUD.

### **Implementation of the Enterprise Income Verification (EIV) System**

PHAs must use all features of the EIV system to:

- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
- b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

### **HUD's Verification Hierarchy**

HUD authorizes the PHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

#### **PHA Policy**

In order of priority, the forms of verification that the PHA will use are:

Up-front Income Verification (UIV) whenever available

Third-party Written Verification

Third-party Oral Verification

Review of Documents

Self-Certification]

HUD recommends PHAs to begin with the highest level of verification techniques. HUD requires PHAs to access the EIV system and obtain an Income Report for each household and maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, HUD recommends that the PHA attempt the next lower level verification technique, as noted in the below chart.

## PHA Policy

The PHA will use the forms of verification as required or recommended by HUD as follows:

The PHA must begin with the highest level of verification techniques.

The PHA must access the EIV system and obtain an Income Report for each household. The PHA must maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA will attempt the next lower level verification technique, as noted in the below chart.

<u>Level</u>	<u>Verification</u>	<u>Technique Ranking</u>
<u>6</u>	<u>Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System</u>	<u>Highest (Mandatory)</u>
<u>5</u>	<u>Upfront Income Verification (UIV) using non-HUD system</u>	<u>Highest (Optional)</u>
<u>4</u>	<u>Written Third Party Verification</u>	<u>High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV reported employment and income information and is unable to provide acceptable documentation to support dispute)</u>
<u>3</u>	<u>Written 3rd Party</u>	<u>Medium-Low (Mandatory if written third party Verification Form verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)</u>
<u>2</u>	<u>Oral Third Party Verification</u>	<u>Low (Mandatory if written third party verification is not available)</u>

**1 Tenant Declaration Low (Use as a last resort when unable to obtain any type of third party verification)**

Note: This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

Each of the verification methods is discussed in subsequent sections below. [Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.]

**Requirements for Acceptable Documents**

PHA Policy

Any documents used for verification must be the original (not photocopies)[.] and must be dated within 60 calendar days preceding the agency's request date. [For applicants, verifications may not be more than ninety (90) days old at the time of a unit offer.] For applicants and participants, they are valid for one hundred twenty (120) days from date of receipt. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any [~~family self-certifications~~] tenant declaration must be made in a format acceptable to the PHA and must be signed in the presence of a [~~PHA representative or PHA~~] notary public.

**File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## **7-I.C. [UP-FRONT INCOME VERIFICATION (UIV)] VERIFICATION TECHNIQUES**

[Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.]

### **Verification Technique Definitions**

#### **Third Party Verification Techniques**

**Upfront Income Verification (UIV) (Level 6/5):** UIV is the verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.

The EIV system is available to all PHAs as a UIV technique. In addition, PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

#### PHA Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system (when it is available to the PHA)

The Work Number

Hawaii Automated Welfare Information (HAWI)

The PHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

### **Use of HUD's Enterprise Income Verification (EIV) System**

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the PHA to use the EIV system when available. The following policies will apply when the PHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and "exceeds threshold" reports.

### ***Tenant Income Data (TID) Reports***

The data shown on TID reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

#### PHA Policy

The PHA will obtain TID reports for annual reexaminations. Reports will be generated as part of the regular reexamination process.

All earned income will be verified by third party verification in order to project annual income. If unable to verify directly with the third party, the verification hierarchy will be followed pursuant to 7-I.B.

TID reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits.

TID reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through TID reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***Income Discrepancy Reports (IDRs)***

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

#### PHA Policy

The PHA will generate and review IDRs on a monthly basis. The IDR threshold percentage will be set at 100% each month.

In reviewing IDRs, the PHA will begin with the largest discrepancies.

When the PHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "invalid" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the PHA will request third-party written verification of the income in question.

When the PHA determines through IDR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

## ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

### PHA Policy

The PHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The PHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

PHA will inform tenant in writing to correct discrepancy with SSA records.

**Written Third Party Verification (Level 4):** Written Third Party Verification is an original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. HUD accepts such tenant-provided documents as written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations. The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, HUD recommends the PHA to project income based on the information from a traditional written third party verification form or the best available information.

**Note:** Documents older than 60 days (from the PHA interview/determination or request date) are acceptable for confirming effective dates of income.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification, Written Third Party Verification Form is a standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email. HUD acknowledges that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

HUD recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

HUD requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. HUD recommends PHA staff to document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

### **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant declaration is a submission of an affidavit or notarized statement of reported income and/or expenses to the PHA. HUD recommends that this verification method be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

#### **PHA Policy**

The tenant declaration must be made in a format acceptable to the PHA, signed by the family member whose information or status is being verified, and be signed in the presence of a notary public.

### **Exceptions to Third Party Verification Requirements**

HUD requires PHAs to obtain and document in the family file third party verification of certain factors, or to document in the file why third party verification was not available." (24 C.F.R. §960.259(c)(1) and §982.516(a)(2)) However, in situations where third party verification is not available for a variety of reasons even after making numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal, the PHA is required to document in the family file the reason(s) why third party verification was not available. The factors that this requirement applies to are: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other

factors that affect the determination of adjusted income. (24 C.F.R. §960.259(c)(1) and §982.516(a)(2).

## **7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

### **Reasonable Effort and Timing**

Unless third-party verification is not required as described below, HUD requires the PHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

#### PHA Policy

The PHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The PHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The PHA will send a written request for verification to each required source and allow the source 10 calendar days to respond in writing. If a response has not been received by the due date specified, the PHA will request third-party verification, which may be oral.

The PHA will make a minimum of two documented attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

### **When Third-Party Information is Late**

[When] In situations where third-party verification has been requested and the timeframes for submission have been exceeded, the PHA will use the [information from documents] next form of verification available on a provisional basis. If the PHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the PHA will conduct a correction to the reexamination to adjust the figures used for the reexamination[-] if the difference in amount is over \$200 or is for a new income source.

### **When Third-Party Verification is Not Required**

#### ***Primary Documents***

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

### ***Certain Assets***

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The PHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

#### PHA Policy

For any family declaring assets valued at \$5,000 or less the PHA will accept both the value of the assets and the amount the assets are expected to produce from the Family Annual/Update Report form, when this method is allowed by HUD. No other documentation or verification is required by the family or the PHA. The HPHA's application and reexamination documentation, which is signed by all adult family members, will serve as the declaration.

### ***Certain Income, Asset and Expense Sources***

The PHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the PHA will rely upon review of documents when the PHA determines that a third party's privacy rules prohibit the source from disclosing information.

#### PHA Policy

The PHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective. The cost of verification will not be passed on to the family. To determine the cost effectiveness, the actual administrative cost must be greater than the asset income. You will be allowed to use the documents provided by the applicant/tenant. However, if the prospective asset income is greater than the administrative cost, you must secure third party asset verification. Actual administrative cost is determined by the cost to do business, plus the cost or service fee the institution charges our agency. In determining the base administrative cost, it has been determined that it will cost HPHA \$22.00 in employee time and miscellaneous expenses. The following has been used to determine this number:

Base Administrative Cost (BAC) has been determined by:

Time for process:	1 hour
Employee wages:	\$15.00
Mileage cost:	<u>\$7.00</u>

Base Administrative Cost: \$22.00

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

## **7-I.E. REVIEW OF DOCUMENTS**

### **Using Review of Documents as Verification**

#### **PHA Policy**

If the PHA has determined that third-party verification is not available or not required, the PHA will use documents provided by the family as verification.

The PHA may also review documents when necessary to help clarify information provided by third parties. In such cases the PHA will document in the file how the PHA arrived at a final conclusion about the income or expense to include in its calculations.

## **7-I.F. SELF-CERTIFICATION**

#### **PHA Policy**

When information cannot be verified by a third party or by review of documents, (this includes termination of source of income) family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.]

## **7.I.E. THIRD PARTY VERIFICATION REQUIREMENTS**

For employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV, the PHA can:

- a. Review the EIV Income Report to confirm/validate tenant-reported income; and
- b. Print and maintain an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
- c. Obtain current acceptable tenant-provided documentation to supplement EIV information; and
- d. Use current tenant-provided documentation and/or third party verification to calculate annual income.

The PHA may rely on acceptable documents that are generated by a third party, but provided by the tenant, such as those derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

Written third party verification is required under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
- b. When the PHA requires additional information that is not available in EIV and /or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

### Required file documentation

- A. For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:
  - i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- B. For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:
  - i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- C. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
  - i. ICN Page when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
  - ii. EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
- D. For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:
  - i. No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and if necessary (as determined by the PHA), traditional third party verification form(s).
  - ii. Disputed EIV Information: EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.

iii. Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and if necessary (as determined by the PHA), traditional third party verification form(s).

## ATTACHMENT E

### Chapter 7

#### VERIFICATION

[24 CFR 960.259, 24 CFR 5.230]

#### INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in PIH Notice [2004-01-Verification-Guidance] 2010-19 (HA) Administrative Guidance for Effective and Mandated Use of the EIV System (extended by PIH Notices 2011-25 and 2012-26) and any subsequent [guidance] mandatory changes or extensions issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

#### PART I. GENERAL VERIFICATION REQUIREMENTS

##### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information.

##### Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

## **Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## **7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS**

The PHA will follow the verification guidance provided by HUD in PIH Notice 2010-19 and any subsequent guidance issued by HUD.

### **Implementation of the Enterprise Income Verification (EIV) System**

PHAs must use all features of the EIV system to:

- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
- b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

### **HUD's Verification Hierarchy**

HUD authorizes the PHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

#### **[PHA Policy**

In order of priority, the forms of verification that the PHA will use are:

Up-front Income Verification (UIV) whenever available

Third-party Written Verification

Third-party Oral Verification

Review of Documents

Self-Certification]

HUD recommends PHAs to begin with the highest level of verification techniques. HUD requires PHAs to access the EIV system and obtain an Income Report for each household and maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, HUD recommends that the PHA attempt the next lower level verification technique, as noted in the below chart.

## PHA Policy

The PHA will use the forms of verification as required or recommended by HUD as follows:

The PHA must begin with the highest level of verification techniques.

The PHA must access the EIV system and obtain an Income Report for each household. The PHA must maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA will attempt the next lower level verification technique, as noted in the below chart.

### Level Verification Technique Ranking

<u>6</u>	<u>Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System</u>	<u>Highest (Mandatory)</u>
<u>5</u>	<u>Upfront Income Verification (UIV) using non-HUD system</u>	<u>Highest (Optional)</u>
<u>4</u>	<u>Written Third Party Verification</u>	<u>High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV reported employment and income information and is unable to provide acceptable documentation to support dispute)</u>
<u>3</u>	<u>Written 3rd Party Verification</u>	<u>Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)</u>
<u>2</u>	<u>Oral Third Party Verification</u>	<u>Low (Mandatory if written third party verification is not available)</u>
<u>1</u>	<u>Tenant Declaration</u>	<u>Low (Use as a last resort when unable to obtain any type of third party verification)</u>

Note: This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

Each of the verification methods is discussed in subsequent sections below. [~~Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.~~]

## **Requirements for Acceptable Documents**

### PHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days [~~of the date they are provided to the PHA]~~ preceding the agency's request date. For applicants and participants, verifications may not be more than one hundred twenty (120) days from date of receipt. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any [~~family self-certifications]~~ tenant declaration must be made in a format acceptable to the PHA and must be signed in the presence of a [~~PHA representative or PHA]~~ notary public.

## **File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## **7-I.C. [UP-FRONT INCOME VERIFICATION (UIV)] VERIFICATION TECHNIQUES**

~~[Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.]~~

### PHA Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system (when it is available to the PHA)

The Work Number

Hawaii Automated Welfare Information (HAWI)

The PHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

### **Use of HUD's Enterprise Income Verification (EIV) System**

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the PHA to use the EIV system when available. The following policies will apply when the PHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and "exceeds threshold" reports.

### ***Tenant Income Data (TID) Reports***

The data shown on TID reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

### PHA Policy

The PHA will obtain TID reports for annual reexaminations. Reports will be generated as part of the regular reexamination process.

All earned income will be verified by third party verification in order to project annual income. If unable to verify directly with the third party, the verification hierarchy will be followed pursuant to 7-I.B.

TID reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits.

TID reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through TID reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***Income Discrepancy Reports (IDRs)***

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

#### PHA Policy

The PHA will generate and review IDRs on a monthly basis. The ETR threshold percentage will be set at 100% each month.

In reviewing IDRs, the PHA will begin with the largest discrepancies.

When the PHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "invalid" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the PHA will request third-party written verification of the income in question.

When the PHA determines through IDR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

#### PHA Policy

The PHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The PHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

PHA will inform tenant in writing to correct discrepancy with SSA records.

**Written Third Party Verification (Level 4): Written Third Party Verification is an original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. HUD**

accepts such tenant-provided documents as written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations. The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, HUD recommends the PHA to project income based on the information from a traditional written third party verification form or the best available information.

Note: Documents older than 60 days (from the PHA interview/determination or request date) are acceptable for confirming effective dates of income.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification, Written Third Party Verification Form is a standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email. HUD acknowledges that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.). HUD recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information. HUD requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. HUD recommends PHA staff to document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information. This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

## **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant declaration is a submission of an affidavit or notarized statement of reported income and/or expenses to the PHA. HUD recommends that this verification method be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

### **PHA Policy**

The tenant declaration must be made in a format acceptable to the PHA, signed by the family member whose information or status is being verified, and be signed in the presence of a notary public.

## **Exceptions to Third Party Verification Requirements**

HUD requires PHAs to obtain and document in the family file third party verification of certain factors, or to document in the file why third party verification was not available.” (24 C.F.R. §960.259(c)(1) and §982.516(a)(2)) However, in situations where third party verification is not available for a variety of reasons even after making numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal, the PHA is required to document in the family file the reason(s) why third party verification was not available. The factors that this requirement applies to are: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income. (24 C.F.R. §960.259(c)(1) and §982.516(a)(2).

## 7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

### Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the PHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

#### PHA Policy

The PHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The PHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The PHA will send a written request for verification to each required source and allow the source 10 calendar days to respond in writing. If a response has not been received by the due date specified, the PHA will request third-party verification, which may be oral.

The PHA will make a minimum of two documented attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

### When Third-Party Information is Late

[When] In situations where third-party verification has been requested and the timeframes for submission have been exceeded, the PHA will use the next form of verification available [information from documents] on a provisional basis. If the PHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the PHA will conduct a correction to the reexamination to adjust the figures used for the reexamination[-] if the difference in amount is over \$200 or is for a new income source.

### When Third-Party Verification is Not Required

#### *Primary Documents*

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

#### *Certain Assets*

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The PHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

PHA Policy

For any family declaring assets valued at \$5,000 or less the PHA will accept both the value of the assets and the amount the assets are expected to produce from the Family Annual/Update Report form, when this method is allowed by HUD. No other documentation or verification is required by the family or the PHA. The HPHA's application and reexamination documentation, which is signed by all adult family members, will serve as the declaration.

***Certain Income, Asset and Expense Sources***

The PHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the PHA will rely upon review of documents when the PHA determines that a third party's privacy rules prohibit the source from disclosing information.

PHA Policy

The PHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective. The cost of verification will not be passed on to the family. To determine the cost effectiveness, the actual administrative cost must be greater than the asset income. You will be allowed to use the documents provided by the applicant/tenant. However, if the prospective asset income is greater than the administrative cost, you must secure third party asset verification. Actual administrative cost is determined by the cost to do business, plus the cost or service fee the institution charges our agency. In determining the base administrative cost, it has been determined that it will cost HPHA \$22.00 in employee time and miscellaneous expenses. The following has been used to determine this number:

Base Administrative Cost (BAC) has been determined by:

Time for process:	1 hour
Employee wages:	\$15.00
Mileage cost:	<u>\$7.00</u>

Base Administrative Cost: \$22.00

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

## **[7-I.E. REVIEW OF DOCUMENTS**

### **Using Review of Documents as Verification**

#### **PHA Policy**

If the PHA has determined that third-party verification is not available or not required, the PHA will use documents provided by the family as verification.

The PHA may also review documents when necessary to help clarify information provided by third parties. In such cases the PHA will document in the file how the PHA arrived at a final conclusion about the income or expense to include in its calculations.]

## **7-I.F. SELF-CERTIFICATION**

### **PHA Policy**

When information cannot be verified by a third party or by review of documents, (this includes termination of source of income) family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.]

## **7.I.E. THIRD PARTY VERIFICATION REQUIREMENTS**

For employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV, the PHA can:

- a. Review the EIV Income Report to confirm/validate tenant-reported income; and
- b. Print and maintain an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
- c. Obtain current acceptable tenant-provided documentation to supplement EIV information; and
- d. Use current tenant-provided documentation and/or third party verification to calculate annual income.

The PHA may rely on acceptable documents that are generated by a third party, but provided by the tenant, such as those derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

Written third party verification is required under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
- b. When the PHA requires additional information that is not available in EIV and /or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

## **Required file documentation**

- A. For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:
- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- B. For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:
- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- C. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i. ICN Page when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
  - ii. EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
- D. For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i. No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and if necessary (as determined by the PHA), traditional third party verification form(s).
  - ii. Disputed EIV Information: EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.
  - iii. Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and if necessary (as determined by the PHA), traditional third party verification form(s).

**Executive Director's Board Status Report  
March 2013 / April 2013**

**Major Programs**

**A. Public Housing**

- The Property Management Branch's vacancy activity consisted of the following:

	Federal	State	Reason
New Move-ins from the Waitlist	47	8	
Internal Transfers	12	1	10-RRA* 1 - H&S 2 - Other*
Vacancy (tenants who vacated from the program)	30	6	

\*RRA – Request for Reasonable Accommodation  
H&S – Health & Safety (unit deemed uninhabitable due to flooding, loss of electrical power, etc.)

As of March 31, 2013, HPHA has a total of 97 approved RRA tenants statewide (Oahu – 87, Maui – 2, Hilo – 2 and Kauai – 6). These approved internal RRA tenants are waiting for a transfer to a suitable unit.

- Program Progress from January 2013 to the end of March 2013:
  - Overall occupancy increased from 92.94% to 93.68%. HPHA's target occupancy rate is 97%.
  - Non vacated delinquencies were reduced from 1,043 families owing approximately \$578,000 to 864 families owing approximately \$48,443 in back rent.

s/b \$487,443



- Formal Grievance Hearings held:

Oahu – 1 (AMP 40)  
Kona – 1 (AMP 43)  
Maui – 1 (AMP 39)

The Property Management Branch conducted three (3) formal grievance hearing cases due to tenants being in violation of the rental agreement. The violations included drug activities on property, a dog bite and an attempted murder.

- Response to HUD regarding decision on Faircloth Limit for public housing inventory; conducting research and working with the HPHA's legal team to prepare an appeal to recent decision limiting the number of HPHA's units.
- Continue review of amendments/revisions to the Hawaii Administrative Rules for public housing, grievances, and evictions. Determine whether associated changes need to be made in the Admissions and Continued Occupancy Policy.

The AMPs have completed the No Smoking Policy meetings with the tenants. The tenants were asked for their input to identify designated smoking areas on each property. HPHA will continue to work with the DOH to bring cessation programs to the AMPs and to install proper signage.

- Implementing a plan to address backlog of recertifications for the federal public housing program.

## **B. Section 8 Subsidy Programs**

- Voucher lease up update: Staff screened and issued (not leased):
  - 29 veterans with VASH vouchers statewide (issued, vouchers holders are in housing search);
  - 10 Port-In's from other states or neighbor islands (issued);
  - 40 Kuhio Park Terrace applicants (screened);
  - 1 applicant for Palolo Homes (screened); and
  - 0 Housing Choice Vouchers for families from the waitlist.

HPHA is currently assisting 1962 families. Additional voucher Lease up activities have stopped except for the veteran's vouchers due to the effects of sequestration

- 133 inspections were completed by HPHA staff in March 2013.

The program issued \$2,002,207 in housing assistance payments for the month of March 2013. From Oct 2012 to March 2013, HPHA expended 97.2% of funds received.

- HPHA expended 60% of \$50,890 received in the month of March for the State Rent Supplement Program. Rent supplement assistance program is administered by the HPHA on every island. Efforts are being made to increase lease up of rent supplement subsidy on all islands.
- The Family Self Sufficiency (FSS) program assisted 94 Section 8 clients in March 2013. One family graduated from the program and received an escrow disbursement of \$824. Two families increased their income. One case closed/terminated. Fifty six families currently have an escrow account.

- Resolved major issues with the Section 8 Project Based Contract Administration program.

### **C. Construction Management Branch**

For Construction Management Branch Activities, see Program Reports

### **Administrative Services**

#### **A. Compliance Office**

- Resolved 19 tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act.

