

**HAWAII PUBLIC HOUSING AUTHORITY  
NOTICE OF MEETING  
REGULAR BOARD OF DIRECTORS MEETING  
1002 North School Street, Building A Boardroom  
Honolulu, Hawaii 96817  
November 17, 2016  
9:00 a.m.**

**AGENDA**

**I. CALL TO ORDER/ESTABLISHING QUORUM**

**II. APPROVAL OF MINUTES**

- A. HPHA Special Meeting Minutes, October 11, 2016
- B. HPHA Regular Meeting Minutes, October 20, 2016
- C. Executive Session Meeting Minutes, October 20, 2016 (confidential – not for public distribution)

**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 per agenda item.

**IV. FOR ACTION**

- A. **MOTION:** To Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary under Chapter 91, Hawai'i Revised Statutes, and Administrative Directive No. 09-01 to Implement the Repeal and Adoption of New Rules, including Making Non-Substantive Revisions to Formatting as May be Required, to
  - (1) Repeal Chapter 195 of Title 15, Hawai'i Administrative Rules ("HAR"), entitled "Section 8 Homeownership Option Program";
  - (2) Adopt Proposed New Chapter 2036 of Title 17, HAR, entitled "Section 8 Homeownership Option Program" which is substantially based on Chapter 15-195, HAR, and sets forth the rules and requirements for HPHA's Section 8 Homeownership Program which

is a federally funded homeownership program utilizing Section 8 voucher payments to cover mortgage payments, and includes:

(a) the proposed amendments to Chapter 15-195, HAR, previously adopted by the Hawaii Public Housing Authority's Board of Directors on January 21, 2016, to go to public hearing; and

(b) the deletion of proposed section 17-2036-53, HAR, Recapture of Homeownership Assistance, which had been included in the above-stated proposed amendments to Chapter 15-195, HAR.

*NOTE:* Proposed revisions to the Hawaii Administrative Rules being considered by the HPHA Board of Directors below may be viewed in person on or about November 11, 2016 at the HPHA's Offices located as follows:

HPHA's Main Office, 1002 N. School Street, Bldg H, Honolulu  
Hawaii Office, 600 Wailoa Street, Hilo, Hawaii  
Kauai Office, 4726 Malu Road, Kapaa, Hawaii  
Maui Office, 2015 Holowai Place, Wailuku, Hawaii; and  
Molokai Office, Maunaloa Molokai.

And may be viewed on the internet as provided in section §91-2.6, HRS on or about November 11, 2016 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/>

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.

- B. **MOTION:** To Approve the Execution of the General Depository Agreements (Form HUD 5199, 10/2014) with American Savings Bank, Bank of Hawaii, and First Hawaiian Bank as Required Under the Annual Contributions Contract with the United States of America through and by the U.S. Department of Housing and Urban Development
- C. **MOTION:** To Approve the Audited Financial Statements for the Hawaii Public Housing Authority for Fiscal Year July 1, 2015 to June 30, 2016 ("Audit") and to Authorize the Executive Director to Finalize the Audit to Include the Final Pension Schedule and Submit the Final Audit to Applicable State and Federal Offices
- D. **MOTION:** To Approve the Settlement Agreement in Kercy Frank, on behalf of herself and her minor child, Daidap Basiente v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority and Cynthia Yoshida (HCRC No. RE-O-1011; HUD No. 09-16-5162-8) and to

## Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

The Board will 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 this motion.

## V. REPORTS

- Financial Report for the Month of October 2016. The September 2016 Financial Report is provided to the board in the monthly packet.
- The Report on Contracts Executed During October 2016 and Planned Solicitations for November 2016 are provided to the Board in the monthly packet. No formal report is planned.
- Property Management and Maintenance Services Lease up Status and Eviction Hearings for the Month of October 2016.
- Construction Management Activities, including Obligation and Expenditure Status for the Federal Capital Fund Program (CFP) and the State Capital Improvement Program (CIP), Kuhio Park Terrace and Kalihi Valley Homes Construction Activity.
- Section 8 Subsidy Programs Voucher: Status of Applications and Waiting List. Status of the Special Rent Supplement Program Targeted to Homeless Families. Report on the Opening of the Waiting List for the Rent Supplement Program. The Section 8 Report is provided to the Board in the monthly packet.

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Didi Ahakuelo-Kepa at (808) 832-4694 by close of business three days prior to the meeting date. Meals will be served to the Board and support staff as an integral part of the meeting.