Requests were approved for:

- a. Transfers to accessible or ground floor units (5);
  - b. Transfer of unit for other reasons (1);
  - c. Installation of air conditioning (0); and
  - d. Service animal (1)
- HPHA continues to work on the filing of Declarations of Trust for all of the federally assisted public housing projects.
  - Continue to administer contract with National Center for Housing Management for HPHA self-evaluation and transition plan, including working with the Construction Management Branch to plan for the construction or retrofit of accessible units.
  - Prepared for the implementation of the revised changes to the HPHA reasonable accommodations policy.
  - Worked with the Department of the Attorney General to review all proposed changes for the Federal Public Housing Program and the Section 8 Housing Choice Voucher Program.
  - Completed certifications for the Five Year and Annual PHA Plan which was submitted to HUD last week. The PHA Plan was due to HUD no later than April 17, 2013.

#### **B. Planning and Evaluation Office (PEO)**

- Conducted/coordinated public hearing on the HPHA's Five Year and Annual Plan at four properties statewide on March 11, 2013 at 6:00 p.m.
- Choice Neighborhoods Task Force Kick-Off Meetings March 12 - 13, 2013. Went very well with numerous community leaders in attendance. The Kuhio Park Community meeting was held on March 14, 2013 estimated 100 people attended to learn more about the Choice Neighborhoods program and how to get involved. The goal is to develop a transformation plan for potential improvements of the Kuhio Homes and Low Rise Units, as well as the

surrounding neighborhood, with the hopes of attaining a \$30 million Choice Neighborhoods Implementation Grant.

Legislative

- Participated in task force meetings
- Refined and submitted legislative proposals for inclusion in administrative package
- Coordinated responses to legislative requests for information and testimony for subject matter committees
- Working with the Governor’s Policy Office on Legislative proposals
- Continue meeting with various Departments and affected organizations on HPHA’s proposed legislations

**C. Fiscal Management Office**

For Fiscal Management Office Activities, see Financial reports.

- Preparation and Submission of the Financial Data Schedules to HUD for the fiscal year ended June 30, 2012. (Report was successfully submitted to HUD and to the federal audit clearinghouse by the March 31<sup>st</sup> due date.)
- Work with the Office of the Executive Director to secure allotment of FY 2013 funds pending release by the Department of Budget and Finance.
- Continue to analyze the fiscal impact of sequestration on HPHA’s Public Housing and Section 8 program and administrative operations.

**D. Contracts and Procurement**

For Solicitations and Contracts Issued in March 2013 see Program Reports.

Central Stores Requisitions/Purchase Orders/pCards Processed:

Type	Mar	Feb	% change	FYTD
Central Stores Requisitions	18	18	0%	179
Purchase Orders	144	81	78%	1,387
pCard (Total)	35	23	52%	302

**E. Information Technology Office**

- Coordinated onsite and remote assistance from Emphasys support to address ongoing issues with Elite Low Income Public Housing (LIPH), Section 8 and Financial modules.

## F. Hearings Office

- 17 Eviction cases heard for March 2013 Continue to prepare findings of fact, conclusions or law, decision and order, and other legal documents.
- Continue to respond to request and inquiries from tenants, associations, HUD, Hawaii Civil Rights Commission, and Legal Aid Society.
- Continue to work with the Department of the Attorney General for evictions from State public housing and cases in the appeal process.

## G. Personnel

Staffing as of March 31, 2013, Full-time Equivalent positions:

Filled positions:	279
Vacant positions:	89
Total FTEs:	368

***As of March 1, 2013 HPHA imposed a temporary hiring freeze as a result of the sequestration by the federal government and OED reviewing and approving on a case to case basis.***

Tenant Aides (19 hours)	13
New Hires:	1
Termination/resigned:	3

Note: 89-day hires (temp) 2

- Personnel Office will contact managers and identify critical positions to fill within their allotted budget for staffing.

### Safety & Worker's Compensation

- No workers compensation injury for March 2013
- Staff attended training on workplace safety at the Human Services Personnel Office/Training Section.

**Federal LIPH  
HPHA Project Overview Report  
March 2013**

AMP	Occupancy*							Units Rent Ready
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	
30P-Aiea	363	343	15	94.49%	1	1	1	4
31P-KVH	373	336	36	90.08%	2	5	1	1
32P-MWH	364	357	6	98.08%	9	4	3	1
33P-Kam/Kaamanu	373	367	6	98.39%	4	2	1	0
34P-Kalakaua	583	567	12	97.26%	6	6	0	4
35P-Kalanihuaia	587	581	5	98.98%	3	0	0	1
37P-Hilo	322	289	31	89.75%	8	3	0	2
38P-Kauai	321	290	19	90.34%	11	2	0	10
39P-Maui	196	162	27	82.65%	3	4	0	7
40P-KPT	168	167	1	99.40%	0	0	0	0
43P-Kona	202	197	5	97.52%	2	6	3	0
44P-Leeward Oahu	260	229	30	88.08%	3	7	1	1
45P-Windward Oahu	235	219	5	93.19%	4	1	1	2
46P-Kamuela	103	99	2	96.12%	1	1	1	1
49P-Central Oahu	150	123	23	82.00%	1	0	0	4
50P-Palolo	118	95	23	80.51%	0	0	0	0
<b>Total</b>	<b>4,718</b>	<b>4,421</b>	<b>246</b>	<b>93.70%</b>	<b>58</b>	<b>42</b>	<b>12</b>	<b>38</b>

AMP	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	97	59,760.41	30	45,594.56	\$ 137,412.67	\$ 112,810.84	82.10%
31P-KVH	92	39,553.05	32	12,208.88	\$ 96,618.59	\$ 79,304.89	82.08%
32P-MWH	43	28,991.25	15	18,440.79	\$ 113,902.57	\$ 104,494.65	91.74%
33P-Kam/Kaamanu	54	24,346.43	23	19,500.04	\$ 88,617.56	\$ 79,874.78	90.13%
34P-Kalakaua	43	19,741.98	13	18,686.83	\$ 141,518.00	\$ 134,690.07	95.18%
35P-Kalanihuaia	34	13,178.59	7	4,503.41	\$ 154,597.09	\$ 149,800.12	96.90%
37P-Hilo	33	11,794.00	6	919.00	\$ 62,905.00	\$ 58,911.78	93.65%
38P-Kauai	42	24,410.17	18	18,705.57	\$ 77,168.00	\$ 66,422.00	86.07%
39P-Maui	31	15,245.64	10	3,841.00	\$ 49,710.67	\$ 45,416.13	91.36%
40P-KPT	34	23,361.45	5	2,045.76	\$ 67,976.00	\$ 58,019.11	85.35%
43P-Kona	29	6,204.00	10	2,708.00	\$ 40,992.68	\$ 36,859.60	89.92%
44P-Leeward Oahu	68	24,003.70	15	12,272.97	\$ 56,910.22	\$ 48,288.89	84.85%
45P-Windward Oahu	22	7,069.00	4	2,568.72	\$ 59,570.80	\$ 56,158.80	94.27%
46P-Kamuela	14	6,302.00	8	3,944.00	\$ 19,911.00	\$ 17,689.00	88.84%
49P-Central Oahu	15	9,614.00	3	2,450.00	\$ 34,900.00	\$ 31,926.34	91.48%
50P-Palolo	9	2,930.00	6	2,548.46	\$ 22,038.00	\$ 21,744.15	98.67%
<b>Total</b>	<b>660</b>	<b>\$ 316,505.67</b>	<b>205</b>	<b>\$ 170,937.99</b>	<b>\$ 1,224,748.85</b>	<b>\$ 1,102,411.15</b>	<b>90.01%</b>

\* 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).

**Federal LIPH  
HPHA Island Overview Report  
March 2013**

Island	Occupancy *								LIPH and Elderly Waiting List**				
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	627	584	38	93.14%	11	10	4	0	Average Income	42	0.34%	6.23	3.05
Kauai	321	290	20	90.34%	11	2	0	0	Low Income (80%)	143	1.16%	2.77	1.92
Maui	196	162	27	82.65%	3	4	0	0	Very Low Inc. (50%)	930	7.53%	2.83	1.89
Oahu	3,574	3,384	165	94.68%	33	26	8	0	Extrmly Low Inc. (30%)	11,233	90.97%	2.55	1.75
<b>Total</b>	<b>4,718</b>	<b>4,420</b>	<b>250</b>	<b>93.68%</b>	<b>58</b>	<b>42</b>	<b>12</b>	<b>0</b>		<b>12,348</b>	<b>100.00%</b>	<b>2.58</b>	

Island	Non Vacated Delinquencies***				Collection Rate ****		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	76	\$ 24,300.00	24	\$ 7,571.00	\$ 123,808.68	\$ 113,460.38	91.64%
Kauai	42	\$ 24,410.17	18	\$ 18,705.57	\$ 77,168.00	\$ 66,422.00	86.07%
Maui	31	\$ 15,245.64	10	\$ 3,841.00	\$ 49,710.67	\$ 45,416.13	91.36%
Oahu	510	\$ 252,549.86	153	\$ 140,820.42	\$ 974,061.50	\$ 877,112.64	90.05%
<b>Total</b>	<b>659</b>	<b>\$ 316,505.67</b>	<b>205</b>	<b>\$ 170,937.99</b>	<b>\$ 1,224,748.85</b>	<b>\$ 1,102,411.15</b>	<b>90.01%</b>

\* 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).

\*\*\*\* Lower Collection rate due to mailing label errors.

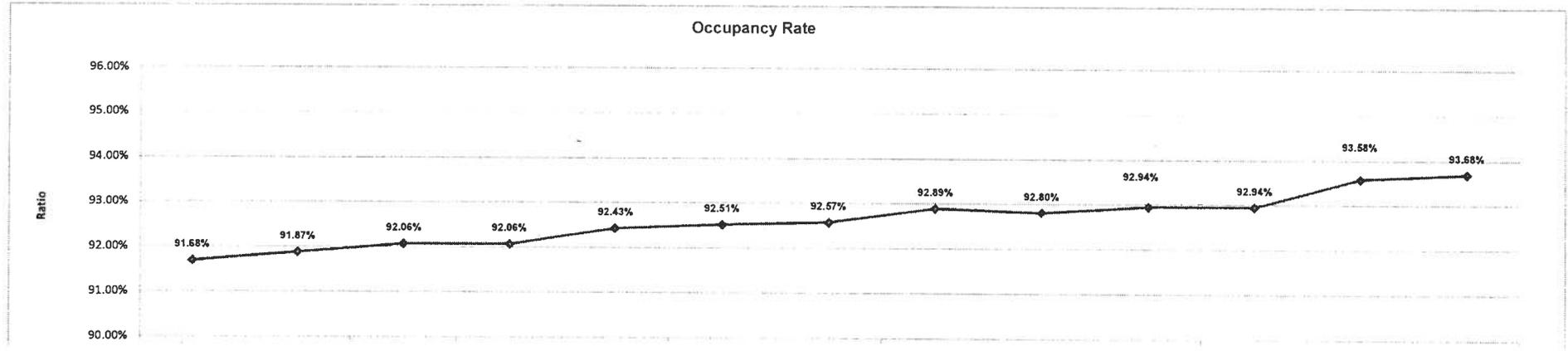
FEDERAL PUBLIC HOUSING

Occupancy from March 2012 to March 2013

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Total Units	Occ Units	Ratio															
Hawaii	621	533	85.83%	621	536	86.31%	621	541	87.12%	621	541	87.12%	620	534	86.13%	620	546	88.06%
Kauai	319	272	85.27%	318	277	87.11%	318	274	86.16%	318	274	86.16%	318	275	86.48%	318	274	86.16%
Maui	196	152	77.55%	196	156	79.59%	196	158	80.61%	196	158	80.61%	196	169	86.22%	196	172	87.76%
Oahu	3,554	3,343	94.06%	3,553	3,338	93.95%	3,553	3,343	94.09%	3,553	3,343	94.09%	3,553	3,354	94.40%	3,553	3,344	94.12%
<b>Total</b>	<b>4,690</b>	<b>4,300</b>	<b>91.68%</b>	<b>4,688</b>	<b>4,307</b>	<b>91.87%</b>	<b>4,688</b>	<b>4,316</b>	<b>92.06%</b>	<b>4,688</b>	<b>4,316</b>	<b>92.06%</b>	<b>4,687</b>	<b>4,332</b>	<b>92.43%</b>	<b>4,687</b>	<b>4,336</b>	<b>92.51%</b>

Cumulative (12 Months)	
Units	03/12 - 03/13 61,077
Tenants	56,569
Ratio	92.62%

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Total Units	Occ Units	Ratio																		
Hawaii	620	551	88.87%	619	564	91.11%	620	571	92.10%	627	576	91.87%	627	577	92.03%	627	587	93.62%	627	584	93.14%
Kauai	315	272	86.35%	315	274	86.98%	321	281	87.54%	321	278	86.60%	321	276	85.98%	321	281	87.54%	321	290	90.34%
Maui	196	176	89.80%	196	175	89.29%	196	172	87.78%	196	170	86.73%	196	167	85.20%	196	165	84.18%	196	162	82.65%
Oahu	3,553	3,337	93.92%	3,553	3,337	93.92%	3,574	3,348	93.68%	3,573	3,360	94.04%	3,574	3,365	94.15%	3,574	3,382	94.63%	3,574	3,384	94.68%
<b>Total</b>	<b>4,684</b>	<b>4,336</b>	<b>92.57%</b>	<b>4,683</b>	<b>4,350</b>	<b>92.89%</b>	<b>4,711</b>	<b>4,372</b>	<b>92.80%</b>	<b>4,717</b>	<b>4,384</b>	<b>92.94%</b>	<b>4,718</b>	<b>4,385</b>	<b>92.94%</b>	<b>4,718</b>	<b>4,415</b>	<b>93.58%</b>	<b>4,718</b>	<b>4,420</b>	<b>93.68%</b>



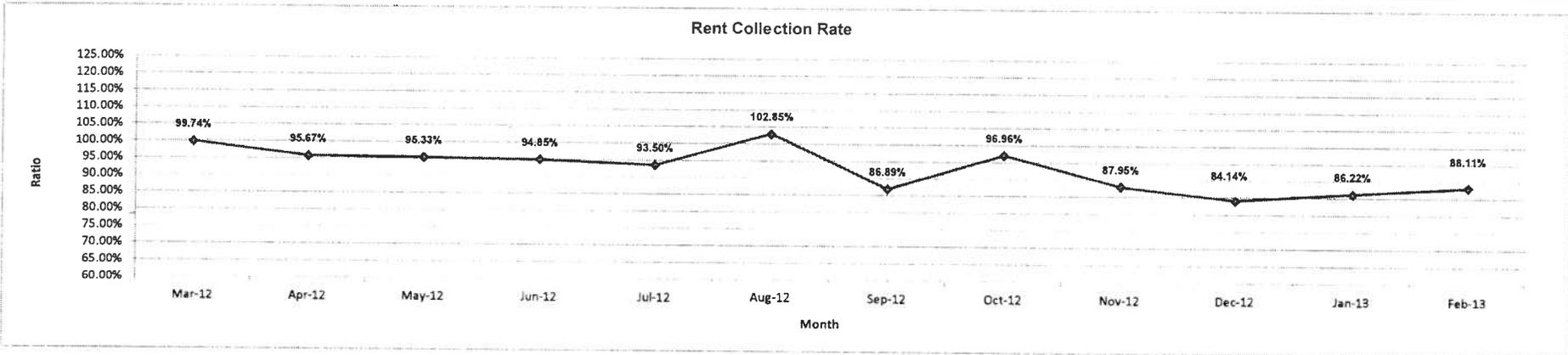
FEDERAL PUBLIC HOUSING

Rent Collection from March 2012 to March 2013

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Charges	Collected	Ratio															
Hawaii	\$112,348.50	\$111,155.13	98.94%	\$112,335.00	\$109,297.72	97.30%	\$110,139.00	\$105,928.84	96.18%	\$101,718.68	\$97,508.52	95.86%	\$107,350.00	\$103,718.74	96.62%	\$105,021.00	\$118,324.62	112.67%
Kauai	\$74,359.33	\$81,552.35	109.67%	\$75,405.02	\$77,085.39	102.23%	\$76,265.02	\$72,320.18	94.83%	\$88,375.34	\$64,430.50	94.23%	\$68,659.02	\$67,390.13	98.15%	\$68,634.69	\$74,684.13	108.81%
Maui	\$43,703.00	\$42,816.67	97.97%	\$43,493.00	\$39,093.69	89.89%	\$44,587.00	\$37,367.85	83.81%	\$30,148.70	\$22,929.55	76.05%	\$42,751.00	\$41,534.18	97.15%	\$43,521.00	\$43,913.67	100.90%
Oahu	\$918,878.90	\$910,771.32	99.12%	\$933,096.95	\$888,433.44	95.21%	\$936,627.70	\$897,513.54	95.82%	\$858,399.38	\$819,285.22	95.44%	\$932,406.22	\$863,699.38	92.63%	\$920,596.61	\$933,241.75	101.37%
<b>Total</b>	<b>\$ 1,149,289.73</b>	<b>\$ 1,146,295.47</b>	<b>99.74%</b>	<b>\$ 1,164,329.97</b>	<b>\$ 1,113,910.24</b>	<b>95.67%</b>	<b>\$ 1,167,618.72</b>	<b>\$ 1,113,130.41</b>	<b>95.33%</b>	<b>\$ 1,058,642.10</b>	<b>\$ 1,004,153.79</b>	<b>94.85%</b>	<b>\$ 1,151,166.24</b>	<b>\$ 1,076,342.43</b>	<b>93.50%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,170,164.17</b>	<b>102.85%</b>

Cumulative (12 Months) 03/12 - 03/13	
Charges	\$ 15,056,796.29
Collections	\$ 13,910,278.03
Total	\$ (1,146,518.26)
Ratio	92.39%

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	\$104,312.00	\$98,977.76	94.89%	\$105,107.00	\$109,533.35	104.21%	\$115,419.00	\$105,516.58	91.42%	\$118,685.49	\$100,465.11	84.65%	\$120,935.00	\$107,016.94	88.49%	\$121,050.10	\$108,138.56	89.33%	\$123,808.68	\$113,174.38	91.41%
Kauai	\$68,257.00	\$56,174.97	82.30%	\$68,464.00	\$67,037.65	97.92%	\$70,712.00	\$57,227.00	80.93%	\$72,785.00	\$56,776.29	78.01%	\$72,979.00	\$61,222.92	83.89%	\$72,407.00	\$59,848.00	82.65%	\$77,168.00	\$66,422.00	86.07%
Maui	\$44,672.00	\$38,615.46	86.44%	\$46,129.00	\$43,639.11	94.60%	\$48,300.00	\$38,985.48	82.79%	\$47,318.00	\$38,117.48	80.56%	\$47,832.00	\$40,745.13	85.18%	\$49,676.67	\$44,266.72	89.11%	\$49,710.67	\$45,416.13	91.36%
Oahu	\$908,055.31	\$783,953.25	86.33%	\$906,469.10	\$871,733.02	96.17%	\$953,683.92	\$842,175.47	88.31%	\$937,113.33	\$793,999.98	84.73%	\$944,175.97	\$813,564.69	86.17%	\$958,859.49	\$846,874.46	88.32%	\$973,891.50	\$875,663.63	89.91%
<b>Total</b>	<b>\$ 1,125,296.31</b>	<b>\$ 877,721.44</b>	<b>86.89%</b>	<b>\$ 1,125,169.10</b>	<b>\$ 1,091,943.13</b>	<b>96.96%</b>	<b>\$ 1,188,114.92</b>	<b>\$ 1,044,904.53</b>	<b>87.95%</b>	<b>\$ 1,175,901.82</b>	<b>\$ 989,358.86</b>	<b>84.14%</b>	<b>\$ 1,185,821.97</b>	<b>\$ 1,022,549.68</b>	<b>86.22%</b>	<b>\$ 1,201,993.26</b>	<b>\$ 1,059,127.74</b>	<b>88.11%</b>	<b>\$ 1,224,578.85</b>	<b>\$ 1,100,676.14</b>	<b>89.88%</b>



**State LIPH  
HPHA Island Overview Report  
March 2013**

Island	Occupancy*								LIPH and Elderly Waiting List**				
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	56	48	7	85.71%	0	0	0	7	Average Income	29	0.34%	7.63	3.50
Kauai	26	22	3	84.62%	0	0	0	3	Low Income (80%)	74	0.87%	2.62	1.86
Mauï	32	26	3	81.25%	1	0	0	3	Very Low Inc. (50%)	587	6.89%	2.80	1.85
Oahu	751	729	7	97.07%	8	6	1	7	Extremely Low Inc. (30%)	7,832	91.90%	2.43	1.64
<b>Total</b>	<b>865</b>	<b>825</b>	<b>20</b>	<b>95.38%</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>20</b>		<b>8,522</b>	<b>100.00%</b>	<b>2.47</b>	<b>1.67</b>

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	14	\$ 6,805.00	7	\$ 7,455.00	\$ 16,734.00	\$ 13,546.00	80.95%
Kauai	3	\$ 1,669.00	2	\$ 2,517.00	\$ 4,850.76	\$ 4,433.76	91.40%
Mauï	7	\$ 2,595.16	3	\$ 12,128.00	\$ 4,353.00	\$ 3,037.00	69.77%
Oahu	46	\$ 25,863.43	16	\$ 89,877.09	\$ 235,923.00	\$ 221,276.42	93.79%
<b>Total</b>	<b>70</b>	<b>\$ 36,932.59</b>	<b>28</b>	<b>\$ 111,977.09</b>	<b>\$ 261,860.76</b>	<b>\$ 242,293.18</b>	<b>92.53%</b>

\* 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  
March 2013**

Project	Occupancy *							Units Rent Ready
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	
2201-Hauiki	46	45	0	97.83%	0	0	0	0
2202-Puahala Homes	128	116	4	90.63%	0	0	0	6
2204-Kawailehua	26	22	3	84.62%	0	0	0	1
2205-Kahale Mua	32	26	3	81.25%	1	0	0	3
2206-Lokahi	30	23	7	76.67%	0	0	0	0
2207-Ke Kumu Elua	26	25	0	96.15%	0	0	0	0
2401-Hale Po'ai	206	205	0	99.51%	1	1	0	0
2402-La'iola	109	105	1	96.33%	1	2	0	1
2403-Kamalu-Ho'olulu	221	219	1	99.10%	4	1	0	0
2404-Halia Hale	41	39	1	95.12%	2	2	1	0
<b>Total</b>	<b>865</b>	<b>825</b>	<b>20</b>	<b>95.38%</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>11</b>

Project	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	12	\$ 9,092.00	4	\$ 37,377.09	\$ 19,886.60	\$ 15,842.90	79.67%
2202-Puahala Homes	26	\$ 12,828.43	11	\$ 52,719.00	\$ 42,169.00	\$ 34,001.12	80.63%
2204-Kawailehua	3	\$ 1,669.00	2	\$ 2,517.00	\$ 4,850.76	\$ 4,433.76	91.40%
2205-Kahale Mua	7	\$ 2,595.16	3	\$ 12,128.00	\$ 4,353.00	\$ 3,037.00	69.77%
2206-Lokahi	4	\$ 3,538.00	3	\$ 935.00	\$ 9,929.00	\$ 8,351.00	84.11%
2207-Ke Kumu Elua	10	\$ 3,267.00	4	\$ 6,520.00	\$ 6,805.00	\$ 5,195.00	76.34%
2401-Hale Po'ai	1	\$ 982.00	0	\$ -	\$ 62,049.00	\$ 61,179.00	98.60%
2402-La'iola	4	\$ 1,936.00	1	\$ (219.00)	\$ 36,204.40	\$ 35,274.40	97.43%
2403-Kamalu-Ho'olulu	2	\$ 832.00	0	\$ -	\$ 64,763.00	\$ 64,224.00	99.17%
2404-Halia Hale	1	\$ 193.00	0	\$ -	\$ 10,851.00	\$ 10,755.00	99.12%
<b>Total</b>	<b>70</b>	<b>\$ 36,932.59</b>	<b>28</b>	<b>\$ 111,977.09</b>	<b>\$ 261,860.76</b>	<b>\$ 242,293.18</b>	<b>92.53%</b>

\* Occupancy also counts Scheduled for Modernization Units.

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

STATE PUBLIC HOUSING

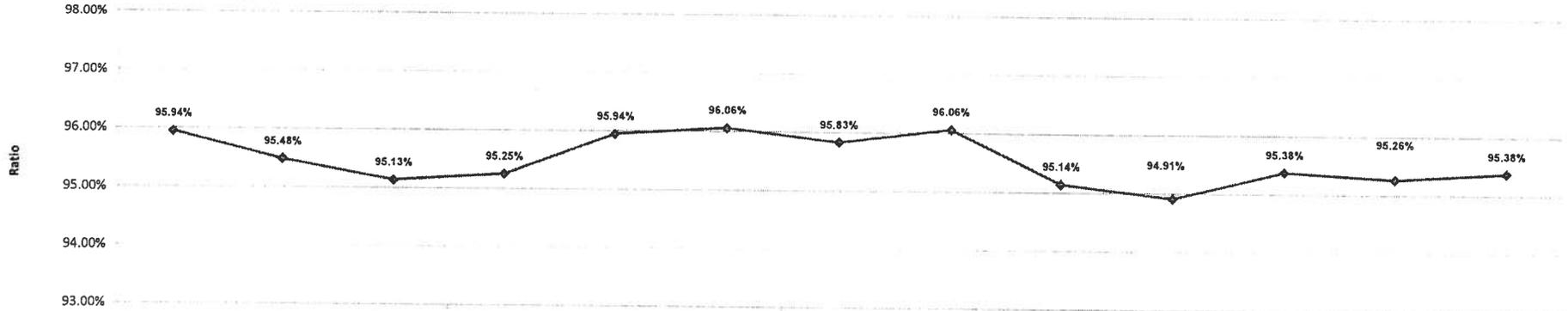
Occupancy from March 2012 to March 2013

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Total Units	Occ Units	Ratio															
Hawaii	56	46	82.14%	56	42	75.00%	56	43	76.79%	56	44	78.57%	56	46	82.14%	56	48	85.71%
Kauai	26	23	88.46%	26	24	92.31%	26	24	92.31%	26	24	92.31%	26	24	92.31%	26	24	92.31%
Maui	32	26	81.25%	32	28	87.50%	32	29	90.63%	32	29	90.63%	32	29	90.63%	32	29	90.63%
Oahu	749	733	97.86%	749	730	97.46%	749	725	96.80%	749	725	96.80%	749	729	97.33%	749	728	97.20%
<b>Total</b>	<b>863</b>	<b>828</b>	<b>95.94%</b>	<b>863</b>	<b>824</b>	<b>95.48%</b>	<b>863</b>	<b>821</b>	<b>95.13%</b>	<b>863</b>	<b>822</b>	<b>95.25%</b>	<b>863</b>	<b>828</b>	<b>95.94%</b>	<b>863</b>	<b>829</b>	<b>96.06%</b>

Cumulative (12 Months)	
03/12 - 03/13	
Units	11,229
Tenants	10,726
Ratio	95.52%

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Total Units	Occ Units	Ratio																		
Hawaii	56	48	85.71%	56	46	82.14%	56	47	83.93%	56	48	85.71%	56	49	87.50%	56	49	87.50%	56	48	85.71%
Kauai	26	24	92.31%	26	24	92.31%	26	25	96.15%	26	24	92.31%	26	22	84.62%	26	22	84.62%	26	22	84.62%
Maui	32	29	90.63%	32	29	90.63%	32	26	81.25%	32	25	78.13%	32	25	78.13%	32	25	78.13%	32	26	81.25%
Oahu	749	726	96.93%	749	730	97.46%	751	725	96.54%	751	724	96.40%	751	729	97.07%	751	728	96.94%	751	729	97.07%
<b>Total</b>	<b>863</b>	<b>827</b>	<b>95.83%</b>	<b>863</b>	<b>829</b>	<b>96.06%</b>	<b>865</b>	<b>823</b>	<b>95.14%</b>	<b>865</b>	<b>821</b>	<b>94.91%</b>	<b>865</b>	<b>825</b>	<b>95.38%</b>	<b>865</b>	<b>824</b>	<b>95.26%</b>	<b>865</b>	<b>825</b>	<b>95.38%</b>

Occupancy Rate



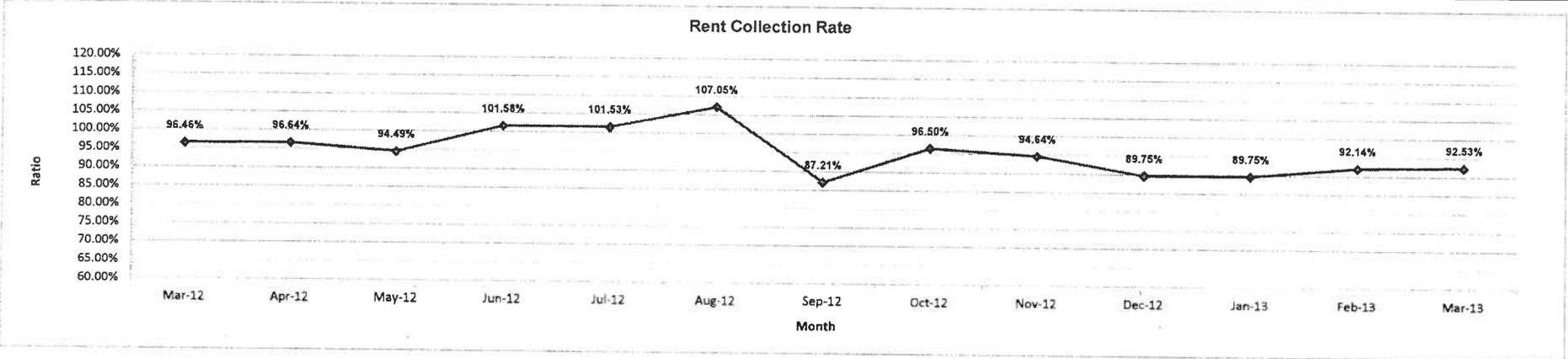
STATE PUBLIC HOUSING

Rent Collection from March 2012 to March 2013

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio									
Hawaii	\$ 17,154.00	\$ 15,435.00	89.98%	\$ 15,823.00	\$ 14,366.00	90.79%	\$ 14,147.00	\$ 11,955.00	84.51%	\$ 14,040.00	\$ 11,505.00	81.94%	\$ 8,970.00	\$ 6,435.00	71.74%	\$ 15,525.00	\$ 14,149.00	91.14%
Kauai	\$ 5,086.00	\$ 6,646.00	130.67%	\$ 5,086.00	\$ 3,850.00	75.70%	\$ 5,182.00	\$ 3,926.00	75.76%	\$ 5,182.00	\$ 4,157.00	80.22%	\$ 3,132.00	\$ 2,107.00	67.27%	\$ 5,264.00	\$ 5,466.00	103.84%
Maui	\$ 5,096.00	\$ 6,577.00	129.06%	\$ 5,632.00	\$ 5,373.00	95.40%	\$ 5,748.00	\$ 5,367.00	93.37%	\$ 5,376.00	\$ 5,440.00	101.19%	\$ 5,504.00	\$ 5,568.00	101.16%	\$ 5,448.00	\$ 4,651.00	85.37%
Oahu	\$ 227,314.00	\$ 216,985.75	95.46%	\$ 226,343.00	\$ 220,786.72	97.55%	\$ 226,638.00	\$ 216,596.73	95.57%	\$ 225,516.00	\$ 232,969.84	103.31%	\$ 240,423.68	\$ 247,877.52	103.10%	\$ 225,890.00	\$ 245,627.74	108.74%
<b>Total</b>	<b>\$ 254,650.00</b>	<b>\$ 245,643.75</b>	<b>96.46%</b>	<b>\$ 252,884.00</b>	<b>\$ 244,375.72</b>	<b>96.64%</b>	<b>\$ 251,715.00</b>	<b>\$ 237,844.73</b>	<b>94.49%</b>	<b>\$ 250,114.00</b>	<b>\$ 254,071.84</b>	<b>101.56%</b>	<b>\$ 258,029.68</b>	<b>\$ 261,987.52</b>	<b>101.53%</b>	<b>\$ 252,127.00</b>	<b>\$ 269,893.74</b>	<b>107.05%</b>

Cumulative (12 Months) 03/12 - 03/13	
Charges	\$ 3,308,618.88
Collections	\$ 3,155,862.09
Total	\$ (152,956.79)
Ratio	95.38%

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Charges	Collected	Ratio																		
Hawaii	\$ 15,189.00	\$ 11,446.00	75.36%	\$ 15,384.00	\$ 12,703.00	82.57%	\$ 14,094.00	\$ 11,083.00	78.64%	\$ 15,888.00	\$ 10,349.50	65.14%	\$ 15,888.00	\$ 10,349.50	65.14%	\$ 16,989.50	\$ 13,585.50	79.96%	\$ 16,734.00	\$ 13,546.00	80.95%
Kauai	\$ 5,264.00	\$ 4,662.00	88.56%	\$ 5,276.00	\$ 5,097.74	96.62%	\$ 5,076.19	\$ 3,875.19	76.34%	\$ 5,886.00	\$ 4,476.00	76.04%	\$ 5,886.00	\$ 4,476.00	76.04%	\$ 4,728.81	\$ 4,240.81	89.68%	\$ 4,850.76	\$ 4,433.76	91.40%
Maui	\$ 5,339.00	\$ 4,693.00	87.90%	\$ 4,975.00	\$ 4,196.00	84.34%	\$ 5,514.00	\$ 3,457.00	62.69%	\$ 4,782.00	\$ 3,197.00	66.85%	\$ 4,782.00	\$ 3,197.00	66.85%	\$ 4,744.00	\$ 3,803.00	80.16%	\$ 4,353.00	\$ 3,037.00	69.77%
Oahu	\$ 225,553.00	\$ 198,408.18	87.97%	\$ 224,465.00	\$ 219,337.37	97.72%	\$ 223,737.00	\$ 216,686.24	96.85%	\$ 231,450.52	\$ 213,525.93	92.26%	\$ 231,450.52	\$ 213,525.93	92.26%	\$ 234,896.90	\$ 219,180.72	93.31%	\$ 235,923.00	\$ 221,276.42	93.79%
<b>Total</b>	<b>\$ 251,345.00</b>	<b>\$ 219,209.18</b>	<b>87.21%</b>	<b>\$ 250,100.00</b>	<b>\$ 241,334.11</b>	<b>96.50%</b>	<b>\$ 248,421.19</b>	<b>\$ 235,101.43</b>	<b>94.64%</b>	<b>\$ 258,006.52</b>	<b>\$ 231,548.43</b>	<b>89.75%</b>	<b>\$ 258,006.52</b>	<b>\$ 231,548.43</b>	<b>89.75%</b>	<b>\$ 261,369.21</b>	<b>\$ 240,810.03</b>	<b>92.14%</b>	<b>\$ 261,860.76</b>	<b>\$ 242,293.18</b>	<b>92.53%</b>



Section 8 Subsidy Programs Branch Monthly Report  
 HUD's Voucher Management System Data Collection Report

From	10/1/2012				
To	2/1/2013				
As of	3/15/2013				
PHA Code	HI901				
PHA Name	Hawaii Public Housing Authority				
	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>
Homeownership	11	11	11	11	11
Homeownership HAP	\$11,702	\$11,567	\$11,584	\$11,624	\$11,624
2008 and 2009 Non-Elderly Disabled	164	161	163	157	156
2008 and 2009 Non-Elderly Disabled HAP	\$141,671	\$139,304	\$137,529	\$135,288	\$134,891
Portable Vouchers Paid	27	25	25	24	24
Portable Voucher HAP	\$20,615	\$19,169	\$18,808	\$17,231	\$16,638
Tenant Protection	147	146	144	144	143
HAP Tenant Protection	\$268,541	\$267,606	\$264,723	\$264,770	\$260,685
Veteran's Affair Supported Housing (VASH) Voucher	189	194	197	200	201
Veteran's Affair Supported Housing (VASH) HAP	\$139,597	\$143,628	\$145,788	\$147,571	\$148,488
All Other Vouchers	1,404	1,420	1,416	1,431	1,427
HAP All Other Vouchers	\$1,367,495	\$1,378,253	\$1,374,719	\$1,393,734	\$1,397,169
FSS Escrow Deposits	\$6,969	\$7,299	\$5,995	\$6,367	\$5,383
All Voucher HAP Expenses After the First of Month	\$17,368	\$29,328	\$33,953	\$15,459	\$4,663
Total Vouchers	1,942	1,957	1,956	1,967	1,978
HAP Total	\$1,973,958	\$1,989,286	\$1,987,104	\$1,970,218	\$1,969,495
Number of Vouchers Under Leased (HAP Contract) on the last day of the Month	1,955	1,975	1,967	1,970	1,981
New vouchers issued but not under HAP contracts as of the last day of the month	14	40	33	32	45
Portability - In	4	9	12	14	16
Portability - In	\$6,660	\$12,537	\$17,379	\$20,723	\$22,886
Number of Vouchers Covered by Project-Based AHAPs and HAPs	455	455	455	455	455
Fraud Recovery - Amount Booked this Month	\$384	\$184	\$345	\$123	\$173
Interest or other income earned this month from the investment of HAP funds and Net Restricted Assets	\$16	\$7	\$14	\$18	\$16
FSS Escrow Forfeitures			\$3,168	\$0	\$0
Number of Hard-to-House Families Leased	24	32	19	14	15
FSS Coordinator	\$5,252	\$5,252	\$5,252	\$5,252	\$5,252
FSS Coordinator Expenses Not Covered by FSS Grant	\$21,044	\$14,748	\$12,344	\$12,748	\$12,748
Administrative Expense	\$189,729	\$142,416	\$208,066	\$136,662	\$135,780
Audit	\$5,226	\$5,226	\$5,226	\$5,226	\$5,226
Net Restricted Assets (NRA) as of the Last Day of the Month	\$1,241,635	\$1,402,419	\$1,569,466	\$1,780,392	\$1,952,449
Unrestricted Net Assets (UNA) as of the Last Day of the Month	\$2,151,107	\$2,138,179	\$2,068,257	\$2,059,786	\$1,972,883
Cash/Investment as of the Last Day of the Month - Voucher Program Only	\$2,464,576	\$2,394,871	\$2,282,067	\$2,389,176	\$2,335,818
Date	10/1/2012	11/1/2012	12/1/2012	1/1/2013	2/1/2013

**HEARINGS OFFICE-STATEWIDE FEDERAL EVICTION REFERRALS-March 31, 2013**

		REFERRALS		RESULT OF EVICTION REFERRAL					
		REASON FOR REFERRAL							
MONTH	Total	Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
FY 2009	232	194	38	94	63	5	11	59	173
FY 2010	263	223	40	109	83	4	6	61	202
FY 2011	178	140	38	68	54	5	5	46	132
FY 2012	106	84	22	40	32	1	3	30	76
FY 2013	125	99	26	59	26	3	3	33	92

**January 2012 - March 2013**

		REFERRALS		RESULT OF EVICTION REFERRAL					
		REASON FOR REFERRAL							
MONTH	Total	Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
Jan 12	7	5	2	3	2	0	1	1	6
Feb 12	14	11	3	4	5	0	0	5	9
Mar 12	10	10	0	5	1	0	0	4	6
Apr 12	9	6	3	5	3	0	1	0	9
May 12	10	10	0	2	3	1	0	4	6
June 12	5	2	3	3	1	0	0	1	4
July 12	16	15	1	6	6	0	0	4	12
Aug 12	17	10	7	12	1	0	0	4	13
Sept 12	12	9	3	6	2	0	1	3	9
Oct 12	10	9	1	4	0	0	0	6	4
Nov 12	14	14	0	1	3	0	2	8	6
Dec 12	10	8	2	5	3	0	0	2	8
Jan 13	9	7	2	4	1	1	0	3	6
Feb 13	20	13	7	11	7	0	0	2	18
Mar 13	17	14	3	10	3	2	1	1	16
<b>TOTALS</b>	<b>180</b>	<b>143</b>	<b>37</b>	<b>81</b>	<b>41</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>122</b>

**Total # of Cases Heard for the Month of March 2013: 17  
(Oahu & Neighbor Islands)**

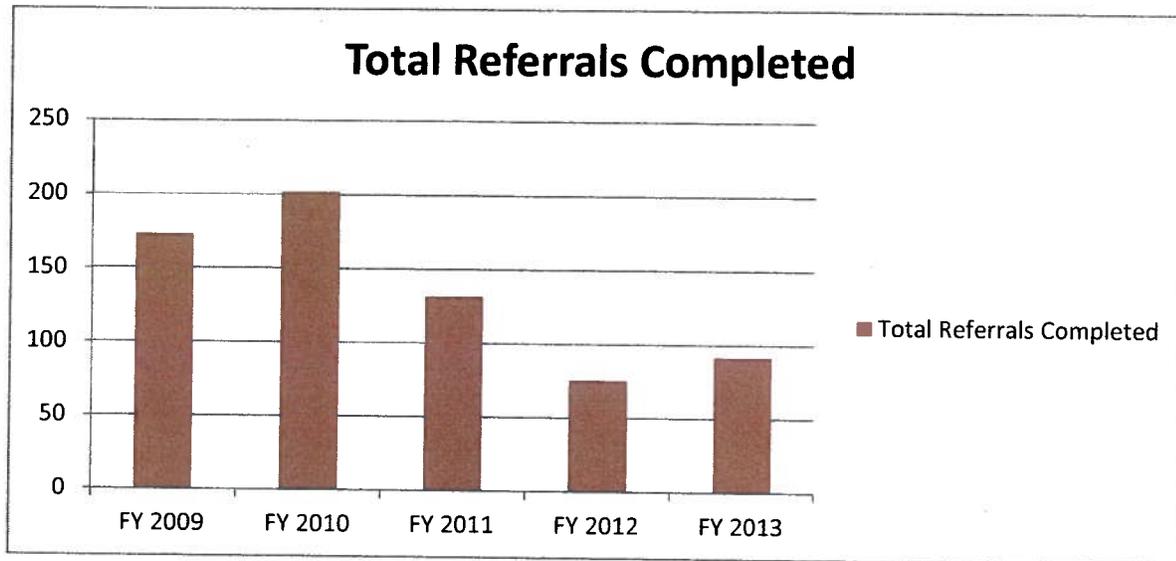
Decisions Rendered:	Rent Violations	Other Violations
Eviction	7	3
Evict w/cond	3	0
10-day cure	2	0
Dismissal	1	0
Continued	1	0
<b>Total</b>	<b>14</b>	<b>3</b>