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE SPECIAL MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A,  
HONOLULU, HAWAII 96817  
ON TUESDAY, OCTOBER 11, 2016  
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority (HPHA) held their Special Board Meeting at 1002 North School Street, Building A on Tuesday, October 11, 2016. At approximately 8:37 a.m. Chairperson Pono Shim called the meeting to order. Those present were as follows:

**PRESENT:** Director Pono Shim, Chairperson  
Director Alena Medeiros, Vice Chairperson  
Director Jason Espero, Secretary  
Director Lisa Darcy  
Director Myoung Oh  
Director Lila King (DHS Designee)

Deputy Attorney General, Jennifer Sugita  
Deputy Attorney General, Klemen Urbanc

**EXCUSED:** Director George DeMello  
Director Laura Smith  
Director En Young

**STAFF PRESENT:** Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Rick Sogawa, Procurement Officer  
Helen Enobakhare, Property Management and Maintenance  
Services Branch Chief  
Stephanie Fo, Section 8 Subsidy Programs Branch Chief  
Renee Blondin-Nip, Hearings Officer  
Nelson Lee, IT Officer  
Jonessa Burns, Secretary

**Proceedings:**

Chairperson Shim declared a quorum present.

**For Action:**

**Director Darcy moved:**

**To (A) Adopt Subchapter 8, "Extension of Special Rent Supplement Program Emergency Rules," under Title 17, Chapter HPHA-RS, Hawai'i Administrative Rules ("HAR"), Which Extends and Renews for an Additional 120 days after October 17, 2016 the "Special Rent Supplement Program Emergency Rules" under Title 17, Chapter HPHA-RS, HAR, Which Sets Forth the Requirements for Eligibility and Participation in HPHA's Special Rent Supplement Program Which Provides Rent Subsidies to a Qualified Homeless Person or Family, through Chapter 91, HRS, Emergency Rulemaking, to Continue to Provide Emergency Relief to Address the Homeless Emergency Declared by the Governor in his Proclamation dated October 16, 2015, and Supplementary Proclamations; and**

**(B) To Authorize the Executive Director to Undertake All Actions Necessary to Continue to Implement the "Special Rent Supplement Program Emergency Rules", Including But Not Limited to Contracting with Third-Parties to Administer, in Whole or Part, This Special Program.**

Executive Director Ouansafi stated the Emergency Rule was passed to be able to contract with third parties. Catholic Charites are currently being contracted to assist with the money being provided for rent subsidies.

Executive Director Ouansafi reported 70 families were approved for the process and 21 families were housed. He stated that the Emergency Rule will also give providers additional time needed to assist families to find housing.

Executive Director Ouansafi stated the emergency for homeless remains an issue and the numbers have increased since the first Proclamation.

Director Espero stated that the program is great and a lot of shelters are taking advantage of this new program. Many clients are being referred to the new housing assistance program and able to move out of shelters.

Director Espero stated the extension would provide the time needed to find housing for

the families and to help the service providers assist the families. He recommended the Board to approve the Motion.

Director Ouansafi stated if the Motion was not approved, the monies would elapse.

Director Darcy asked if HPHA is partnering with Catholic Charities statewide and Executive Director Ouansafi confirmed it's statewide. Director Darcy also recommended to reduce the timeline it takes to find housing and to help assist families looking for housing.

**The motion was unanimously approved.**

**Adjournment:**

**Director Darcy,**

**To Adjourn the Meeting.**

**The motion was passed unanimously.**

The meeting adjourned at approximately 8:45 a.m.

**MINUTES CERTIFICATION**

Minutes Prepared by:

\_\_\_\_\_  
Jonessa Burns  
Secretary

\_\_\_\_\_  
Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on November 17, 2016: [ ] As Presented [ ] As Amended

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

\_\_\_\_\_  
Date

HAWAII PUBLIC HOUSING AUTHORITY  
MINUTES OF THE REGULAR MEETING  
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A,  
HONOLULU, HAWAII 96817  
ON THURSDAY, OCTOBER 20, 2016  
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority (HPHA) held their Regular Board Meeting at 1002 North School Street, Building A on Thursday, October 20, 2016. At approximately 10:00 a.m. Chairperson Pono Shim called the meeting to order. Those present were as follows:

**PRESENT:** Director Pono Shim, Chairperson  
Director Alena Medeiros, Vice Chairperson  
Director George De Mello  
Director Lisa Darcy  
Designee Lila King  
Director En Young

Deputy Attorney General, Jennifer Sugita  
Deputy Attorney General, Klemen Urbanc

**EXCUSED:** Director Jason Espero  
Director Laura Smith

**STAFF PRESENT:** Hakim Ouansafi, Executive Director  
Barbara Arashiro, Executive Assistant  
Chong Gu, Chief Financial Management Advisor  
Rick Sogawa, Procurement Officer  
Helen Enobakhare, Property Management and Maintenance  
Services Branch Chief  
Becky Choi, State Housing Development Administrator  
Stephanie Fo, Section 8 Subsidy Programs Branch Chief  
Shirley Befitel, Personnel Supervisor  
Renee Blondin-Nip, Hearings Officer  
Nelson Lee, IT Supervisor  
Gary Nakatsu, Applications Supervisor  
Sarah Beamer, Housing Planner  
Jennifer Stolze, Compliance Specialist  
Sam Liu, Property Management Specialist  
Maricar Campos, Property Management Specialist  
Megan Noble, Office Assistant  
Jonessa Burns, Secretary

**OTHERS PRESENT (and signing in as):**

Jerry Ballard, Punchbowl Homes tenant  
Christopher Freitas, Nanakuli Homes tenant  
Bianca Kanehailua-Freitas, Nanakuli Homes tenant  
Desiree Kihano, Palolo Valley Homes tenant  
June Talia, Kuhio Park Terrace tenant  
Andrew Nakoa, Sr., Mayor Wright Homes tenant  
Monique Ocampo, Nanakuli Homes tenant

**Proceedings:**

Chairperson Shim declared a quorum present.