Delinquent balances for rent cases ordered evicted for month of March 2013:

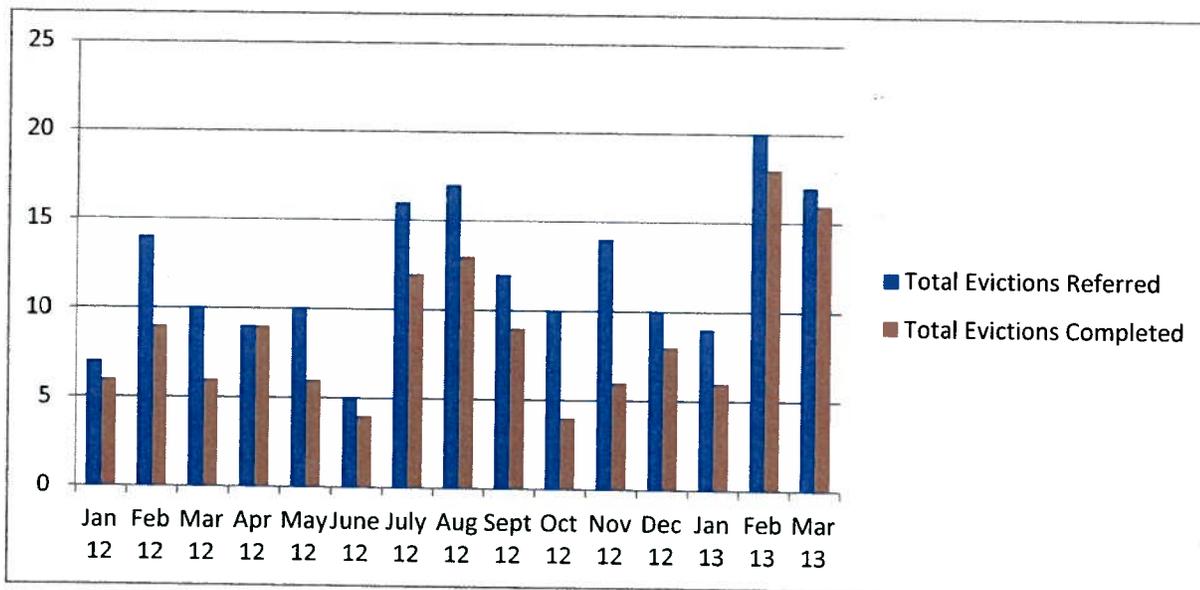
AMP 35	Kalaniihuia	\$2,509
AMP 38	Kauai	\$10,579
AMP 39	Maui	\$6,113
AMP 45	EastOahu	\$4,057

**Total Delinquencies= \$**

**Fiscal Years 2009-2013**



**January 2012 - March 2013**



**Prepared and Reviewed by Renee Blondin-Nip on March 31, 2013**

## Planning and Evaluation Office Report

### **Information Office Activities (Media Inquiries)**

- Received numerous emails and letters regarding the new “No Smoking” policy. Currently working on draft responses from the public, as well as for the Governor’s Office.
- Created and submitted an article for the Department of Human Services newsletter regarding the Hawaii Public Housing Authority’s “No Smoking” policy.

### **Legislative**

- When the Board meeting date arrives, the Legislative Timetable will have passed the “Third Reading” phase for bills that have “Crossed Over” and will be in the tail end of the “Conference Period”. Seven (7) out of nine (9) Administration Bills are still alive, and they are listed below.

### **Administration Bills**

**Senate Bill 1112** - Authorizes the Hawaii Public Housing Authority to delete delinquent accounts receivable records for state low-income public housing projects that have been delinquent at least ninety days and also authorizes the Hawaii Public Housing Authority to assign delinquent accounts to a collection agency.

**House Bill 514** - Moves the State income tax and obligations exemption for public housing agencies from the laws governing the Hawaii Housing Finance and Development Corporation to the laws governing the Hawaii Public Housing Authority.

**Senate Bill 88** - Prohibits possessing or keeping, while on any sidewalk or common area within a public housing project, any bottle, can, or other receptacle containing any intoxicating liquor which has been opened, has a broken seal, or the contents of which have been partially removed. Also adds "state low-income housing project" to the definition of a public housing project for purposes of liquor control.

**House Bill 888** – Provides the process by which the Hawaii Public Housing Authority may dispose of abandoned or seized property that it has acquired on state public housing projects.

**Senate Bill 84** – Expands the scope of the definition of “public housing project” to include any housing project controlled or managed by the Hawaii Public Housing Authority pursuant to federally assisted housing.

**Senate Bill 1118** – Authorizes the Hawaii Public Housing Authority Board of Directors to set the salaries of the executive director, the executive assistant, and other key management personnel subject to federal limitations, and limited to the salary of the Governor.

**Senate Bill 94** - Adds the Executive Director of the Hawaii Public Housing Authority to the membership of the Hawaii Interagency Council on Homelessness.

**House Bills:**

HB87  
Rhoads            Public Housing    Broadens criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities or a police officer. Excludes an invited guest, unless the guest is violating a law or rule.

HB536  
Cabanilla            Public Housing    Disqualifies from state low-income housing any applicant or tenant if the applicant, tenant, or a household member owns or acquires a home within the State.

HB1119  
Cabanilla            The Public            Appropriates funds to the HPHA to leverage funds for the  
Housing            redevelopment of the Mayor Wright homes.  
Authority

**Senate Bills:**

SB82  
Chun  
Oakland            The Hawaii            Clarifies the power of the Hawaii public housing authority to  
Public Housing    sell, lease, rent, hold, maintain, use, and operate certain  
Authority            properties. Authorizes the authority to receive all gifts  
                                 provided they benefit public housing residents. Requires that  
                                 the acceptance of gifts with an estimated value of \$1,000 or  
                                 more be approved or confirmed by the board. Authorizes the  
                                 authority to use volunteer services. Exempts the authority  
                                 from various state laws for the use of volunteer services.

SB305  
Chun  
Oakland

Development of Public Housing Authorizes the Hawaii public housing authority to develop public housing projects. Authorizes the Hawaii public housing authority to develop commercial and industrial properties in connection with the development of public housing dwelling units.

- Senator Glenn Wakai KPT tour was scheduled for March 22, 2013 at 1 pm, but had to be canceled due to a conflict with a House Judiciary Hearing. Will discuss with the Executive Director to coordinate a new tour date.

# HAWAII PUBLIC HOUSING AUTHORITY

## Board Report – February 2013

**AGENCY TOTAL** – Variance Analysis based on any increase or (decrease) of 10% with the month of February 2013 being the basis for the variances.

### INCOME STATEMENT

#### A. REVENUES:

##### **HUD Operating Subsidies:**

(While the variance for the HUD operating subsidies do not exceed the 10% requiring variance analysis, the Continuing Resolution and Sequestration continues to have a decreasing effect on Subsidy to the Federal Low Rent Program and the Project Based Contract Administration versus the Budget. These factors were not known at the time the budget was created. The Year to date subsidy is in line with prior year but will slowly decline as the full impact of the Sequestration takes effect.)

##### **COCC Fee Income:**

The COCC fee Income increased due to the inclusion of Capital Fund management/administrative fees that were charged to the Federal grants. These funds are normally drawn down to address cash flow needs.

##### **Other Income:**

Primarily State CIP Administrative Funds budgeted for will be processed, now that funds were released. In addition, due to software system issues additional revenue generated by the Central Maintenance Section and Special teams has not been charged as budgeted.

#### B. EXPENSES:

##### **Administrative:**

The current year to date and month of February decreases from budget in Administrative Expenses result primarily from budgeted positions not filled. All hiring process. The increase in cost from prior year reflects positions filled since the 2013 Fiscal Year began.

**Maintenance:**

Decrease in all maintenance expenses largely due to a hold on all expenditures for equipment due to the sequestration. Additionally, some renovation work that qualifies for capital repairs were transferred to the capital budget from the operating budget.

**Protective Services:**

The variance in the protective services expense was due to an increase in the contract cost over the original budgeted amount. The increase was due to additional services added to the new protective services contract.

**General Expenses:**

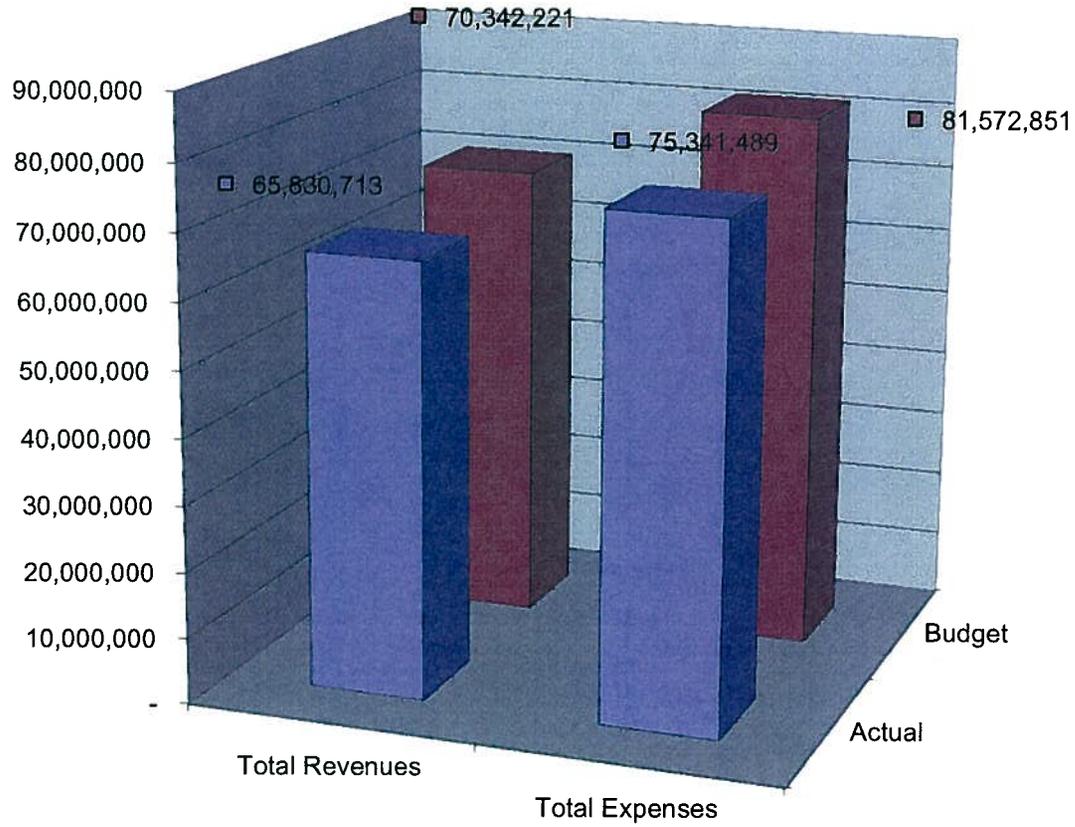
Primarily depreciation resulting from amounts capitalized from Construction-in-Progress at year's end and was not included in the Budget.

**OVERVIEW – Current Fiscal Year:**

Due to the Federal Sequestration, HUD has notified Hawaii Public Housing Authority (HPHA) of substantial cuts to its Section 8 and Public Housing Operating subsidies which will have significant impact to HPHA Operating Budget. Currently the Executive Director and staff are reviewing the severe impact of the cuts as anticipated and developing a strategy to cope with the impact.

HPHA is also awaiting the approval of the Construction in Progress administrative revenue offset which if approved will provide revenues in offsetting the subsidy cuts.

### HPHA FEBRUARY 28, 2012 Actual VS Budget



	Total Revenues	Total Expenses
Actual	65,830,713	75,341,489
Budget	70,342,221	81,572,851

**HAWAII PUBLIC HOUSING AUTHORITY  
AGENCY TOTAL  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2013							
Actual	Budget	Variance Amount	%					Prior Year	Variance Amount	%	
				<b>REVENUES</b>							
1,365,485	1,421,638	\$ (56,153)	-4%	Dwelling Rental Income	10,871,526	11,360,464	\$ (488,938)	-4%	10,722,752	\$ 148,775	1%
5,842,498	6,278,382	(435,884)	-7%	HUD Operating Subsidies	46,021,375	50,227,061	(4,205,686)	-8%	45,970,284	51,091	0%
366,216	316,612	49,604	16%	COCC Fee Income	2,873,372	2,773,299	100,073	4%	2,847,199	26,173	1%
418,845	456,250	(37,405)	-8%	General Fund	2,421,529	2,491,664	(70,135)	-3%	4,207,355	(1,785,826)	-42%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
328,015	547,982	(219,967)	-40%	Other Income	3,642,911	3,489,733	153,178	4%	2,519,399	1,123,512	45%
<b>8,321,059</b>	<b>9,020,864</b>	<b>(699,805)</b>	<b>-8%</b>	<b>Total Revenues</b>	<b>65,830,713</b>	<b>70,342,221</b>	<b>(4,511,508)</b>	<b>-6%</b>	<b>66,266,989</b>	<b>(436,276)</b>	<b>-1%</b>
				<b>EXPENSES</b>							
917,834	1,407,359	489,525	35%	Administrative	8,126,528	11,381,840	3,255,313	29%	6,824,865	(1,301,663)	-19%
13,560	13,560	-	0%	Asset Management Fees	108,480	108,480	-	0%	-	(108,480)	0%
319,969	295,483	(24,486)	-8%	Management Fees	2,456,919	2,363,856	(93,063)	-4%	2,242,876	(214,043)	-10%
53,230	58,312	5,082	9%	Bookkeeping Fees	421,392	466,532	45,140	10%	422,311	919	0%
4,047,274	4,182,584	135,310	3%	Housing Assistance Payments	32,544,712	33,460,672	915,960	3%	33,260,661	715,949	2%
99,613	98,980	(633)	-1%	Tenant Services	723,240	795,140	71,900	9%	589,879	(133,361)	-23%
1,041,728	1,113,403	71,675	6%	Utilities	8,431,034	8,907,224	476,190	5%	8,020,886	(410,148)	-5%
1,477,963	1,646,562	168,599	10%	Maintenance	10,711,233	13,698,659	2,987,426	22%	8,925,267	(1,785,967)	-20%
226,358	165,228	(61,130)	-37%	Protective Services	1,513,656	1,345,674	(167,982)	-12%	1,040,094	(473,562)	-46%
77,094	77,729	635	1%	Insurance	662,099	621,855	(40,244)	-6%	570,073	(92,027)	-16%
1,249,881	1,035,749	(214,132)	-21%	General Expenses	9,642,196	8,422,919	(1,219,277)	-14%	8,684,547	(957,649)	-11%
<b>9,524,505</b>	<b>10,094,949</b>	<b>570,444</b>	<b>6%</b>	<b>Total Expenses</b>	<b>75,341,489</b>	<b>81,572,851</b>	<b>6,231,362</b>	<b>8%</b>	<b>70,581,458</b>	<b>(4,760,031)</b>	<b>-7%</b>
<b>\$ (1,203,446)</b>	<b>\$ (1,074,085)</b>	<b>\$ (129,361)</b>	<b>-12%</b>	<b>Net Income(Loss)</b>	<b>\$ (9,510,776)</b>	<b>\$ (11,230,630)</b>	<b>\$ 1,719,854</b>	<b>15%</b>	<b>\$ (4,314,469)</b>	<b>\$ (5,196,307)</b>	<b>-120%</b>
				<b>CASH BASIS:</b>							
<b>\$ (1,203,446)</b>	<b>\$ (1,074,085)</b>	<b>\$ (129,361)</b>	<b>-12%</b>	Net Income(loss) per Above	<b>\$ (9,510,776)</b>	<b>\$ (11,230,630)</b>	<b>\$ 1,719,854</b>	<b>15%</b>	<b>\$ (4,314,469)</b>	<b>\$ (5,196,307)</b>	<b>-120%</b>
				Add back non cash items:							
1,163,740	954,261	209,479	22%	Depreciation Expense	9,386,744	7,644,440	1,742,304	23%	7,824,627	1,562,117	20%
50	25,431	(25,381)	-100%	Bad Debt Expense	91,779	203,448	(111,669)	-55%	247,451	(155,672)	-63%
<b>\$ (39,656)</b>	<b>\$ (94,393)</b>	<b>\$ 54,737</b>	<b>58%</b>	<b>TOTAL CASH BASIS</b>	<b>\$ (32,253)</b>	<b>\$ (3,382,742)</b>	<b>\$ 3,350,489</b>	<b>99%</b>	<b>\$ 3,757,608</b>	<b>\$ (3,789,862)</b>	<b>-101%</b>

**HAWAII PUBLIC HOUSING AUTHORITY  
HOUSING CHOICE VOUCHER PROGRAM  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

<b>MONTH OF FEBRUARY, 2013</b>			
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>
\$ -	\$ -	\$ -	0%
2,044,275	1,968,605	75,670	4%
-	-	-	0%
-	-	-	0%
-	-	-	0%
149,552	152,504	(2,952)	-2%
<b>2,193,827</b>	<b>2,121,109</b>	<b>72,718</b>	<b>3%</b>
92,835	152,831	59,996	39%
-	-	-	0%
23,448	28,244	4,796	17%
14,655	14,031	(624)	-4%
1,862,379	1,797,820	(64,559)	-4%
-	115	115	100%
2,546	2,924	378	13%
14,859	22,005	7,146	32%
60	35	(25)	-71%
316	1,332	1,016	76%
(8,890)	15,233	24,123	158%
<b>2,002,207</b>	<b>2,034,570</b>	<b>32,363</b>	<b>2%</b>
<b>\$ 191,619</b>	<b>\$ 86,539</b>	<b>\$ 105,080</b>	<b>121%</b>
\$ 191,619	\$ 86,539	\$ 105,080	121%
-	-	-	0%
-	-	-	0%
<b>\$ 191,619</b>	<b>\$ 86,539</b>	<b>\$ 105,080</b>	<b>121%</b>

**REVENUES**

Dwelling Rental Income	\$ -	\$ -	\$ -	0%
HUD Operating Subsidies	14,619,395	15,748,840	(1,129,445)	-7%
COCC Fee Income	-	-	-	0%
General Fund	-	-	-	0%
Grant Income	-	-	-	0%
Other Income	1,227,244	1,220,032	7,212	1%
<b>Total Revenues</b>	<b>15,846,639</b>	<b>16,968,872</b>	<b>(1,122,233)</b>	<b>-7%</b>

**EXPENSES**

Administrative	1,050,650	1,179,266	128,616	11%
Asset Management Fees	-	-	-	0%
Management Fees	184,428	179,608	(4,820)	-3%
Bookkeeping Fees	115,268	112,248	(3,020)	-3%
Housing Assistance Payments	14,681,995	14,382,560	(299,435)	-2%
Tenant Services	-	920	920	100%
Utilities	24,411	23,392	(1,019)	-4%
Maintenance	147,332	176,040	28,708	16%
Protective Services	452	280	(172)	-61%
Insurance	6,894	10,656	3,762	35%
General Expenses	28,779	221,864	193,085	87%
<b>Total Expenses</b>	<b>16,240,209</b>	<b>16,286,834</b>	<b>46,625</b>	<b>0%</b>

**Net Income(Loss)**

<b>YEAR TO DATE ENDING FEBRUARY 28, 2013</b>									
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>			
\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%			
14,619,395	15,748,840	(1,129,445)	-7%	14,294,604	324,791	2%			
-	-	-	0%	-	-	0%			
-	-	-	0%	-	-	0%			
-	-	-	0%	-	-	0%			
1,227,244	1,220,032	7,212	1%	1,134,054	93,190	8%			
<b>15,846,639</b>	<b>16,968,872</b>	<b>(1,122,233)</b>	<b>-7%</b>	<b>15,428,658</b>	<b>417,981</b>	<b>3%</b>			
1,050,650	1,179,266	128,616	11%	741,162	(309,488)	-42%			
-	-	-	0%	-	-	0%			
184,428	179,608	(4,820)	-3%	174,096	(10,332)	-6%			
115,268	112,248	(3,020)	-3%	108,810	(6,458)	-6%			
14,681,995	14,382,560	(299,435)	-2%	15,073,531	391,536	3%			
-	920	920	100%	-	-	0%			
24,411	23,392	(1,019)	-4%	22,190	(2,221)	-10%			
147,332	176,040	28,708	16%	133,482	(13,850)	-10%			
452	280	(172)	-61%	306	(147)	-48%			
6,894	10,656	3,762	35%	2,625	(4,269)	-163%			
28,779	221,864	193,085	87%	243	(28,536)	-11750%			
<b>16,240,209</b>	<b>16,286,834</b>	<b>46,625</b>	<b>0%</b>	<b>16,256,446</b>	<b>16,237</b>	<b>0%</b>			
<b>\$ (393,570)</b>	<b>\$ 682,038</b>	<b>\$ (1,075,608)</b>	<b>-158%</b>	<b>\$ (827,788)</b>	<b>\$ 434,217</b>	<b>52%</b>			
<b>CASH BASIS:</b>									
Net Income(loss) per Above	\$ (393,570)	\$ 682,038	\$ (1,075,608)	-158%	\$ (827,788)	\$ 434,217	52%		
Add back non cash items:									
Depreciation Expense	-	-	-	0%	-	-	0%		
Bad Debt Expense	-	-	-	0%	-	-	0%		
<b>TOTAL CASH BASIS</b>	<b>\$ (393,570)</b>	<b>\$ 682,038</b>	<b>\$ (1,075,608)</b>	<b>-158%</b>	<b>\$ (827,788)</b>	<b>\$ 434,217</b>	<b>52%</b>		

**HAWAII PUBLIC HOUSING AUTHORITY  
REPAIRS & MAINTENANCE GENERAL FUND  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

<b>MONTH OF FEBRUARY, 2013</b>			
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>
\$ -	\$ -	\$ -	0%
-	-	-	0%
-	-	-	0%
125,996	-	125,996	0%
-	-	-	0%
-	-	-	0%
<b>125,996</b>	<b>-</b>	<b>125,996</b>	<b>0%</b>
1,600	-	(1,600)	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
3,494	-	(3,494)	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
<b>5,095</b>	<b>-</b>	<b>(5,095)</b>	<b>0%</b>
<b>\$ 120,901</b>	<b>\$ -</b>	<b>\$ 120,901</b>	<b>0%</b>
\$ -	-	-	0%
-	-	-	0%
<b>\$ 120,901</b>	<b>\$ -</b>	<b>\$ 120,901</b>	<b>0%</b>

<b>YEAR TO DATE ENDING FEBRUARY 28, 2013</b>								
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>		
<b>REVENUES</b>								
\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
627,715	-	627,715	0%	1,726,183	(1,098,468)	-64%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
<b>627,715</b>	<b>-</b>	<b>627,715</b>	<b>0%</b>	<b>1,726,183</b>	<b>(1,098,468)</b>	<b>-64%</b>		
<b>EXPENSES</b>								
24,184	-	(24,184)	0%	187,235	163,051	87%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
3,494	-	(3,494)	0%	319,355	315,860	99%		
-	-	-	0%	(0)	(0)	-100%		
-	-	-	0%	3,386	3,386	100%		
-	-	-	0%	25,439	25,439	100%		
<b>27,678</b>	<b>-</b>	<b>(27,678)</b>	<b>0%</b>	<b>535,414</b>	<b>507,736</b>	<b>95%</b>		
<b>\$ 600,037</b>	<b>\$ -</b>	<b>\$ 600,037</b>	<b>0%</b>	<b>\$ 1,190,769</b>	<b>\$ (590,732)</b>	<b>0%</b>		
<b>CASH BASIS:</b>								
\$ 600,037	\$ -	\$ 600,037	0%	\$ 1,190,769	\$ (590,732)	0%		
-	-	-	0%	-	-	0%		
-	-	-	0%	-	-	0%		
<b>\$ 600,037</b>	<b>\$ -</b>	<b>\$ 600,037</b>	<b>0%</b>	<b>\$ 1,190,769</b>	<b>\$ (590,732)</b>	<b>0%</b>		

**STATE RENT SUPPLEMENT PROGRAM  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013					YEAR TO DATE ENDING FEBRUARY 28, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
\$ -	\$ -	\$ -	0%	<b>REVENUES</b>	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
6,000	69,525	(63,525)	-91%	COCC Fee Income	-	-	-	0%	-	-	0%
78,305	-	78,305	0%	General Fund	44,358	556,200	(511,842)	-92%	43,990	368	1%
-	2,500	(2,500)	-100%	Grant Income	631,451	-	631,451	0%	537,014	94,437	18%
				Other Income	-	20,000	(20,000)	-100%	-	-	0%
<b>84,305</b>	<b>72,025</b>	<b>12,280</b>	<b>17%</b>	<b>Total Revenues</b>	<b>675,808</b>	<b>576,200</b>	<b>99,608</b>	<b>17%</b>	<b>581,004</b>	<b>94,805</b>	<b>16%</b>
				<b>EXPENSES</b>							
6,588	8,082	1,494	18%	Administrative	56,342	64,656	8,314	13%	52,341	(4,002)	-8%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
639	800	161	20%	Management Fees	5,322	6,400	1,078	17%	6,429	1,107	17%
400	500	100	20%	Bookkeeping Fees	3,335	4,000	665	17%	4,029	694	17%
42,604	54,000	11,396	21%	Housing Assistance Payments	354,682	432,000	77,318	18%	432,390	77,708	18%
-	-	-	0%	Tenant Services	-	-	-	0%	-	-	0%
637	735	98	13%	Utilities	6,155	5,880	(275)	-5%	5,553	(602)	-11%
-	-	-	0%	Maintenance	-	-	-	0%	-	-	0%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
22	24	2	7%	Insurance	179	192	13	7%	182	3	2%
-	-	-	0%	General Expenses	(821)	-	821	0%	-	821	0%
<b>50,891</b>	<b>64,141</b>	<b>13,250</b>	<b>21%</b>	<b>Total Expenses</b>	<b>425,194</b>	<b>513,128</b>	<b>87,934</b>	<b>17%</b>	<b>500,924</b>	<b>75,730</b>	<b>15%</b>
<b>\$ 33,414</b>	<b>\$ 7,884</b>	<b>\$ 25,530</b>	<b>324%</b>	<b>Net Income(Loss)</b>	<b>\$ 250,615</b>	<b>\$ 63,072</b>	<b>\$ 187,543</b>	<b>297%</b>	<b>\$ 80,080</b>	<b>\$ 170,535</b>	<b>213%</b>
				<b>CASH BASIS:</b>							
\$ 33,414	\$ 7,884	\$ 25,530	324%	Net Income(loss) per Above	\$ 250,615	\$ 63,072	\$ 187,543	297%	\$ 80,080	\$ 170,535	213%
-	-	-	0%	Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
				Bad Debt Expense	-	-	-	0%	-	-	0%
<b>\$ 33,414</b>	<b>\$ 7,884</b>	<b>\$ 25,530</b>	<b>324%</b>	<b>TOTAL CASH BASIS</b>	<b>\$ 250,615</b>	<b>\$ 63,072</b>	<b>\$ 187,543</b>	<b>297%</b>	<b>\$ 80,080</b>	<b>\$ 170,535</b>	<b>213%</b>

State Rent Operating Subsidies is funded on a Quarterly Basis.

**PROJECT BASED CONTRACT ADMINISTRATION  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2013							
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
				<b>REVENUES</b>							
\$ -	\$ -	\$ -	0%	Dwelling Rental Income	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
1,987,837	2,200,000	(212,163)	-10%	HUD Operating Subsidies	16,351,866	17,600,000	(1,248,134)	-7%	17,013,312	(661,447)	-4%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Capital Fund Admin Fee	-	-	-	0%	-	-	0%
-	-	-	0%	CMSS Front Line Service Fee	-	-	-	0%	-	-	0%
-	-	-	0%	ARRA Funds Admin Fee	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
97,788	112,680	(14,892)	-13%	Other Income	780,376	901,440	(121,064)	-13%	917,892	(137,515)	-15%
<b>2,085,625</b>	<b>2,312,680</b>	<b>(227,055)</b>	<b>-10%</b>	<b>Total Revenues</b>	<b>17,132,242</b>	<b>18,501,440</b>	<b>(1,369,198)</b>	<b>-7%</b>	<b>17,931,204</b>	<b>(798,962)</b>	<b>-4%</b>
				<b>EXPENSES</b>							
3,553	17,260	13,707	79%	Administrative	53,159	138,080	84,921	62%	51,342	(1,817)	-4%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
1,987,837	2,133,960	146,123	7%	Housing Assistance Payments	16,351,866	17,071,680	719,814	4%	17,013,312	661,447	4%
77,783	87,600	9,817	11%	Tenant Services	623,934	700,800	76,866	11%	581,575	(42,359)	-7%
-	-	-	0%	Utilities	-	-	-	0%	-	-	0%
-	-	-	0%	Maintenance	-	-	-	0%	-	-	0%
-	-	-	0%	Protective Services	-	-	-	0%	-	-	0%
-	-	-	0%	Insurance	-	-	-	0%	-	-	0%
665	710	45	6%	General Expenses	5,551	5,680	129	2%	5,252	(299)	-6%
<b>2,069,839</b>	<b>2,239,530</b>	<b>169,691</b>	<b>8%</b>	<b>Total Expenses</b>	<b>17,034,510</b>	<b>17,916,240</b>	<b>881,730</b>	<b>5%</b>	<b>17,651,482</b>	<b>616,972</b>	<b>3%</b>
<b>\$ 15,786</b>	<b>\$ 73,150</b>	<b>\$ (57,364)</b>	<b>-78%</b>	<b>Net Income(Loss)</b>	<b>\$ 97,732</b>	<b>\$ 585,200</b>	<b>\$ (487,468)</b>	<b>-83%</b>	<b>\$ 279,722</b>	<b>\$ (181,990)</b>	<b>-65%</b>
				<b>CASH BASIS:</b>							
\$ 15,786	\$ 73,150	\$ (57,364)	-78%	Net Income(loss) per Above	\$ 97,732	\$ 585,200	\$ (487,468)	-83%	\$ 279,722	\$ (181,990)	-65%
-	-	-	0%	Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
				Bad Debt Expense	-	-	-	0%	-	-	0%
<b>\$ 15,786</b>	<b>\$ 73,150</b>	<b>\$ (57,364)</b>	<b>-78%</b>	<b>TOTAL CASH BASIS</b>	<b>\$ 97,732</b>	<b>\$ 585,200</b>	<b>\$ (487,468)</b>	<b>-83%</b>	<b>\$ 279,722</b>	<b>\$ (181,990)</b>	<b>-65%</b>

**CENTRAL OFFICE COST CENTER  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

<b>MONTH OF FEBRUARY, 2013</b>			
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>
-	-	\$ -	0%
-	-	-	0%
298,553	242,237	56,316	23%
54,348	36,060	18,288	51%
13,315	13,315	-	0%
-	-	-	0%
-	25,000	(25,000)	-100%
-	-	-	0%
-	-	-	0%
15,448	539,583	(524,135)	-97%
-	-	-	0%
120,291	4,167	116,124	2787%
<b>501,955</b>	<b>860,362</b>	<b>(358,407)</b>	<b>-42%</b>

473,135	667,801	194,666	29%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
5	1,250	1,245	100%
9,364	10,249	885	9%
240,954	94,203	(146,751)	-156%
1,102	354	(748)	-211%
1,730	3,598	1,868	52%
24,469	3,910	(20,559)	-526%
<b>750,758</b>	<b>781,365</b>	<b>30,607</b>	<b>4%</b>
<b>\$ (248,803)</b>	<b>\$ 78,997</b>	<b>\$ (327,800)</b>	<b>-415%</b>

<b>\$ (248,803)</b>	<b>\$ 78,997</b>	<b>\$ (327,800)</b>	<b>-415%</b>
832	667	165	25%
-	-	-	0%
<b>\$ (247,971)</b>	<b>\$ 79,664</b>	<b>\$ (327,635)</b>	<b>-411%</b>

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<b>YEAR TO DATE ENDING FEBRUARY 28, 2013</b>									
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>			
<b>REVENUES</b>									
Dwelling Rental Income	-	-	0%	-	\$ -	0%			
HUD Operating Subsidies	-	-	0%	-	-	0%			
Management Fees	2,402,653	1,938,486	464,167	24%	2,243,033	159,620	7%		
Bookkeeping Fees	431,515	288,480	143,035	50%	422,154	9,361	2%		
Asset Management Fees	106,520	106,520	-	0%	-	106,520	0%		
Capital Fund Admin Fee	-	-	-	0%	-	-	0%		
CMSS Front Line Service Fee	-	200,000	(200,000)	-100%	182,012	(182,012)	-100%		
ARRA Funds Admin Fee	-	-	-	0%	-	-	0%		
COCC Fee Income	-	-	-	0%	-	-	0%		
General Fund	29,411	2,491,664	(2,462,253)	-99%	22,241	7,170	32%		
Grant Income	-	-	-	0%	-	-	0%		
Other Income	13,605	33,336	(19,731)	-59%	36,794	(23,190)	-63%		
<b>Total Revenues</b>	<b>2,983,704</b>	<b>5,058,486</b>	<b>(2,074,782)</b>	<b>-41%</b>	<b>2,906,235</b>	<b>77,469</b>	<b>3%</b>		

<b>EXPENSES</b>									
Administrative	4,085,497	5,309,774	1,224,277	23%	3,112,188	(973,310)	-31%		
Asset Management Fees	-	-	-	0%	-	-	0%		
Management Fees	-	-	-	0%	-	-	0%		
Bookkeeping Fees	-	-	-	0%	-	-	0%		
Housing Assistance Payments	-	-	-	0%	-	-	0%		
Tenant Services	276	10,000	9,724	97%	32	(244)	-772%		
Utilities	101,266	81,992	(19,274)	-24%	72,706	(28,560)	-39%		
Maintenance	1,283,180	881,705	(401,475)	-46%	707,295	(575,885)	-81%		
Protective Services	17,297	2,832	(14,465)	-511%	4,657	(12,640)	-271%		
Insurance	47,307	28,784	(18,523)	-64%	14,057	(33,250)	-237%		
General Expenses	139,390	52,705	(86,685)	-164%	164,859	25,470	15%		
<b>Total Expenses</b>	<b>5,674,214</b>	<b>6,367,792</b>	<b>693,578</b>	<b>11%</b>	<b>4,075,794</b>	<b>(1,598,420)</b>	<b>-39%</b>		
<b>Net Income(Loss)</b>	<b>\$ (2,690,510)</b>	<b>\$ (1,309,306)</b>	<b>\$ (1,381,204)</b>	<b>-105%</b>	<b>\$ (1,169,559)</b>	<b>\$ (1,520,951)</b>	<b>-130%</b>		

<b>CASH BASIS:</b>									
<b>Net Income(loss) per Above</b>									
<b>Add back non cash items:</b>									
Depreciation Expense	6,660	5,336	1,324	25%	5,354	1,306	24%		
Bad Debt Expense	-	-	-	0%	-	-	0%		
<b>TOTAL CASH BASIS</b>	<b>\$ (2,683,850)</b>	<b>\$ (1,303,970)</b>	<b>\$ (1,379,880)</b>	<b>-106%</b>	<b>\$ (1,164,205)</b>	<b>\$ (1,519,645)</b>	<b>-131%</b>		

**STATE ELDERLY PROGRAM  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013					YEAR TO DATE ENDING FEBRUARY 28, 2013						
Actual	Budget	Variance Amount	%		Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
<b>REVENUES</b>											
\$ 165,650	\$ 163,538	\$ 2,112	1%	Dwelling Rental Income	\$ 1,324,018	\$ 1,308,304	\$ 15,714	1%	\$ 1,307,589	\$ 16,429	1%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Capital Fund Admin Fee	-	-	-	0%	-	-	0%
-	-	-	0%	CMSS Front Line Service Fee	-	-	-	0%	-	-	0%
-	-	-	0%	ARRA Funds Admin Fee	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
60,239	4,463	55,776	1250%	Other Income	943,891	35,704	908,187	2544%	627,282	316,609	50%
<b>225,889</b>	<b>168,001</b>	<b>57,888</b>	<b>34%</b>	<b>Total Revenues</b>	<b>2,267,909</b>	<b>1,344,008</b>	<b>923,901</b>	<b>69%</b>	<b>1,934,871</b>	<b>333,038</b>	<b>17%</b>
<b>EXPENSES</b>											
11,356	27,506	16,150	59%	Administrative	142,912	334,905	191,993	57%	161,925	19,013	12%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
32,892	32,776	(116)	0%	Management Fees	263,307	164,980	(98,327)	-60%	264,410	1,102	0%
4,253	4,296	44	1%	Bookkeeping Fees	34,043	34,368	326	1%	34,185	143	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	325	325	100%	Tenant Services	-	2,600	2,600	100%	-	-	0%
135,325	108,750	(26,575)	-24%	Utilities	806,705	870,000	63,295	7%	812,217	5,512	1%
223,903	254,019	30,116	12%	Maintenance	873,566	2,032,152	1,158,586	57%	529,816	(343,750)	-65%
129	4,000	3,871	97%	Protective Services	2,164	32,000	29,836	93%	344	(1,820)	-529%
7,097	7,308	211	3%	Insurance	81,826	58,464	(23,362)	-40%	73,207	(8,619)	-12%
117,258	115,155	(2,103)	-2%	General Expenses	933,032	921,240	(11,792)	-1%	921,289	(11,743)	-1%
<b>532,213</b>	<b>554,135</b>	<b>21,922</b>	<b>4%</b>	<b>Total Expenses</b>	<b>3,137,555</b>	<b>4,450,709</b>	<b>1,313,154</b>	<b>30%</b>	<b>2,797,393</b>	<b>(340,162)</b>	<b>-12%</b>
<b>\$ (306,324)</b>	<b>\$ (386,134)</b>	<b>\$ 79,810</b>	<b>21%</b>	<b>Net Income(Loss)</b>	<b>\$ (869,647)</b>	<b>\$ (3,106,701)</b>	<b>\$ 2,237,054</b>	<b>72%</b>	<b>\$ (862,522)</b>	<b>\$ (7,125)</b>	<b>-1%</b>
<b>CASH BASIS:</b>											
\$ (306,324)	\$ (386,134)	\$ 79,810	21%	Net Income(loss) per Above	\$ (869,647)	\$ (3,106,701)	\$ 2,237,054	72%	\$ (862,522)	\$ (7,125)	-1%
656	-	(656)	0%	Add back non cash items:							
-	-	-	0%	Depreciation Expense	656	-	(656)	0%	-	656	0%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
<b>\$ (305,668)</b>	<b>\$ (386,134)</b>	<b>\$ 79,154</b>	<b>20%</b>	<b>TOTAL CASH BASIS</b>	<b>\$ (868,991)</b>	<b>\$ (3,106,701)</b>	<b>\$ 2,236,398</b>	<b>72%</b>	<b>\$ (862,522)</b>	<b>\$ (6,469)</b>	<b>-1%</b>

STATE LOW RENT  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)

MONTH OF FEBRUARY, 2013			
Actual	Budget	Variance Amount	%
69,616	96,410	\$ (26,794)	-28%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
15,220	840	14,380	1712%
<b>84,836</b>	<b>97,250</b>	<b>(12,414)</b>	<b>-13%</b>
25,538	15,223	(10,315)	-68%
-	548	548	100%
14,909	14,000	(909)	-6%
-	-	-	0%
-	-	-	0%
-	106	106	100%
64,816	76,483	11,667	15%
52,610	54,239	1,629	3%
-	-	-	0%
2,526	2,453	(73)	-3%
68,957	27,674	(41,283)	-149%
<b>229,355</b>	<b>190,726</b>	<b>(38,629)</b>	<b>-20%</b>
<b>\$ (144,519)</b>	<b>\$ (93,476)</b>	<b>\$ (51,043)</b>	<b>-55%</b>
<b>\$ (144,519)</b>	<b>\$ (93,476)</b>	<b>\$ (51,043)</b>	<b>-55%</b>
65,616	26,929	38,687	144%
50	100	50	50%
<b>\$ (78,854)</b>	<b>\$ (66,447)</b>	<b>\$ (12,307)</b>	<b>-19%</b>