**Approval of Minutes:**

**Director Mederios moved,**

**To approve the Regular Meeting Minutes of September 15, 2016.**

Executive Director Ouansafi requested a revision to the minutes on page 3 to add Director Lila King (Designee) as present for the meeting on September 15, 2016.

The minutes were unanimously approved as revised.

**Public testimony:**

Jerry Ballard, Punchbowl Homes tenant, expressed his gratitude to the HPHA Board for approving his appointment to the Eviction Board. Mr. Ballard also thanked Executive Director Hakim Ouansafi and Property Management Branch Chief Helen Enobakhare for corresponding with the Punchbowl Homes resident association on their issues and concerns. He expressed his desire to continue to work with the management staff and the residents as they go through the transition to new management.

Monique Ocampo, Nanakuli Homes tenant, spoke regarding to Ms. Bianca Kanehailua-Freitas becoming incapacitated prior to the meeting. Ms. Ocampo stated that Ms. Kanehailua-Freitas testified last month about her situation and no one responded to her request. Ms. Ocampo requested assistance from the Office of the Executive Director on behalf of Ms. Kanehailua-Freitas to obtain a response to her request for reasonable accommodation.

Ms. Ocampo stated that Representative Andria Tupola went to visit Nanakuli Homes at a coffee hour event. She reported that management asked Representative Tupola to leave. Ms. Ocampo stated that she felt that Representative Tupola was attending the meeting as a public servant and that she was invited to the community by the tenants. Representative Tupola was not there to campaign and should have been allowed to stay at the community meeting.

June Talia, Kuhio Park Terrace tenant, expressed her appreciation for the Board of Directors and noted the positive atmosphere at the Board meetings. She commented on the possible hiring of Suzanne Chun Oakland as the Chief Planner. She stated that Senator Chun Oakland is a good person and supported her potential hiring.

Andrew Nakoa Sr., Mayor Wright Homes tenant, stated that there is a cat problem at Mayor Wright Homes and requested that HPHA address the problem. He complained that the cats make noise in the morning hours. Mr. Nakoa stated that it was the 12th anniversary of his son's passing. He further stated that he continues to attempt to get a temporary restraining order (TRO) against another tenant at Mayor Wright Homes. Mr. Nakoa reported that he recommended to Representative Karl Rhoads that he propose legislation that would allow the HPHA to provide confidential tenant information, which would have allowed him to obtain a TRO. Mr. Nakoa stated that he's concerned for his family's safety since their children and grandchildren attend the same school. Mr. Nakoa stated that he intends to continue to pursue a TRO and requested the assistance of HPHA to have the matter resolved.

Desiree Kihano, Palolo Valley Homes tenant, reported that the Resident Advisory Board (RAB) was asked for comments on the Housing First initiative in early February. She reported that the RAB originally had concerns that public housing does not have the resources to help people with known issues, such as drug use and domestic violence. However, after watching a documentary regarding success stories from the Housing First Initiative, she was pleased that there are supportive service programs available. Her concern was that there are already tenants in housing who need services.

She stated that the resources to assist public housing tenants are limited compared to the Housing First initiative. Ms. Kihano stated that public housing tenants, such as those who face eviction due to drugs, serious crimes or domestic violence, need supportive services too. She felt that many of the tenants who moved from homeless shelters into public housing do not continue to receive supportive services and they cause problems for the community. Ms. Kihano felt that with some of these families could have avoided eviction if they had support services.

**For Action:**

**Director Young moved:**

**To Delegate Authority to the Executive Director to Hire a Chief Financial Management Advisor a Property Management Branch Chief, a Chief Planner, and a Redevelopment Officer Effective July 18, 2013.**

**Director Young moved:**

**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 this motion.**

**The motion to move into Executive Session was unanimously approved.**

The Board entered into Executive Session at 10:24 a.m. and reconvened at approximately 10:40 a.m.

Executive Director Ouansafi reported that there was a correction to page 14 of the board packet regarding the effective date of the action. The date on page 14 was changed to July 18, 2013 to be consistent with the motion and the agenda.

**The motion was unanimously approved.**

**For Action:**

**Director Mederios moved:**

**To (A) Approve a Waiver of Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract Between the Hawaii Public Housing Authority (HPHA) and the U.S. Department of Housing and Urban Development for the Possible Consideration of Hiring Suzanne Chun Oakland as the Chief Planner After the End of Her Current Legislative Term (November 8, 2016);**

**(B) To Waive Attorney-Client Privilege Regarding the Opinion of the Department of Attorney General as to Whether the Waiver of the Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract is Permitted under State Law; and**

**(C) To Authorize the Executive Director to Undertake all Actions Necessary, including Submitting Opinions from the State Ethics Commission and the Department of the Attorney General Related to the**

**Waiver of the Conflict of Interest Provision to the U.S. Department of Housing and Urban Development, to Obtain a Waiver of the Conflict of Interest Provision of Section 19(A)(1) of the Annual Contributions Contract and Approval from the U.S. Department of Housing and Urban Development.**

Executive Director Ouansafi explained that this would be the first step in the hiring process. An offer of employment to a former legislator would need to be vetted and approved by HUD. He recommended that since this was a confidential personnel matter that the Board consult with the attorneys in executive session.

**Director Medeiros moved:**

**To go into executive session pursuant to Hawaii Revised Statutes sections 92-4, 92-5(a)(2) and 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to this motion, and to consider the potential hiring of an employee, where consideration of matters affecting privacy will be involved.**

The Board moved into executive session at 10:47 a.m. and reconvened at approximately 11:45 a.m.

Chairperson Shim stated that the Board had a motion on the table, and asked Deputy Attorney General (DAG) Sugita to clarify what actions the Board could take with respect to the motion. DAG Sugita responded that the Board could decide: (1) vote on the motion; (2) move to postpone the motion to a later date; or (3) move to postpone the motion indefinitely, which would cause the motion to not be heard again.

Director Medeiros requested clarification as to the meaning of a "yes" or "no" vote.

DAG Sugita clarified that a "yes" vote means that the Board is voting to approve the requested waiver for the conflict of interest provision of Section 19(A)(1) of the Annual Contributions Contract (ACC) between HPHA and HUD for the possible consideration of hiring Suzanne Chun Oakland as the Chief Planner after the end of her current legislative term (November 8, 2016); the Board agrees to waive the attorney-client privilege regarding the opinion of the Department of Attorney General as to whether the waiver of the Conflict of Interest Provision of Section 19(A)(1) of the ACC is permitted under state law; and the Board is authorizing Executive Director Ouansafi to undertake all actions necessary, including submitting to HUD the opinions from the State Ethics Commission and the Department of the Attorney General, to obtain a waiver of the Conflict of Interest Provision of Section 19(A)(1) of the ACC from HUD. A "yes" vote is required from all six board members (quorum) present to pass the motion. A "no" vote means that the Board member is not approving the motion.

Chair Shim held a roll call vote on the motion:

Director De Mello voted no.

Director Darcy voted no.

Director Young voted no.

Director King voted no.

Director Medeiros voted no.

Director Shim voted no.

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

Executive Director Ouansafi reported that the HPHA is opening the waiting list for the regular Rent Supplement Program. He reported 28 homeless families were placed into housing under the Special Rent Supplement Program. An additional 60 families have been approved for participation in the program and are engaged in housing search.

**Director Darcy moved,**

**To adjourn the meeting.**

The motion was unanimously approved.

The meeting adjourned at approximately 12:09 p.m.

### **MINUTES CERTIFICATION**

Minutes Prepared by:

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Jonessa Burns  
Secretary

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on November 17, 2016: [ ] As Presented [ ] As Amended

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Director Jason Espero  
Board Secretary

Date

## FOR ACTION

**MOTION:** To Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary under Chapter 91, Hawai'i Revised Statutes, and Administrative Directive No. 09-01 to Implement the Repeal and Adoption of New Rules, including Making Non-Substantive Revisions to Formatting as May be Required, to

- (1) Repeal Chapter 195 of Title 15, Hawai'i Administrative Rules ("HAR"), entitled "Section 8 Homeownership Option Program";
- (2) Adopt Proposed New Chapter 2036 of Title 17, HAR, entitled "Section 8 Homeownership Option Program" which is substantially based on Chapter 15-195, HAR, and sets forth the rules and requirements for HPHA's Section 8 Homeownership Program which is a federally funded homeownership program utilizing Section 8 voucher payments to cover mortgage payments, and includes:
  - (a) the proposed amendments to Chapter 15-195, HAR, previously adopted by the Hawaii Public Housing Authority's Board of Directors on January 21, 2016, to go to public hearing; and
  - (b) the deletion of proposed section 17-2036-53, HAR, Recapture of Homeownership Assistance, which had been included in the above-stated proposed amendments to Chapter 15-195, HAR.