YEAR TO DATE ENDING FEBRUARY 28, 2013								
Actual	Budget	Variance Amount	%	Prior Year	Variance Amount			%
<b>REVENUES</b>								
638,235	771,280	\$ (133,045)	-17%	685,255	\$ (47,020)			-7%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
133,663	6,720	126,943	1889%	800,039	(666,376)			-83%
<b>771,898</b>	<b>778,000</b>	<b>(6,102)</b>	<b>-1%</b>	<b>1,485,294</b>	<b>(713,396)</b>			<b>-48%</b>
<b>EXPENSES</b>								
201,384	131,197	(70,187)	-53%	196,137	(5,247)			-3%
-	4,384	4,384	100%	-	-			0%
119,791	112,000	(7,791)	-7%	120,023	232			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	848	848	100%	-	-			0%
506,290	611,864	105,574	17%	453,300	(52,990)			-12%
423,866	439,665	15,799	4%	476,127	52,261			11%
-	-	-	0%	-	-			0%
24,663	19,625	(5,038)	-26%	20,730	(3,933)			-19%
555,100	221,398	(333,702)	-151%	335,917	(219,183)			-65%
<b>1,831,094</b>	<b>1,540,981</b>	<b>(290,113)</b>	<b>-19%</b>	<b>1,602,233</b>	<b>(228,860)</b>			<b>-14%</b>
<b>\$ (1,059,196)</b>	<b>\$ (762,981)</b>	<b>\$ (296,215)</b>	<b>-39%</b>	<b>\$ (116,939)</b>	<b>\$ (942,256)</b>			<b>-806%</b>
<b>CASH BASIS:</b>								
<b>\$ (1,059,196)</b>	<b>\$ (762,981)</b>	<b>\$ (296,215)</b>	<b>-39%</b>	<b>\$ (116,939)</b>	<b>\$ (942,256)</b>			<b>-806%</b>
535,619	215,438	320,181	149%	304,504	231,115			76%
15,175	800	14,375	1797%	27,473	(12,298)			-45%
<b>\$ (508,402)</b>	<b>\$ (546,743)</b>	<b>\$ 38,342</b>	<b>7%</b>	<b>\$ 215,038</b>	<b>\$ (723,439)</b>			<b>-336%</b>

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**HAWAII PUBLIC HOUSING AUTHORITY  
VETERANS AFFAIRS SUPPORTIVE HOUSING  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013			
Actual	Budget	Variance Amount	%
-	-	\$ -	0%
53,000	196,804	(143,804)	-73%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
<b>53,000</b>	<b>196,804</b>	<b>(143,804)</b>	<b>-73%</b>

-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
154,454	196,804	42,350	22%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
<b>154,454</b>	<b>196,804</b>	<b>42,350</b>	<b>22%</b>

<b>\$ (101,454)</b>	<b>\$ -</b>	<b>\$ (101,454)</b>	<b>0%</b>
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<b>\$ (101,454)</b>	<b>\$ -</b>	<b>\$ (101,454)</b>	<b>0%</b>
-	-	-	0%
-	-	-	0%

<b>\$ (101,454)</b>	<b>\$ -</b>	<b>\$ (101,454)</b>	<b>0%</b>
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**REVENUES**

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

**Total Revenues**

**EXPENSES**

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

**Total Expenses**

**Net Income(Loss)**

**CASH BASIS:**

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

**TOTAL CASH BASIS**

YEAR TO DATE ENDING FEBRUARY 28, 2013								
Actual	Budget	Variance Amount	%	Prior Year	Variance Amount			%
		\$ -	0%		\$ -			0%
462,117	1,574,432	(1,112,315)	-71%	266,784	195,333			73%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
<b>462,117</b>	<b>1,574,432</b>	<b>(1,112,315)</b>	<b>-71%</b>	<b>266,784</b>	<b>195,333</b>			<b>73%</b>

-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
1,156,170	1,574,432	418,262	27%	741,427	(414,743)			-56%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%
<b>1,156,170</b>	<b>1,574,432</b>	<b>418,262</b>	<b>27%</b>	<b>741,427</b>	<b>(414,743)</b>			<b>-56%</b>

<b>\$ (694,053)</b>	<b>\$ -</b>	<b>\$ (694,053)</b>	<b>0%</b>	<b>\$ (474,643)</b>	<b>\$ (219,410)</b>			<b>-46%</b>
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<b>\$ (694,053)</b>	<b>\$ -</b>	<b>\$ (694,053)</b>	<b>0%</b>	<b>\$ (474,643)</b>	<b>\$ (219,410)</b>			<b>-46%</b>
-	-	-	0%	-	-			0%
-	-	-	0%	-	-			0%

<b>\$ (694,053)</b>	<b>\$ -</b>	<b>\$ (694,053)</b>	<b>0%</b>	<b>\$ (474,643)</b>	<b>\$ (219,410)</b>			<b>-46%</b>
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**FEDERAL LOW RENT PROGRAM  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

<b>MONTH OF FEBRUARY, 2013</b>			
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>
1,130,219	1,161,680	\$ (31,461)	-3%
1,757,385	1,912,973	(155,588)	-8%
-	-	-	0%
-	-	-	0%
148,263	78,577	69,686	89%
18,236	39,403	(21,167)	-54%
<b>3,054,104</b>	<b>3,192,633</b>	<b>(138,529)</b>	<b>-4%</b>
305,157	483,369	178,212	37%
-	13,012	13,012	100%
227,783	254,950	27,167	11%
31,995	39,485	7,490	19%
-	-	-	0%
2,836	9,584	6,748	70%
829,040	914,262	85,222	9%
942,143	1,222,096	279,953	23%
225,067	160,839	(64,228)	-40%
58,402	63,014	4,612	7%
1,047,422	873,067	(174,355)	-20%
<b>3,669,845</b>	<b>4,033,678</b>	<b>363,833</b>	<b>9%</b>
<b>\$ (615,741)</b>	<b>\$ (841,045)</b>	<b>\$ 225,304</b>	<b>27%</b>
<b>\$ (615,741)</b>	<b>\$ (841,045)</b>	<b>\$ 225,304</b>	<b>27%</b>
980,690	811,510	(169,180)	-21%
-	25,331	25,331	100%
<b>\$ 364,949</b>	<b>\$ (4,204)</b>	<b>\$ 369,153</b>	<b>8781%</b>

<b>YEAR TO DATE ENDING FEBRUARY 28, 2013</b>						
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>
<b>REVENUES</b>						
Dwelling Rental Income	8,790,499	9,293,440	\$ (502,941)	-5%	8,729,907	\$ 60,592 1%
HUD Operating Subsidies	14,587,997	15,303,789	(715,792)	-5%	14,395,583	192,414 1%
COCC Fee Income	-	-	-	0%	-	- 0%
General Fund	-	-	-	0%	-	- 0%
Grant Income	1,066,227	628,630	437,597	70%	577,023	489,204 85%
Other Income	207,109	314,924	(107,815)	-34%	304,241	(97,132) -32%
<b>Total Revenues</b>	<b>24,651,833</b>	<b>25,540,783</b>	<b>(888,950)</b>	<b>-3%</b>	<b>24,006,756</b>	<b>645,077 3%</b>
<b>EXPENSES</b>						
Administrative	2,584,191	4,085,238	1,501,047	37%	2,337,699	(246,492) -11%
Asset Management Fees	-	104,096	104,096	100%	-	- 0%
Management Fees	1,838,685	2,039,592	200,907	10%	1,677,919	(160,766) -10%
Bookkeeping Fees	252,893	315,916	63,024	20%	259,770	6,878 3%
Housing Assistance Payments	-	-	-	0%	-	- 0%
Tenant Services	4,080	79,972	75,892	95%	8,272	4,192 51%
Utilities	7,170,448	7,314,096	143,648	2%	6,654,920	(515,528) -8%
Maintenance	7,527,780	10,169,097	2,641,317	26%	6,759,192	(768,588) -11%
Protective Services	1,320,741	1,310,562	(10,179)	-1%	1,034,788	(285,953) -28%
Insurance	501,872	504,134	2,262	0%	455,885	(45,988) -10%
General Expenses	8,198,093	7,000,032	(1,198,061)	-17%	7,231,548	(966,545) -13%
<b>Total Expenses</b>	<b>29,398,783</b>	<b>32,922,735</b>	<b>3,523,952</b>	<b>11%</b>	<b>26,419,992</b>	<b>(2,978,791) -11%</b>
<b>Net Income(Loss)</b>	<b>\$ (4,746,950)</b>	<b>\$ (7,381,952)</b>	<b>\$ 2,635,002</b>	<b>36%</b>	<b>\$ (2,413,236)</b>	<b>\$ (2,333,714) -97%</b>
<b>CASH BASIS:</b>						
Net Income(loss) per Above	\$ (4,746,950)	\$ (7,381,952)	\$ 2,635,002	36%	\$ (2,413,236)	\$ (2,333,714) -97%
Add back non cash items:						
Depreciation Expense	7,911,649	6,502,426	(1,409,223)	-22%	6,593,481	1,318,168 20%
Bad Debt Expense	77,044	202,648	125,604	62%	219,976	(142,933) -65%
<b>TOTAL CASH BASIS</b>	<b>\$ 3,241,743</b>	<b>\$ (676,878)</b>	<b>\$ 3,918,621</b>	<b>579%</b>	<b>\$ 4,400,222</b>	<b>\$ (1,158,479) -26%</b>

HAWAII PUBLIC HOUSING AUTHORITY  
 FEDERAL LOW RENT PROGRAM BY AMPS  
 ACTUAL VS BUDGET COMPARISON  
 FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
 (Amounts in Full Dollars)

**MONTH OF FEBRUARY, 2013**

Actual	Budget	Variance	
		Amount	%
\$ 313,510	\$ 302,542	\$ 10,968	4%
283,604	297,096	(13,492)	-5%
329,592	306,605	22,987	7%
226,946	251,409	(24,463)	-10%
354,993	351,817	3,176	1%
382,985	345,946	37,039	11%
139,831	149,025	(9,194)	-6%
171,457	191,147	(19,690)	-10%
119,992	116,078	3,914	3%
95,265	193,749	(98,484)	-51%
115,965	124,642	(8,677)	-7%
162,161	172,681	(10,520)	-6%
132,904	152,417	(19,513)	-13%
52,931	61,225	(8,294)	-14%
90,008	84,230	5,778	7%
81,960	92,024	(10,064)	-11%
<b>\$ 3,054,104</b>	<b>\$ 3,192,633</b>	<b>\$ (138,529)</b>	<b>-4%</b>

\$ (94,462)	\$ (150,299)	\$ 55,837	37%
(117,096)	(103,037)	(14,059)	-14%
14,730	4,218	10,512	249%
(34,762)	(43,608)	8,846	20%
48,410	(28,844)	77,254	268%
27,792	(65,434)	93,226	142%
(162,085)	(157,580)	(4,505)	-3%
5,821	(10,488)	16,309	155%
(26,527)	(40,436)	13,909	34%
(50,732)	(5,366)	(45,366)	-845%
(72,587)	(18,267)	(54,320)	-297%
(48,513)	(75,596)	27,083	36%
(39,722)	(58,271)	18,549	32%
(40,177)	(31,490)	(8,687)	-28%
(44,345)	(60,198)	15,853	26%
18,516	3,651	14,865	407%
<b>\$ (615,741)</b>	<b>\$ (841,045)</b>	<b>\$ 225,304</b>	<b>27%</b>

**ACCRUAL BASIS**

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

**Total Revenues**

**NET INCOME(LOSS)**

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

**Total Net Income(Loss)**

**YEAR TO DATE ENDING FEBRUARY 28, 2013**

Actual	Budget	Variance		Prior Year	Variance	
		Amount	%		Amount	%
\$ 2,310,914	\$ 2,420,356	\$ (109,442)	-5%	\$ 2,186,663	\$ 124,250	6%
2,191,274	2,376,768	(185,494)	-8%	2,027,280	163,994	8%
2,577,166	2,452,540	124,626	5%	2,412,161	165,006	7%
1,845,452	2,011,272	(165,820)	-8%	1,882,610	(37,158)	-2%
2,771,212	2,814,536	(43,324)	-2%	2,731,795	39,416	1%
3,009,604	2,767,568	242,036	9%	2,806,298	203,306	7%
1,123,690	1,192,200	(68,510)	-6%	1,178,331	(54,641)	-5%
1,400,217	1,529,175	(128,958)	-8%	1,489,068	(88,851)	-6%
957,403	928,624	28,779	3%	921,891	35,512	4%
1,355,967	1,549,992	(194,025)	-13%	1,358,209	(2,242)	0%
923,316	997,136	(73,820)	-7%	919,091	4,225	0%
1,322,968	1,381,448	(58,480)	-4%	1,295,689	27,279	2%
1,067,700	1,219,336	(151,636)	-12%	1,077,722	(10,022)	-1%
444,327	489,800	(45,473)	-9%	425,577	18,750	4%
670,831	673,840	(3,009)	0%	636,226	34,606	5%
679,791	736,192	(56,401)	-8%	658,143	21,648	3%
<b>\$ 24,651,833</b>	<b>\$ 25,540,783</b>	<b>\$ (888,950)</b>	<b>-3%</b>	<b>\$ 24,006,756</b>	<b>\$ 645,077</b>	<b>3%</b>

(862,328)	(1,213,204)	\$ 350,876	29%	(918,476)	\$ 56,148	6%
(826,868)	(826,833)	(35)	0%	(877,371)	50,503	6%
154,442	(215,295)	369,737	172%	581,651	(427,209)	-73%
(189,011)	(554,861)	365,850	66%	47,427	(236,438)	-499%
240,000	(227,269)	467,269	206%	503,860	(263,861)	-52%
41,526	(534,199)	575,725	108%	252,280	(210,754)	-84%
(1,296,957)	(1,271,632)	(25,324)	-2%	(1,053,413)	(243,543)	-23%
17,812	(113,222)	131,034	116%	166,914	(149,102)	-89%
(445,765)	(399,100)	(46,665)	-12%	(64,292)	(381,473)	-593%
5,358	(53,334)	58,692	110%	(90,404)	95,762	106%
(515,566)	(156,386)	(359,180)	-230%	(301,080)	(214,486)	-71%
(304,253)	(616,476)	312,223	51%	(237,506)	(66,747)	-28%
(327,181)	(476,435)	149,254	31%	(185,189)	(141,992)	-77%
(285,100)	(251,920)	(33,180)	-13%	(165,070)	(120,030)	-73%
(344,000)	(491,057)	147,057	30%	(272,734)	(71,266)	-26%
190,840	19,271	171,569	890%	200,167	(9,326)	-5%
<b>\$ (4,747,050)</b>	<b>\$ (7,381,952)</b>	<b>\$ 2,634,902</b>	<b>36%</b>	<b>\$ (2,413,236)</b>	<b>\$ (2,333,814)</b>	<b>-97%</b>

**HAWAII PUBLIC HOUSING AUTHORITY  
FEDERAL LOW RENT PROGRAM BY AMPS  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013**

**MONTH OF FEBRUARY, 2013**

(Amounts in Full Dollars)

**YEAR TO DATE ENDING FEBRUARY 28, 2013**

<b>CASH BASIS</b>				<b>CASH BASIS</b>								
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>			<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>		
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	
<b>REVENUES</b>												
\$ 313,510	\$ 302,542	\$ 10,968	4%	Asset Management Project - 30	\$ 2,310,914	\$ 2,420,356	\$ (109,442)	-5%	\$ 2,186,663	\$ 124,250	6%	
283,604	297,096	(13,492)	-5%	Asset Management Project - 31	2,191,274	2,376,768	(185,494)	-8%	2,027,280	163,994	8%	
329,592	306,605	22,987	7%	Asset Management Project - 32	2,577,166	2,452,540	124,626	5%	2,412,161	165,006	7%	
226,946	251,409	(24,463)	-10%	Asset Management Project - 33	1,845,452	2,011,272	(165,820)	-8%	1,882,610	(37,158)	-2%	
354,993	351,817	3,176	1%	Asset Management Project - 34	2,771,212	2,814,536	(43,324)	-2%	2,731,795	39,416	1%	
382,985	345,946	37,039	11%	Asset Management Project - 35	3,009,604	2,767,568	242,036	9%	2,806,298	203,306	7%	
139,831	149,025	(9,194)	-6%	Asset Management Project - 37	1,123,690	1,192,200	(68,510)	-6%	1,178,331	(54,641)	-5%	
171,457	191,147	(19,690)	-10%	Asset Management Project - 38	1,400,217	1,529,175	(128,958)	-8%	1,489,068	(88,851)	-6%	
119,992	116,078	3,914	3%	Asset Management Project - 39	957,403	928,624	28,779	3%	921,891	35,512	4%	
95,265	193,749	(98,484)	-51%	Asset Management Project - 40	1,355,967	1,549,992	(194,025)	-13%	1,358,209	(2,242)	0%	
115,965	124,642	(8,677)	-7%	Asset Management Project - 43	923,316	997,136	(73,820)	-7%	919,091	4,225	0%	
162,161	172,681	(10,520)	-6%	Asset Management Project - 44	1,322,968	1,381,448	(58,480)	-4%	1,295,689	27,279	2%	
132,904	152,417	(19,513)	-13%	Asset Management Project - 45	1,067,700	1,219,336	(151,636)	-12%	1,077,722	(10,022)	-1%	
52,931	61,225	(8,294)	-14%	Asset Management Project - 46	444,327	489,800	(45,473)	-9%	425,577	18,750	4%	
90,008	84,230	5,778	7%	Asset Management Project - 49	670,831	673,840	(3,009)	0%	636,226	34,606	5%	
81,960	92,024	(10,064)	-11%	Asset Management Project - 50	679,791	736,192	(56,401)	-8%	658,143	21,648	3%	
<b>\$ 3,054,104</b>	<b>\$ 3,192,633</b>	<b>\$ (138,529)</b>	<b>-4%</b>	<b>Total Revenues</b>	<b>\$ 24,651,833</b>	<b>\$ 25,540,783</b>	<b>\$ (888,950)</b>	<b>-3%</b>	<b>\$ 24,006,756</b>	<b>\$ 645,077</b>	<b>3%</b>	

<b>NET INCOME(LOSS)</b>												
6,360	(34,071)	\$ 40,431	119%	Asset Management Project - 30	(39,677)	(283,380)	\$ 243,703	86%	(55,122)	\$ 15,445	28%	
44,221	49,658	(5,437)	-11%	Asset Management Project - 31	456,814	386,405	70,409	18%	352,357	104,458	30%	
28,713	18,201	10,512	58%	Asset Management Project - 32	283,612	(103,431)	387,043	374%	700,410	(416,798)	-60%	
27,183	8,666	18,517	214%	Asset Management Project - 33	318,303	(136,669)	454,972	333%	484,360	(166,057)	-34%	
87,682	6,937	80,745	1164%	Asset Management Project - 34	556,273	58,979	497,294	843%	791,746	(235,473)	-30%	
98,006	(25,344)	123,350	487%	Asset Management Project - 35	610,274	(213,479)	823,753	386%	601,044	9,230	2%	
(5,818)	(34,122)	28,304	83%	Asset Management Project - 37	(30,650)	(283,968)	253,318	89%	(36,028)	5,377	15%	
26,034	9,537	16,497	173%	Asset Management Project - 38	255,257	65,646	189,611	289%	372,105	(116,848)	-31%	
25,704	(29,878)	55,582	186%	Asset Management Project - 39	(23,122)	(314,636)	291,514	93%	48,427	(71,550)	-148%	
(50,732)	(4,643)	(46,089)	-993%	Asset Management Project - 40	5,455	(47,550)	53,005	111%	(85,808)	91,263	106%	
(663)	25,215	(25,878)	-103%	Asset Management Project - 43	64,561	191,470	(126,909)	-66%	63,684	877	1%	
38,513	18,180	20,333	112%	Asset Management Project - 44	393,858	133,732	260,126	195%	501,597	(107,739)	-21%	
24,658	6,107	18,551	304%	Asset Management Project - 45	186,306	38,589	147,717	383%	337,222	(150,916)	-45%	
(846)	(8,769)	7,923	90%	Asset Management Project - 46	21,702	(70,152)	91,854	131%	62,730	(41,028)	-65%	
(3,739)	(14,686)	10,947	75%	Asset Management Project - 49	(17,909)	(126,961)	109,052	86%	52,428	(70,337)	-134%	
19,673	4,808	14,865	309%	Asset Management Project - 50	200,585	28,527	172,058	603%	209,069	(8,483)	-4%	
<b>\$ 364,949</b>	<b>\$ (4,204)</b>	<b>\$ 369,153</b>	<b>8781%</b>	<b>Total Net Income(Loss)</b>	<b>\$ 3,241,643</b>	<b>\$ (676,878)</b>	<b>\$ 3,918,521</b>	<b>579%</b>	<b>\$ 4,400,222</b>	<b>\$ (1,158,579)</b>	<b>-26%</b>	

**Contract & Procurement Office  
Monthly Status Report for March 2013**

Solicitations Issued in March 2013:

<b>Solicitation No.</b>	<b>Title</b>	<b>Due Date</b>
IFB CMS-2013-01	Site & Dwelling Improvements to Hale Nana Kai O Kea on the Island of Kauai	April 16, 2013
	Site & Dwelling Improvements to Kalaheo Homes on the Island of Kauai	April 17, 2013
	Site & Dwelling Improvements to Hale Hoolulu on the Island of Kauai	April 18, 2013
IFB PMB-2013-05	Furnish Laundry Concession Services for Asset Management Project 43 and Asset Management Project 46 on the Island of Hawaii	April 24, 2013