### I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) Section 8 Homeownership Option Program is governed by a variety of Federal, State, and HPHA 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) resulting in the creation of the Hawaii Housing Finance and Development Corporation (HHFDC), and the Hawaii Public Housing Authority. Act 196 became effective on July 1, 2006. Act 196 provided that all HCDCH administrative rules would remain in effect until amended.

- C. Sections 356D-4 and 356D-13, HRS (Attachment A), authorize the HPHA to adopt administrative rules with the force and effect of law to govern the Section 8 Homeownership Option Program.
- D. The HPHA has consistently managed the Section 8 Homeownership Option Program in accordance with Chapter 15-195 "Section 8 Homeownership Option Program", Hawaii Administrative Rules (HAR).

## II. DISCUSSION

- A. On January 21, 2016, the HPHA Board of Directors adopted substantive changes to Chapter 15-195, "Section 8 Homeownership Option Program," HAR, to place the administrative rules chapter governing the Section 8 Homeownership Option Program under Title 17, to correctly reflect that the HPHA is administratively attached to the Department of Human Services, by renumbering Chapter 15-195, HAR, to Chapter 17-2036, HAR, and add new definitions and sections, and amend and repeal various sections to better govern the Resident Advisory Board;
- B. Upon further review, the Department of the Attorney General recommended the repeal of Chapter 15-195, HAR, and adoption of new proposed Chapter 17-2036, HAR, to be adopted as a new chapter under Title 17, due to the extensive amendments to Chapter 15-195, HAR, previously adopted by the HPHA Board on January 21, 2016, which includes but is not limited to:
  - 1. Changing title numbers from Title 15, HAR, to Title 17, HAR; changing subtitle numbers from Subtitle 14, HAR, to Subtitle 5, HAR; and changing chapter numbers from Chapter 195, HAR, to Chapter 2036, HAR;
  - 2. Changing the state department to which HPHA is administratively attached, from Department of Business, Economic Development and Tourism, to Department of Human Services;
  - 3. Adding definitions to section 17-2036-3: Adding "gender identity" and "sexual orientation" as protected classes, consistent with the U.S. Fair Housing Act.
  - 4. Section 17-2036-22, HAR [Eligibility for admission; initial requirements – threaten behavior towards staff]: Adding to qualification requirements that applicant(s) shall not engage in or threaten abusive or violent behavior toward the Authority's staff, consistent with HAR federal public housing qualifications.
  - 5. Section 17-2036-24, HAR [Minimum income requirements – disabled, elderly, welfare assistance]: Clarifying minimum income requirements for disabled and elderly participants, and the regard for welfare assistance income, consistent with the CFR.

6. Section 17-2036-31, HAR [Closing and reopening the waiting list - notices]: Removes minority newspapers and adds posting on the Authority's website for publishing notices, for more effective notice.
7. Section 17-2036-42, HAR [Dwelling unit inspection – independent inspector]: Clarifies that independent inspectors shall be qualified to report on property conditions, including major building systems and components, consistent with the CFR.
8. Section 17-2036-44 [Financing requirements]: Removes Authority's ability to disapprove terms of the mortgage loan to eliminate potential liability of the Authority between the applicant and the lender.
9. Other substantive revisions;

to comply with the procedures set forth in Chapter 91, HRS, Hawai'i Administrative Rules Drafting Manual, and for the purposes of clarity.

- C. This motion is to reflect the Board's intent to repeal Chapter 15-195, HAR, and adopt new proposed Chapter 17-2036, HAR, with similar substantive changes that were adopted by the HPHA Board of Directors at the regular board meeting on January 21, 2016
- D. This motion also requests approval to incorporate an additional change that was not previously considered by the Board of Directors at the January 21, 2016 meeting. The proposed rules include the deletion of Section 15-2036-53, HAR, as it is no longer valid. Federal rules governing the recapture of homeownership assistance was repealed in the Code of Federal Regulations in 2002.
- E. The proposed draft rules in the form attached as Attachment B, repealing Chapter 15-195, HAR, and adopting proposed new Chapter 17-2036, HAR, have been reviewed and approved by the Department of the Attorney General.
- F. Attachment C is for illustrative purposes and shows the differences between proposed new Chapter 17-2036, HAR, and Chapter 15-195, HAR, to be repealed, upon which new Chapter 17-2036, HAR, is substantially based.
- G. 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.
- H. 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.

- I. 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.
- J. After the public hearings, the Executive Director will transmit proposed repeal of Chapter 15-195, HAR, and adoption of Chapter 17-2036, 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)	November 17, 2016
Request to Governor for public hearing	December 1, 2016
Receive Governor authorization	January 1, 2017
Publish hearing notice (30 day notice)	January 15, 2017
Public Hearing	February 23, 2017
Finalize Rule/Transmit to Governor for Adoption	March 10, 2017
Rule effective	April 1, 2017

### III. RECOMMENDATION

That The Board Authorize the Executive Director to Conduct Public Hearings and Undertake All Other Actions Necessary under Chapter 91, Hawai'i Revised Statutes, and Administrative Directive No. 09-01 to Implement the Repeal and Adoption of New Rules, including Making Non-Substantive Revisions to Formatting as May be Required, to

- (1) Repeal Chapter 195 of Title 15, Hawai'i Administrative Rules ("HAR"), entitled "Section 8 Homeownership Option Program";
- (2) Adopt Proposed New Chapter 2036 of Title 17, HAR, entitled "Section 8 Homeownership Option Program" which is substantially based on Chapter 15-195, HAR, and sets forth the rules and requirements for HPHA's Section 8 Homeownership Program which is a federally funded homeownership program utilizing Section 8 voucher payments to cover mortgage payments, and includes:

(a) the proposed amendments to Chapter 15-195, HAR, previously adopted by the Hawaii Public Housing Authority's Board of Directors on January 21, 2016, to go to public hearing; and

(b) the deletion of proposed section 17-2036-53, HAR, Recapture of Homeownership Assistance, which had been included in the above-stated proposed amendments to Chapter 15-195, HAR.

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

Attachment B: Draft Rules repealing Chapter 15-195, Hawaii Administrative Rules, and adopting new Chapter 17-2036, Hawaii Administrative Rules

Attachment C: Ramseyer format draft showing changes to Chapter 15-195, Hawaii Administrative Rules, for illustration purposes

Prepared by: Barbara Arashiro, Executive Assistant



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

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Pono Shim  
Chairperson

## Attachment A

**§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;
- (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;
- (5) Sell, lease, rent, hold, maintain, use, and operate any property, real, personal, or mixed, tangible or intangible, in support of its purposes, powers, and programs; provided that the sale of real property shall be subject to legislative approval;
- (6) Receive by gift, grant, devise, bequest, or otherwise from any source, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income thereof, for the benefit only of the residents assisted by its programs; provided that no gift to the authority that has an estimated value of \$1,000 or more shall be accepted unless approved or confirmed by the board; and
- (7) Engage the services of volunteers as deemed appropriate by the authority without regard to chapter 76, 89, 90, 103, or 103D.

(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; am L 2013, c 148, §1]

**§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

DEPARTMENT OF HUMAN SERVICES

Repeal of Chapter 15-195 and  
Adoption of Chapter 17-2036  
Hawaii Administrative Rules

April 21, 2016

1. Chapter 195 of Title 15, Hawaii Administrative Rules, entitled "Section 8 Homeownership Option Program" is repealed.

2. Chapter 2036 of Title 17, Hawaii Administrative Rules, entitled "Section 8 Homeownership Option Program" is adopted.

HAWAII ADMINISTRATIVE RULES

TITLE 15

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND  
TOURISM

SUBTITLE 14

HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF  
HAWAII

CHAPTER 195

SECTION 8 HOMEOWNERSHIP OPTION PROGRAM

Repealed

§§15-195-1 to 15-195-72 Repealed. [ ]

HAWAII ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 5

HAWAII PUBLIC HOUSING AUTHORITY

CHAPTER 2036

SECTION 8 HOMEOWNERSHIP OPTION PROGRAM

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Historical Note. Chapter 2036 of Title 17 Hawaii Administrative Rules, is substantially based upon Chapter 15-195, Hawaii Administrative Rules. [Eff: ]

## SUBCHAPTER 1

## GENERAL PROVISIONS

§17-2036-1 Purpose. These rules govern the requirements for participation by eligible families in the section 8 homeownership option program administered by the authority. [Eff: ]  
 (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.54)

§17-2036-2 Definitions. As used in this chapter:

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

"Authority" means the Hawaii public housing authority.

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

"Cooperative" or "housing cooperative" means housing owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.

"Cooperative member" means a family of which one or more members owns membership shares in a cooperative.

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

"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 authority or the executive director's designated representative.

"Family" means regardless of actual or perceived sexual orientation, gender identity, or marital status, a person or group of persons, as determined by the authority approved to reside in a unit with assistance under the Program. A family is comprised of:

- (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 authority in accordance with 24 C.F.R. Part 984 to

promote self-sufficiency of assisted families, including the coordination of supportive services.

"First-time homeowner" means a family of which no member owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family. The term "first-time homeowner" includes a single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

"Gender identity or expression" includes a person's actual or perceived gender, as well as a person's gender identity, gender-related self-image, gender-related appearance, or gender-related expression, regardless of whether that gender identity, gender-related self-image, gender-related appearance, or gender-related expression is different from that traditionally associated with the person's sex at birth.

"HRS" means Hawaii Revised Statutes.

"Home" means a dwelling unit for which the authority pays homeownership assistance.

"Homeowner" means a family of which one or more members hold title to the home.

"Homeownership assistance" means monthly homeownership assistance payments by the authority. Homeownership assistance payments may be paid to the family, or to a mortgage lender on behalf of the family.

"Homeownership expenses" means a family's allowable monthly expenses for the home, as determined by the authority.