Contracts Executed in March 2013:

<b>Contract No.</b>	<b>Contractor &amp; Description</b>	<b>Supp. Amount</b>	<b>Total Amount</b>
CMS 13-05	<b>The Limtiaco Consulting Group</b> Provide Design and Consultant Services for Sewer Improvements and Electrical Upgrade at Kapaa (AMP 38) on the Island of Kauai End Date: March 18, 2015		\$179,293.14
CMS 13-04	<b>Helber Hastert &amp; Fee Planners, Inc.</b> Prepare the 2013 Physical Needs Assessment Reports and Energy Audits for Federal Low Income Public Housing Properties Statewide End Date: June 28, 2014		\$2,047,865.00
CMS 09-18-SC03	<b>Architects Hawaii, Ltd.</b> Provide Additional Design and Consultant Services for Re-Roof, Exterior Repairs & ADA Accessibility Compliance at Kalakaua Homes (AMP 34) on the Island of Oahu End Date: November 25, 2013	\$97,229.41	\$653,791.41

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 11-15-CO03	<p><b>Society Contracting, LLC</b>            Provide Additional Labor, Materials and Equipment and No-Cost Extension of Time of 23 Calendar Days to 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: May 4, 2013</p>	n/a	\$1,946,021.81

## CONSTRUCTION MANAGEMENT BRANCH

### Status Report Vacant Units Type C March 28, 2013

#### Completed Activities

- Puuwai Momi 2 units (8C, 8D)
- Wahiawa Terrace 2 units (3-7, 5-8)
- Hale Laulima 2 units (8B, 8D)

#### Planned Activities

- **Puuwai Momi – 7 units**
  - (7 Units) Units 6I, 18G, 18H, 18L, 18J, 18K, 18L. Building 6 and 18 have roof leaks. CMB is working on specifications to put out on HePS for repair, estimated post date 6/1/13. After the roof is repaired, either HPHA Special Teams or the AMP will work on the interiors.
- **Group C Vacant Units on Oahu - 10 units**
  - Waipahu I - 1 unit (5)
  - Kuhio Homes - 1 unit (13A)
  - Kuhio Park Terrace Lowrise – 2 units (1538D, 1540D)
  - Nanakuli Homes – 2 units (5, 8)
  - Maili II – 2 units (9, 13)
  - Waimaha Sunflower – 2 units (308, G301)
  - Each unit is being scoped and will be put on HePS individually.
- **Kalihi Valley Homes - 34 units**
  - 9 Units (24A through J) – Contractor Rainforest G trying to finish work. Contractor is having cash flow problems, subcontractors are not being paid. Estimated completion date May 2013.
  - 25 Units (20D, E, G, J, 21F, 30J, 32C, 34E, 36C, D, E, 37C, 39A, 41C, D, E, 42J, 43D, E, G, H, J, 44F, G, J) – Various units vacant due to leaking roofs. HPHA CMB did site investigations and determined that the roofs cannot be temporarily repaired, it must be removed which will include abatement. Project Engineer is working to reorganize consultant scope and phasing to tackle the roofs first in the next phase of the modernization.
- **Group B Vacant Units on Oahu – 32 units**
  - Kauioakalani - 4 units (101, 201, 301, 303)
  - Waimaha Sunflower – 3 units (B128, B220, B320)
  - Maili – 2 units (19, 24)
  - Nanakuli Homes - 4 units (01, 02, 06, 34)
  - Kupuna Home O Waialua – 2 units (17, 18)
  - Wahiawa Terrace – 17 units (1-1, 1-2, 1-8, 2-1, 2-2, 3-3, 4-4, 4-5, 5-5, 6-4, 6-5, 6-6, 6-7, 7-1, 7-2, 8-5, 8-7)
  - 60% complete @ leeward units.
  - Estimated completion May 2013 for Nanakuli Homes and Maili II.
- **Wahiawa Terrace – 3 units (3-1, 5-1, 7-6)**
  - DAGS proposals under HPHA review.

- **Kauaiokalani - 2 units (304, 604)**
  - Unit 304: Repairs for fire damage to the exterior of Unit 304 is currently in design phase. CMB is incorporating the interior renovation into the modernization.
  - Unit 604: Unit has been determined to be Type C. Inspector to scope out the unit with the AMP to provide the scope of work to be put out on HePS.
- **Palolo Valley Homes Major Modernization – 44 units (rolling relocation)**
  - Building 20 – Units A through H (8 units)
    - Construction started 11/13/12, estimated completion June 2013.
  - Building 16 and 17 (12 units)
    - Construction started January 2013, estimated completion August 2013.
  - This major modernization includes 44 units.
  - Building 18 and 19 will be in the next phase.
- **Ho'okipa Kahalu'u, Kauhale O'hana Accessibility Modernization – 3 units**
  - ADA design consultant selected, contract being negotiated
  - Ho'okipa Kahalu'u - 2 units (G-102, G202)
  - Kauhale O'hana – 1 unit (201)
- **Kahale Mua – 2 units (17, 24A)**
  - Part of a major modernization that is in design, tentative bid date August 2013.
- **Vacant Units on Maui - 5 units**
  - David Malo Circle – 2 units (725C, 745A) To be part of the major modernization.
  - Piilani Homes – 1 unit (1028-F5) To be part of the major modernization.
  - Makani Kai Hale – 2 units (24, 34) Construction Management Branch is including these units in the consultant contract major modernization scope for David Malo.
  - Construction Management Branch negotiating with the consultants' proposals for major modernization at David Malo Circle and Piilani Homes.
- **Hale Hoolulu, Kalaheo Homes, Hale Nana Kai O Kea Modernization & ADA Compliance - 4 units**
  - Invitation for Bids were posted 3/22/13.
  - Hale Ho'olulu – 1 unit (B1). Bid opening scheduled for 4/18/13.
  - Kalaheo – 3 units (1B, 4A, 4B). Bid opening scheduled for 4/17/13.
- **Hale Ho'onanea Modernization and ADA - 2 units (9L, 14R)**
  - ADA project in design, 60% complete.
  - Estimated bid date 6/15/13.
- **Kapaa - 3 units (3R, 14L, 17L)**
  - Bid opening was 2/22/13. Construction Management Branch internal approval process to award contractor began 3/18/13.
- **Lanakila Homes – 46 units (Building 55 – 75, 106 – 115)**
  - Scheduled for renovation, HPHA to un-demo with HUD.
- **Lanakila Homes – 6 units (59 L/R, 61 L/R, 62 L/R)**
  - Part of overall modernization with the 46 units that need to be un-demoed with HUD.

- **Pomaikai, Pahala, Hale Aloha O Puna – 14 units**
  - Design in process.
  - Estimated bid date 9/1/2013.
  
- **Ke Kumu Ekolu – 1 unit (B2202)**
  - Specifications by CMB, work to be done by AMP.
  - Estimate completion June 7, 2013.

**Issues/Concerns:**

- **DAGS MOU ends May 10, 2013. DAGS provided proposal for completion dates and expected hours for each unit and it is being reviewed by HPHA. Concern is that there may not be enough time for DAGS to finish before expiration of MOU.**

VACANT UNITS TYPE C STATEWIDE 03/28/13

Island	AMP	HPHA No.	Project	No. of Units	Unit Numbers	Category	Estimated Consultant Contract Award	Estimated Bid Date	Estimated Construction Contract Award	Estimated Completion of Construction	HUD Letter Sent	HUD Approval	Status/Comments	PE
Oahu	30	1026	Puuwai Momi	7	6i, 18G, 18H, 18i, 18J, 18K, 18L	Design	NA	6/1/2013	6/30/13	12/31/2013 est			Building 6 & 18 have leaking roofs. After roofs are repaired, AMP to repair the majority of the interior of the units.	C. Abara
Oahu	30	1038	Waipahu I	1	5	Design	NA	6/1/2013	6/30/13	6/30/2014 est			Design consultant selected, IOM to be routed for approval to start negotiations.	C. Abara
Oahu	31	1005	Kalihi Valley Homes	9	24-227A, B, C, D, E, F, G, H, J,	Mod.	8/1/2008		8/18/09	5/31/2013 est	3/6/12	No	GYA Architects, General Contractor: Rainforest G - RFG behind schedule.	L. Izumi
Oahu	31	1005	Kalihi Valley Homes	6	30J, 32C, 34E, 37C, 39A, 42J	Design	NA	4/1/2013 est	6/1/2013 est	12/31/2013 est	N/A	N/A	Contract in negotiation to be part of Phase IVB Modernization.	L. Izumi
Oahu	31	1005	Kalihi Valley Homes	19	20D, E, G, J, 21F, 36C, 36D, 36E, 41C, 41D, 41E, 43D, 43E, 43G, 43H, 43J, 44F, 44G, 44J	Design				5/2014 est		N/A	Contract in negotiation to be part of Phase IVB Modernization.	L. Izumi
Oahu	40	1007	Kuhio Homes	1	13A	Design	NA	6/1/2013	6/30/13	12/31/2013 est			Design consultant selected, IOM to be routed for approval to start negotiations.	C. Abara
Oahu	40	1010	Kuhio Park Terrace	4	1518D, 1520D, 1530D, 1532D	Demo	NA	NA	NA	--			Demo (Vacant HUD approved Demo DISPO)	
Oahu	40	1010	Kuhio Park Terrace	2	1538D, 1540D	Design	NA	6/1/2013	6/30/13	5/1/2014 est			Design consultant selected, IOM to be routed for approval to start negotiations.	C. Abara S. Krekel
Oahu	44	1035	Nanakuli Homes	2	5, 8	Design	NA	NA	NA	12/31/2014 est			Design consultant selected, IOM to be routed for approval to start negotiations.	M. Kawamura
Oahu	44	1035	Nanakuli Homes	4	01, 02, 06, 34	Grp B	11/1/2010	6/22/2011	9/12/11	May 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion May 2013.	C. Abara
Oahu	44	1057	Waimaha-Sunflower	3	B128, B220, B320	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013.	C. Abara
Oahu	44	1057	Waimaha-Sunflower	2	308, G301	Design	NA	NA	NA	12/31/2014 est			Design consultant selected, IOM to be routed for approval to start negotiations.	M. Kawamura
Oahu	44	1091	Kauioikalani	1	304	Design	1/31/2014	6/30/2014	1/31/2015	12/31/2015 est	n/a	No	Fire damaged unit. Interior to be worked on after exterior/roof is completed. Work on interior of vacant unit. To be combined with the modernization.	M. Kawamura
Oahu	44	1091	Kauioikalani	4	101, 201, 303, 301	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013.	C. Abara
Oahu	44	1091	Kauioikalani	1	604	Design							HPHA to verify if Type C unit.	M. Kawamura
Oahu	44	1108	Maiili II	2	9, 13	Design	NA	NA	NA	12/31/2014 est			Design consultant selected, IOM to be routed for approval to start negotiations.	M. Kawamura

Island	AMP	HPHA No.	Project	No. of Units	Unit Numbers	Category	Estimated Consultant Contract Award	Estimated Bid Date	Estimated Construction Contract Award	Estimated Completion of Construction	HUD Letter Sent	HUD Approval	Status/Comments	PE
Oahu	44	1108	Maliu III	2	19, 24	Grp B	11/1/2010	6/22/2011	9/12/11	May 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion May 2013.	C. Abara
Oahu	45	1072	Ho'okipa - Kahalu'u	2	G-102, G-202	Design	3/29/2013	3/28/2014	7/25/14	7/31/15 est			ADA design contract being negotiated.	S. Krekel
Oahu	45	1090	Kauhale O'hana	1	201	Design	3/29/2013	3/28/2014	7/25/14	7/31/15 est			Consultant selected, negotiating consultant proposal. This unit is part of accessibility modernization.	S. Krekel
Oahu	49	1015	Wahiawa Terrace	17	1-1, 1-2, 1-8, 2-1, 2-2, 3-3, 4-4, 4-5, 5-5, 6-4, 6-5, 6-6, 6-7, 7-1, 7-2, 8-5, 8-7	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est	2/9/12	Yes *	*HUD approval for all units except 4-5 and 6-7. Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013	C. Abara
Oahu	49	1015	Wahiawa Terrace	3	3-1, 5-1, 7-6	DAGS	NA	NA		12/31/2013 est	11/27/12	Yes	DAGS to provide completion timeframe from scope of work provided by HPHA.	M. Kawamura
Oahu	49	1050	Kupuna Home O Waialua	2	17, 18	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013.	C. Abara
Oahu	50	1008	Palolo Valley Homes	3	14F, 15D, 18A	Mod.	6/3/2010	4/16/2012	6/5/12	March 2014 est	12/28/12	Yes	Construction started 11/13/12 for major modernization of Buildings 14-20. First phase is Building 20. Second phase is Building 16 & 17. These units are currently vacant and will not be occupied until the modernization is complete. Estimated completion March 2014.	L. Izumi
Oahu	50	1008	Palolo Valley Homes	12	16A-F, 17A-F	Mod.	6/3/2010	4/16/2012	6/5/12	August 2013 est	12/28/12	Yes	Start of construction for Buildings 16 & 17 - Jan. 2013. Estimated completion August 2013.	L. Izumi
Oahu	50	1008	Palolo Valley Homes	8	20A-H	Mod.	6/3/2010	4/16/2012	6/5/12	June 2013 est	12/21/12	Yes	Start of construction for Building 20 - Nov. 2012. Estimated completion June 2013.	L. Izumi

Island	AMP	HPHA No.	Project	No. of Units	Unit Numbers	Category	Estimated Consultant Contract Award	Estimated Bid Date	Estimated Construction Contract Award	Estimated Completion of Construction	HUD Letter Sent	HUD Approval	Status/Comments	PE
Molokai	39	1088	Kahale Mua	2	17, 24A	Consult Contr	5/2/2011	8/15/2013	10/15/13	10/15/2014 est		Yes	Reike, Sunnland, Kono Architects working on bid documents, tentative bid August 2013.	L. Goldman
Maui	39	1016	David Malo Circle	2	725C, 745A	Design	3/31/2013	1/31/2014	5/2014 est	3/2015 est		725C - No	Consultant selected, negotiating contract.	L. Izumi
Maui	39	1044	Piilani Homes	1	1028-F5	Design	6/30/2013	4/30/2014	10/2014 est	10/2015 est			Part of Piilani modernization.	L. Izumi
Maui	39	1092	Makani Kai Hale	2	24, 34	Design	3/31/2013	1/31/2014	5/2014 est	3/2015 est			To be included in David Malo Modernization project.	L. Izumi
Kauai	38	1018	Kapaa	3	3R, 14L, 17L	Design	NA	1/10/2013	5/10/13	8/21/2013 est			Bid opened 2/22/13.	S. Krekel
Kauai	38	1019	Hale Ho'olulu	1	B1	Consult Contr	6/24/2010	3/22/2013	6/28/13	1/27/2014 est			Invitation for Bid posted 3/22/13. Bid opening scheduled for 4/18/13.	S. Krekel
Kauai	38	1022	Kalaheo	3	1B, 4A, 4B	Consult Contr	6/24/2010	3/22/2013	6/28/13	2/7/2014 est			Invitation for Bid posted 3/22/13. Bid opening scheduled for 4/17/13.	S. Krekel
Kauai	38	1055	Hale Ho'onanea	2	9L, 14R	Consult Contr	5/12/2010	6/15/2013	9/15/13	4/2014 est			Current ADA project w/ Richard Matsunaga & Associates Architects Inc.	L. Goldman
Hawaii	37	1004	Lanakila Homes II	6	59L-R, 61L-R, 62L-R	Consult Contr	NA	3/1/2013	5/1/13	12/31/2014 est			Buildings 59, 61, & 62 un-demoed, to be part of major modernization	M. Kawamura
Hawaii	37	1004	Lanakila Homes II	36	55L, 55R - 75L, 75R	Demo	NA	1/1/2014	4/1/14	12/31/2014 est			Scheduled for Renovation, need to un-demo with HUD.	M. Kawamura
Hawaii	37	1014	Lanakila Homes III	20	106L, 106R, 107L, 107R, 108L, 108R, 109L, 109R, 110L, 110R, 111L, 111R, 112L, 112R, 113L, 113R, 114L, 114R, 115L, 115R	Demo	NA	3/1/2014	6/1/14	12/31/2014 est			Scheduled for Renovation, need to un-demo with HUD.	M. Kawamura
Hawaii	37	1029	Pomaikai	8	925D, E, F, 935A, D, E, F, H	Consult Contr	6/4/2012	9/1/2013	11/1/13	11/30/2014 est			Design in process	M. Kawamura
Hawaii	37	1045	Pahala	2	3F, 5A	Consult Contr	6/4/2012	3/1/2014	5/1/14	6/30/2015 est			Design in process	M. Kawamura
Hawaii	37	1051	Hale Aloha O Puna	4	7A, 7C, 8B, 9A	Consult Contr	6/4/2012	12/1/2013	2/1/14	3/31/2015 est		7-C No	Design in process	M. Kawamura
Hawaii	46	1097	Ke Kumu Ekolu	1	B2202	Design	NA	NA	NA	6/7/13 est			Construction Management provided specifications to AMP, work to be done by AMP.	S. Ibrahim

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**Total Verified Type C Vacant Units by County:**

Oahu 114  
 Maui 5  
 Molokai 2  
 Kauai 9  
 Hawaii 21  
 151

Total Under Design Contracts (Consult Contr) 28  
 Total Group C design (Group C): 0  
 Total Mod awaiting Consultant Contract (Design) 56  
 Total In-house design (HPHA Design) 0  
 Total Being Added to Consultant Contract: 84

Total Form A's to be verified by CMB: 0  
 Total Missing Form A: 0  
 Total Needing to be Verified: 0

Total Units Approved for Demo: 60  
 Total Units Relocation Hold: 0

Total Group B Under Construction Contract (Group B): 32  
 Total Units Under Modernization Const. Contracts (Mod): 32  
 Total Units Under Construction (Construction): 0  
 Total Units Under Construction with DAGS (DAGS): 3  
 Total Units Under Construction w/ Special Teams (HPHA ST): 0  
 Total Vacant Units Under Construction Contract: 67

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**CONSTRUCTION MANAGEMENT BRANCH**  
**Status Report**  
**Large Capacity Cesspool Conversions (LCCC) Statewide**  
April 1, 2013

**Completed Activities**

- Bid opened on 2/15/13 for "5-year Maintenance of Individual Wastewater Systems (IWS) and Underground Injection Control (UIC) Seepage Pits". All bids for AMP 37, 38 & 43 were routed for approvals on 3/13/2013 pending AG concurrence for some calculation errors. Bid for AMP 46 will be re-issued due to lack of bids.

**Planned Activities**

- HPHA is preparing for the final status report regarding the CA/FO requirements' completion to submit to EPA.
- Remaining items outstanding at Kalaheo and Hale Ho`olulu on Kaua`i (Group 1 cesspools) are the operation and maintenance manuals and the maintenance schedule recommendations from the contractor. The HPHA has reviewed and has requesting additional information from the contractor.
- On-going - The Hawai`i Housing Finance & Development Corporation (HHFDC) and Hawai`i Public Housing Authority (HPHA) will enter into a Memorandum of Agreement (MOA) to address the cost-sharing of maintenance and repair of the sewer lateral shared by the two agencies but located on the La`ilani property on the Big Island (owned by the HHFDC). The Hawaii Housing Finance and Development Corporation (HHFDC) resubmitted a revised MOA on 3/27/2013. The HPHA is reviewing.
- On-going - The Attorney General's office has been assisting in drafting the necessary documents requesting the cancellation of the Executive Orders (EO's) relating to the Hawaii Public Housing Authority's (HPHA) responsibilities of the Teacher's Cottages in Maui and Hawaii counties, issuing management and control to the Department of Education (DOE) in reference to Consent Agreement/Final Order (CA/FO) requirements of the Environmental Protection Agency (EPA). The final documents requesting transfer of the Executive Order was sent to the Department of Land and Natural Resources (DLNR) on October 9, 2012. The HPHA is waiting on updates from the DLNR after addressing inquiries from the DLNR on 3/21/2013.

**Trends/Issues**

- **Underground Injection Control (UIC) Annual Reporting** is past due on most projects with underground injection control seepage pits. The HPHA procured a consultant to provide site-specific specifications for compliance with annual reporting requirements. The bids for AMP 37, 38, and 43 are expected to be awarded in April of 2013, and the bids for AMP 46 are expected to be awarded in August of 2013. The annual reports will require 3 months of logging and preparation for submittal following the award.

**Risks**

- **Group 2** cesspools had a March 2009 deadline. The Environmental Protection Agency (EPA) was notified on 7/18/2012 that Kealakehe and on 7/3/2012 that Hale Hau`oli on the Big Island were connected to the County sewer lines and were backfilled. Though the HPHA is well beyond the March 2009 deadline, David Albright, head of the EPA regional office in San Francisco, indicated that penalizing Hawai`i Public Housing Authority (HPHA) for delays is not a top enforcement priority and that he believes that there is no need to amend the CA/FO to amend deadline dates.

**STATUS REPORT ON LARGE CAPACITY CESSPOOL CONVERSIONS, HPHA**  
(prepared 4/01/2013)

Group 2--All @ Big Island		# CPs	Status as of April 2013		CD*
1	KAIMALINO	6	IWS ATO # 42659, 42660, 42661, 42662, 42663 dated 12/16/10 on file	Out of the 6 cesspools, 5 converted to seepage pits and 1 was backfilled and abandoned. The renewal permit for the seepage pits DOH UIC Permit--UH 1706 for 5 seepage pits was issued 8/31/2011 through 8/30/2016.	10/09
	TMK 3-7-4-017-029			Connected on 7/2/2012, 17 cesspools backfilled. UIC UH-2781 closed on 9/21/2012 regarding backfill of 17 injection wells.	12/12
2	KEALAKEHE HOUSING	17	TMK 3-7-4-017-058	A MOA with HHFDC is being developed since Kealakehe's access to the County sewer line runs thru HHFDC's sewer main.	
3	LA'ILANI	66		HHFDC; Completed connection to county sewer 9/29/2011.	NA
4	HAWAII MONTESSORI	2		HHFDC; same property/information as Lailani	NA
5	JACK HALL	13		HHFDC; CAFO UIC-09-2010-005; UIC UH-2782 closed per DOH letter dated 8/10/2011.	NA
<b>Total</b>		<b>104</b>	<b>CP-- 1000+ gpd Cesspools CD*-Completion date of Contractor's Scope of Work</b> (Okahata & Associates is Consultant of Record for Hawaii projects)		

Group 1 @ Big Island		# CPs	Status as of April 2013		CD*
6	NOELANI 1	3	IWS ATO # 41011, 41013, 40114 issued 9/22/10 on file;	UIC Permit UH-2887 for wells 1 through 3 issued 12/30/2011 through 12/29/2016.	6/08
	TMK 3-6-5-009-025				
7	NOELANI II	6	IWS ATO #41996 to 42000 (5 septic tanks) dated 9/22/10.	UIC Permit UH-2888 for wells 1 through 6 issued 12/30/2011 through 12/29/2016.	6/08
	TMK 3-6-5-009-026			Backfilling permit submitted July 12, 2012 for DOH record for the 7th (less than 1000 gpd) cesspool.	
8	HALE ALOHA O PUNA (E)	6	IWS ATO# 42856, 42860 to 42865 issued 8/4/10.	UIC Permit UH-2826 (3 pits) issued 12/15/2010 through 12/14/2015.	12/09
	TMK 3-1-6-143-035				
9	HALE HOOKIPA (E)	10	IWS ATO #43221 & 43223 issued 12/22/2010 and 43220 & 43222 issued 8/20/2012;	UIC permit UH-2838 (2 seepage pits) closed on 8/15/2012; UIC ATO UH-2852 (3 pits) issued 4/15/2011 through 4/14/2016.	11/08
	TMK 3-8-1-002-049				
10	NANI OLU (E)	9	IWS ATO# 43252 to 43260 (9 systems) dated 6/23/2010 on file	UIC ATO UH-2793 for wells 1 thru 9 issued 2/28/2011 through 2/27/2016.	11/08
	TMK 3-8-002-047,048				
11	NANI O PUNA	4	HHFDC; IWS ATO # 42233 to 42236, UIC UH-2794 for 3 seepage pit issued 2/28/2011;	UIC UH-2764 issued for backfill of 4th well	11/09
	TMK 3-1-5-002-023				
12	HALAULA TC	3	IWS ATO # 37731 to 37733 issued 7/8/2009; Transferring to DOE; need to resend	HPHA letter to DLNR	
	TMK 3-5-3-010-056				
13	KA'U TC	0	IWS ATO # 38386 to 38387 issued 3/13/2009; Transferring to DOE; need to resend	HPHA letter to DLNR	01/09
	TMK 3-9-6-005-008				
14	WAIMEA TC	1	IWS ATO # 43792 issued 9/9/2010; Transferring to DOE; need to resend	HPHA letter to DLNR	01/09
	TMK 3-6-7-002-015				
15	HONOKAA TC	1	IWS ATO # 42338 to 42341; UIC ATO UH-2869 issued 8/15/2011 through 8/14/2016;	Transferring to DOE; resent request to DLNR on 10/9/2012	6/08
	TMK 3-4-5-001-011				11/08

**STATUS REPORT ON LARGE CAPACITY CESSPOOL CONVERSIONS, HPHA**

(prepared 4/01/2013)

**43 UIC -- Underground Injection Control; IWS-- Individual Wastewater System**  
(Okahara & Associates is Consultant of Record for Hawaii projects)

**Group 1 @ Kauai**

**# CPs**

**Status as of April 2013**

16	HALE HO'OLULU (E) TMK: 4-5-2-003-056	Kilauea	2	IWS ATO # 41589, 41590 & 41591 issued on 11/14/2011. 2 cesspools were backfilled, and DOH file UIC-UK 2774 was closed on 5/13/2011.	6/12
17	KALAHEO TMK: 4-2-3-012-030	Kalaheo	5	IWS ATO 41585, 41586, 41587, 41588 dated 3/8/2011 on file UIC Permit UK-2737 for 4 seepage pits issued 5/29/2009 through 5/28/2014; annual report submitted 10/15/11.	6/12
18	KEKAHA HA'AHEO TMK: 4-1-3-008-020 & 026	Kekaha	77	IWS ATO # 41598 to 41628 dated 3/2011 for 31 septic tanks on file Backfill for 77 cesspools completed 1/18/2011; report submitted to DOH for record.	2/12

**84** (AECOM Pacific Inc. is Consultant of Record for Kauai projects)

**Group 1 @ Maui**

**# CPs**

**Status as of April 2013**

19	HANA 'B' TC TMK: 2-1-4-004-003	Hana	1	IWS ATO # 40608 issued 9/1/2009; Transferring to DOE; need to resend HPHA letter to DLNR	09/09
20	WAKIU 'A - E' TC TMK: 2-1-3-004-022	Hana	2	IWS ATO # 40609 to 40611 issued 3/13/2009; Transferring to DOE; resent request to DLNR on 10/9/2012	09/09

**Total for Group 1**

**3** (AECOM Pacific Inc. is Consultant of Record for Maui projects)  
**130**

**Others originally not identified in CA/FO**

**Status as of April 2013**

a	Lokahi Housing TMK 3-2-4-052-020	Hilo	8	16 septic tanks (IWS) total; 5 are being replaced; IWS ATO 42685-42695 (11 systems) issued 1/13/2010 & IWS ATO 45584,45601,45603-45605 (5 systems) issued 5/10/2011; UIC backfill permit UH-2863 for 4 cesspools. <b>This is not part of CA/FO;</b> Notice to Proceed issued on 10/29/2012, and estimated completion is February 2013.	2/13
b	Hale Hauoli Housing TMK 3-4-5-010-078	Honokaa 7 CP	8	Connected to the County Sewer on July 16, 2012, 8 injection well cesspools backfilled. Cesspool Abandonment Permit & Backfill Final Completion Report UH-2843 approved by Dept. Of Health on 9/14/2012, so UH-2843 has been closed out.	12/12
c	Pahala Elderly Housing TMK 3-9-6-017-037	Pahala	3	IWS ATO# 18081 to 18085 (5 tanks) issued 12/17/2009. UIC Permit UH-2657 for wells 1 through 3 issued 5/15/2008 through 5/14/2013.	12/09

**19** (Okahara & Associates is Consultant of Record for Hawaii projects)

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**FOR DISCUSSION**

**SUBJECT:** *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*

*(There are no handout/packet materials for this item.)*

## FOR DISCUSSION

**SUBJECT:** Status and Updates of the Federal Section 8 Project Based Contract Administration (PBCA) Program

### I. FACTS

- A. The Section 8 Program was authorized by Congress in 1974 and developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects.
- B. The rents of some of the residential units are subsidized by HUD under the Section 8 New Construction ("New Construction"), Substantial Rehabilitation ("Substantial Rehabilitation") and/or Loan Management Set-Aside ("LMSA") Programs. All such assistance is "project-based", i.e.; the subsidy is committed by HUD for the assisted units of a particular Mortgaged Property for a contractually determined period.
- C. HUD provides Section 8 rental subsidies to the owners of certain mortgaged properties pursuant to a HAP Contract. The entity responsible for the administration of the Section 8 assistance pursuant to a particular HAP Contract is the designated "Contract Administrator". Under the New Construction and Substantial Rehabilitation Programs, either HUD or a "Public Housing Agency" may serve as Contract Administrator.
- D. The Hawaii Public Housing Authority (HPHA) currently serves as the Contract Administrator for over 50 properties under the Section 8 Project Based Contract Administration (PBCA) program and is assisted under an intergovernmental agreement by the Bremerton Housing Authority.

### II. DISCUSSION

- A. The HPHA recently executed a short term intergovernmental agreement with Bremerton Housing Authority.

Prepared by: Stephanie Fo, Section 8 Branch Chief 

## FOR DISCUSSION

**SUBJECT:** To Seek Board Input on Proposed Revision to the Hawaii Public Housing Authority's Policy Regarding Retraction of Section 8 Housing Choice Vouchers from Families Most Recently Issued Vouchers to Retraction of Vouchers from Families Who Have Been on the Section 8 Program the Longest

### I. FACTS

- A. The Hawaii Public Housing Authority's Section 8 Housing Choice Voucher Program's Administrative Plan currently states:

***Insufficient Funding [24 CFR 982.454]***

The PHA may terminate housing assistance payments (HAP) contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

PHA Policy

The PHA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If the PHA determines there is a shortage of funding, prior to terminating any HAP contracts, the PHA will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the PHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the PHA will inform the local HUD field office. The PHA will terminate the minimum number needed in order to reduce HAP costs to a level within the PHA's annual budget authority.

If the PHA must terminate HAP contracts due to insufficient funding, the PHA will do so in accordance with the following criteria and instructions:

*Last in, first out. Under this option the PHA will terminate families according to the date of the family's admission to the program, starting with those most recently admitted.*

## I. DISCUSSION

- A. Nationwide, the methodology of "last in, first out" is being changed by leaders in the public housing industry. During a recent Help Session teleconference regarding how public housing agencies are responding to the impacts of sequestration, Nan McKay and Associates (a HUD consultant) recommended changing the way public housing agencies determine what families are terminated. Nan McKay recommends that Public Housing Agencies change their "last on, first off" policy to "first on, first off". This policy is currently used by many of the public housing agencies nationwide.
- B. By adopting this policy, families who have been on the section 8 program as long as 34 years will be removed from the program. The rationale behind the recommended approach is that the families that have been on the program the longest have had an opportunity to utilize their resources to obtain gainful employment. If HPHA has to terminate due to insufficient funding, HPHA may want to continue to assist those families that have been on the program for the lesser amount of time.
- C. Some of the public housing agencies that adopted the "first on, first off" policy excluded elderly and disabled from being terminated. Other agencies also excluded families on the Family Self Sufficiency program.
- D. The Hawaii Public Housing Authority has considered terminating HAP contracts for families that we are paying the least amount of HAP because these families will be less impacted. This would not only impact more families and owners, but directly impacts the Housing Authority's revenues. Less HAP contracts equals less in administrative fees.
- E. The staff is seeking Board input on the following options:
1. Leave the policy as is and if necessary, terminate voucher assistance to families who have joined the program last;
  2. Revise the policy to "first on, first off";
  3. Revise the policy to terminate a combination of "first on" and "last on" based on a percentage from each group;
  4. Revise the policy to terminate on the basis of a lottery, if allowed by the Section 8 program; or
  5. Any other proposed/recommended options.
- G. Any proposed revision would require an amendment to the Section 8 Administrative Plan and the HPHA's Annual PHA Plan.

Prepared by: Stephanie Fo, Section 8 Housing Subsidy Programs Branch Chief SF

## FOR DISCUSSION

**SUBJECT:** Update on the Status of Ke Kumu Ekahi

### I. FACTS

- A. The Hawaii Public Housing Authority currently operates Ke Kumu Ekahi, a multifamily project located at 68-3340 Ke Kumu Place, Waikoloa, Hawaii.
- B. During the last financial audit, it was noted in the footnotes of the HPHA's financial statements that there is "an Uncollateralized Promissory Note Receivable of \$426,100, bearing interest at 9% from a developer who had leased certain building improvements under a sublease agreement with the Authority."

### II. DISCUSSION

- A. The staff have been working with the Department of the Attorney General to resolve issues related to this issue. The Deputy Attorney General will apprise the Board of Directors of the current situation in executive session.

Prepared by: Barbara E. Arashiro, Executive Assistant 

Attachment E is forthcoming

Attachment E is forthcoming

Hawaii Public Housing Authority  
Summary of Capital Repair/Renovation Projects  
Report As Of 3/31/13

**FEDERAL BUDGET/OBLIGATION: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)**

	Total CFP Appropriation	Budget Construction Activities (BLI 1411-1501)	Budget Operations (BLI 1406)	Budget Management Improvements (BLI 1408)	Budget Administration (BLI 1410)	Budget Contingency (BLI 1502)	CFP Obligated	% Obligated	Balance	Obligation Deadline	Notes
CFP 719	\$12,526,177	\$8,767,742	\$2,416,486	\$54,497	\$1,252,617	\$34,835	\$11,811,049	94.29%	\$715,128	4/14/12	All Contracts Awarded (under obligation/budget result of funge for 718 close). LOCCS created 09-12-09
CFP 720	\$12,389,235	\$8,400,999	\$2,477,847	\$246,838	\$1,038,924	\$224,628	\$11,862,974	95.75%	\$526,261	7/14/12	These funds are available to PHA's. LOCCS created 06-23-10
CFP 721	\$10,301,898	\$6,683,876	\$2,060,380	\$350,000	\$1,030,190	\$0	\$6,222,004	60.40%	\$4,079,894	7/13/13	These funds are available to PHA's. LOCCS created 07-13-11
CFP 722	\$9,454,397	\$6,100,000	\$1,890,879	\$250,000	\$945,440	\$0	\$4,086,319	43.22%	\$5,368,078	3/12/14	These funds are available to PHA's. LOCCS created 03-12-12
CFP 723	\$9,454,397	\$5,868,078	\$1,890,879	\$250,000	\$945,440	\$0	\$0	0.00%	\$9,454,397	?	
<b>CFP Budget Totals</b>	<b>\$57,285,440</b>	<b>\$38,346,365</b>	<b>\$11,368,339</b>	<b>\$1,337,200</b>	<b>\$5,528,543</b>	<b>\$259,463</b>	<b>\$46,596,078</b>	<b>81%</b>	<b>\$10,689,362</b>		

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

	Total CFP Appropriation	Expended Construction Activities (BLI 1411-1501)	Expended Operations (BLI 1406)	Expended Management Improvements (BLI 1408)	Expended Administration (BLI 1410)	Expended Contingency (BLI 1502)	Expended to Date Total Funds	% Expended	Balance	Expenditure Deadline	Notes
CFP 719	\$12,526,177	\$6,604,847	\$2,416,486	\$35,723	\$1,249,723	\$0	\$10,308,779	82.28%	\$2,219,398	4/14/14	All Contracts Awarded. LOCCS created 09-12-09
CFP 720	\$12,389,235	\$3,818,087	\$619,462	\$13,717	\$1,038,924	\$0	\$5,490,190	44.31%	\$6,899,045	7/14/14	These funds are available to PHA's. LOCCS created 06-23-10
CFP 721	\$10,301,898	\$77,339	\$0	\$0	\$0	\$0	\$77,339	0.75%	\$10,224,559	7/13/15	These funds are available to PHA's. LOCCS created 07-13-11
CFP 722	\$9,454,397	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$9,454,397	3/12/16	These funds are available to PHA's. LOCCS created 03-12-12
CFP 723	\$9,454,397	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$9,454,397	?	
<b>CFP Expenditure Totals</b>	<b>\$57,285,440</b>	<b>\$18,894,021</b>	<b>\$5,558,694</b>	<b>\$485,306</b>	<b>\$3,550,020</b>	<b>\$0</b>	<b>\$28,488,041</b>	<b>49.73%</b>	<b>\$28,797,399</b>		

**STATE: Capital Improvement Program (CIP)**

	State GO Bond Appropriation	HPHA Budget	HPHA Encumbered	HPHA Expended	HPHA % Expended Against Budget	HPHA Budget Minus Expended	Encumbrance Deadline	Notes	ACT/SLH
FY 07-08 Elevator	\$4,939,503	\$4,591,697	\$4,591,697	3,645,677	79.40%	\$946,020	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 07-08 Lump Sum CIP	\$19,910,000	\$18,164,999	\$18,164,999	13,900,480	76.52%	\$4,264,519	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 08-09 Elevator	\$6,410,000	\$4,831,396	\$4,831,396	2,114,253	43.76%	\$2,717,143	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 08-09 Lump Sum CIP	\$10,000,000	\$3,385,738	\$3,385,738	2,105,518	62.19%	\$1,280,220	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 09-10 Lump Sum CIP	\$7,913,000	\$7,913,000	\$7,913,000	6,876,962	86.91%	\$1,036,038	6/30/12	Allotment Granted - Blanket Encumbrance (1)	ACT 162/2009 as amended by ACT 180/2010
FY 10-11 Lump Sum CIP	\$4,500,000	\$4,500,000	\$4,441,772	2,477,361	55.05%	\$2,022,639	6/30/12	Allotment Granted - Blanket Encumbrance (1)	ACT 162/2009 as amended by ACT 180/2010
FY 11-12 CIP Totals	\$31,120,000	\$31,120,000	\$43,946	73,932	0.24%	\$31,046,068	6/30/14	Allotment Granted	ACT 164/2011 as amended by ACT 106/2012
FY 12-13 CIP Totals	\$60,222,000	\$60,222,000	\$704,274	99,148	0.16%	\$60,122,852	6/30/14	Allotment Granted	ACT 164/2011 as amended by ACT 106/2012
<b>STATE CIP TOTALS</b>	<b>\$145,014,503</b>	<b>\$134,728,830</b>	<b>\$44,076,822</b>	<b>\$31,293,332</b>		<b>\$103,435,499</b>			

**K  
E  
Y**

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

**Federal Capital Fund Program Budget**

These are HPHA CFP budget numbers a/o the upper left corner date. The rows reflect the CFP fund grant, the columns represent the manner in which the funds are currently budgeted. The obligation deadline indicates the date by which these funds must be at least 92% obligated.

**Federal Capital Fund Program Actual**

These are HPHA CFP actual expenditures a/o the upper left corner date. The rows reflect the CFP fund grant, the columns represent the manner in which these funds are currently being expended. The expenditure deadline indicates the date by which these funds must be expended.

**State Capital Improvement Program Budget and Expenditure**

These are HPHA CIP budget and actual expenditures a/o the upper left corner date. The rows reflect the CIP fund appropriation, the columns represent budget, encumbrance and expenditures. The encumbrance deadline indicates the date by which the funds must be encumbered.



To:  
Cc:  
Bcc:  
Subject: Fw: Support for Elimination of Preferences for HPHA's Section 8 Program

From: colin kippen <kippencolin@yahoo.com>  
To: "hakim.ouansafi@hawaii.gov" <hakim.ouansafi@hawaii.gov>  
Cc: "debbie.shimizu@hawaii.gov" <debbie.shimizu@hawaii.gov>, "BMatson@dhs.hawaii.gov" <BMatson@dhs.hawaii.gov>, "ckippen@dhs.hawaii.gov" <ckippen@dhs.hawaii.gov>  
Date: 04/17/2013 02:28 PM  
Subject: Support for Elimination of Preferences for HPHA's Section 8 Program

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Greetings, Hakim

I am presently in DC on business and cannot attend your HPHA meeting tomorrow morning. However, I wanted to thank you for meeting with me and the homeless service providers on April 3rd and explaining your position on eliminating the preferences presently in force for these section 8 vouchers under the HPHA administrative rules.

After meeting and discussing this issue with you, I am in support of removing these preferences from the section 8 program administered by HPHA for the following reasons:

1. this Section 8 preference process is very time consuming and difficult for HPHA leasing staff to administer;
2. this Section 8 preference process delays the ability for HPHA to quickly hand out these vouchers to a needy family on the Section 8 waiting list;
3. this Section 8 preference process subjects these vouchers to lapsing if time expires before a given voucher is reassigned, with the potential that this voucher will no longer be available to HPHA for future distribution to a needy family on the Section 8 waiting list.

While the issue at hand is elimination of preferences under the Section 8 program, I wanted to make it clear that I do not support the elimination of the HPHA homeless preference for admission into public housing.

I look forward to working with you in the future and finding creative ways to best serve the most needy amongst us.

Sincerely,

Colin Kippen