"Homeownership option" means assistance for a homeowner or cooperative member.

"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.

"Interest in the home" means:

- (1) In the case of assistance for a homeowner, "interest in the home" includes title to the

home, any lease or other right to occupy the home, or any other present interest in the home.

- (2) In the case of assistance for a cooperative member, "interest in the home" includes ownership of membership shares in the cooperative, any lease or other right to occupy the home, or any other present interest in the home.

"Independent inspector" means a professional home inspector who is independent of the seller and the authority.

"Lender" or "mortgage lender" means a mortgage lender as defined in part I, chapter 356D, HRS.

"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.

"Membership shares" means shares in a cooperative. By owning such cooperative shares, the share-owner has the right to reside in a particular unit in the cooperative, and the right to participate in management of the housing.

"Payment standard" means the maximum monthly assistance payment for a family assisted in the section 8 housing choice voucher program before deducting the total tenant payment by the family.

"PHA section 8 administrative plan" means the administrative plan for implementation of the section 8 housing choice voucher program pursuant to 24 C.F.R. Part 982.

"Participant" means a person or family that is receiving homeownership assistance in the Program.

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

"Present ownership interest" means holding title, in whole or in part, to a residence, or ownership, in whole or in part, of membership shares in a cooperative. "Present ownership interest" in a residence does not include the right to purchase title to the residence under a lease-purchase agreement.

"Program" or "homeownership program" means the section 8 homeownership option program.

"Section 8 housing choice voucher program" means the tenant-based section 8 rental voucher program.

"Total tenant payment" means the total amount the HUD rent formula requires the tenant to pay toward rent and utilities. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. Parts 5 and 982)

§17-2036-3 Nondiscrimination. (a) The authority 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, gender identity, sexual orientation, handicap or disability or HIV infection.

(b) The authority shall comply with state and federal nondiscrimination laws and with rules and regulations governing fair housing and equal opportunity in the administration of the Program. The authority 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: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-7; 24 C.F.R. §§982.53, 982.304)

§17-2036-4 Verification of information. (a) The authority shall require an applicant or participant to

provide documentation to verify information required to be 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. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.551, 982.552, 982.553, 982.626)

§§17-2036-5 to 17-2036-20 (Reserved).

## SUBCHAPTER 2

### ELIGIBILITY

§17-2036-21 Applications. (a) A family seeking to participate in the Program shall submit a completed application form. The applicant form shall be provided by the authority. The applicant is permitted to file an application by mailing to or by submitting in person to any of the authority's applications offices.

(b) The initial 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 may 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 apply to and participate in the Program. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.601, 982.201, 982.202)

§17-2036-22 Eligibility for admission; initial requirements. (a) To be eligible for admission in the Program, an applicant shall meet the following qualification requirements:

- (1) Has been admitted to the section 8 housing choice voucher program;
  - (2) Is in compliance with the terms of the lease and the section 8 housing choice voucher program;
  - (3) Satisfies the first-time homeowner requirements set forth in section 17-2036-23;
  - (4) Satisfies the minimum income requirements set forth in section 17-2036-24;
  - (5) Satisfies the employment requirements set forth in section 17-2036-25;
  - (6) Has pre-qualified for a loan;
  - (7) Has not defaulted on a mortgage securing debt to purchase a home under the Program;
  - (8) Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, has no present ownership interest in a residence at the commencement of homeownership assistance for the purchase of a home;
  - (9) Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, has entered a contract of sale in accordance with section 17-2036-41;
  - (10) Satisfies any other initial requirements as determined by the authority and set forth in the PHA section 8 administrative plan; and
  - (11) Not engage in or threaten abusive or violent behavior toward the authority's staff. For purposes of this subsection, "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 racial epithets, or other language, written or oral, that is customarily used to insult or intimidate.
- (b) The applicant shall also satisfactorily complete a pre-assistance homeownership counseling



determining if the family meets the minimum income requirement.

(c) The disregard of welfare assistance income under subsection (b) only affects the determination of minimum annual income used to determine if a family initially qualifies for commencement of homeownership assistance in accordance with this section, but does not affect:

- (1) The determination of income-eligibility for admission to the voucher program;
  - (2) Calculation of the amount of the family's total tenant payment; or
  - (3) Calculation of the amount of homeownership assistance payments on behalf of the family.
- [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.627)

§17-2036-25 Employment requirements. (a)

Except as provided in subsection (b), the applicant shall demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance meets the following employment requirements:

- (1) Is currently employed on a full-time basis, with an average of not less than thirty hours per week; and
- (2) Has been continuously so employed during the year before commencement of homeownership assistance for the family.

(b) The following shall be exempt from the employment requirements:

- (1) An elderly family;
- (2) A disabled family; or
- (3) A family that includes a person with disabilities and the authority has determined that an exemption is needed as a reasonable accommodation so that the Program is readily accessible to and usable by persons with disabilities. [Eff: ]

(Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.627)

§17-2036-26 Dwelling unit requirements. (a)

The dwelling unit shall satisfy the following dwelling unit requirements:

- (1) The unit is eligible;
- (2) The unit was either under construction or already existing at the time the authority determined that the family was eligible for homeownership assistance to purchase the unit;
- (3) The unit is either a single family dwelling unit or single dwelling unit in a cooperative or condominium;
- (4) The unit was inspected by the authority and by an independent inspector designated and paid for by the family; and
- (5) The unit satisfies the housing quality standards.

(b) The authority shall not commence homeownership assistance for occupancy of a home if the authority has been informed (by HUD or otherwise) that the seller of the home is debarred, suspended, or subject to a limited denial of participation under 24 C.F.R. Part 24. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.352, 982.628)

§17-2036-27 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 issued a certification of section 8 homeownership eligibility.

(c) In the event the authority has issued all of the section 8 homeownership eligibility certifications, eligible applicants shall be placed on the waiting list.

(d) An applicant determined to be ineligible for admission or participation in the Program shall be afforded an opportunity to request an informal review as set forth in chapter 17-2036, Hawaii Administrative Rules. [Eff: \_\_\_\_\_] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.641, 982.554, 982.601)

§17-2036-28 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) Completed or enrolled in and in full compliance with the authority's family self-sufficiency program; or
- (2) Enrolled and in full compliance with the authority's welfare to work program or other self-sufficiency program approved by the authority.

(b) Preference categories are of equal weight, and an applicant who qualifies for any of the preferences shall receive assistance before any other applicant who does not qualify regardless of:

- (1) Place on the waiting list; or
- (2) Date and time of submission of an application. [Eff: \_\_\_\_\_] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.626)

§17-2036-29 Waiting list. (a) The authority shall maintain a statewide waiting list of applicants who are eligible to obtain a certification of section 8 homeownership eligibility.

(b) All recipients of section 8 housing choice voucher assistance administered by the authority shall be notified of the opportunity to apply for assistance under the Program.

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

- (1) Applicable preference; and
- (2) Date and time of application's receipt.

(d) An applicant must notify the authority, at least annually, of any change that may affect the applicant's place on the waiting list and the authority's ability to contact the applicant. Changes include, but are not limited to, familial status, financial status, preference status, mailing address and current residence. [Eff: ]

(Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.601, 982.204)

§17-2036-30 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 authority of applicant's continued interest for housing assistance at least once every twelve months;
- (3) The applicant no longer meets the eligibility criteria set forth in section 17-2036-22;
- (4) The applicant fails to respond to the authority'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 certification of section 8 homeownership eligibility; or
- (7) The applicant misrepresents any material information to the authority on the application or otherwise. [Eff:

] (Auth: HRS §§356D-4,

356D-13) (Imp: HRS §356D-13; 24 C.F.R.  
 §§982.601, 982.204(c))

§17-2036-31 Closing and reopening the waiting list. (a) The authority may suspend the acceptance of applications and close the waiting list when the authority determines that there are enough applicants on the waiting list to fill anticipated openings over a reasonable time period.

(b) The authority may publicly announce any closure and reopening of the taking of applications pursuant to section 17-2036-21. If the list is opened for only a limited time, the opening announcement shall include the closing date and not require further notice. The announcement may include, but is not limited to, publishing notices in a newspaper of general circulation, notifying social service organizations, or posting on the authority's website.

(c) During periods when the waiting list is closed, the authority is not required to maintain a list of persons to be notified when application taking is reopened. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.601, 982.206)

§17-2036-32 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 sign a statement of homeownership obligations, the terms of which are set forth in section 17-2036-35, and shall be issued a certification of section 8 eligibility.

(c) An applicant that has been issued a certification shall be responsible for finding a dwelling unit that meets the requirements of section 17-2036-26 prior to the expiration of the certification.

(d) A certification shall expire at the end of ninety days from issuance unless within that time, the family submits a contract of sale, in which case the ninety day time limit shall be suspended while the authority reviews the contract of sale.

(e) An applicant may request a ninety day extension of time to submit a contract of sale before the certification expires. The request for extension shall be in writing and received by the authority on or postmarked no later than the last day of the certification term. The extension request shall include an explanation for the request and a report on efforts made to locate a suitable unit.

(f) An applicant may request an extension beyond one hundred eighty days provided there are verifiable circumstances beyond the applicant's control that hinder the applicant from locating a suitable unit. The request for extension shall be in writing and be received by the authority or postmarked no later than the last day of the certification term. The extension request shall include an explanation for the request and a progress report on efforts made to locate a suitable unit.

(1) An extension may be granted at the authority's sole discretion.

(2) If an extension is requested and denied, the applicant may be placed on the bottom of the waiting list. [Eff: ]

(Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. § 982.629)

§17-2036-33 Reexaminations. (a) At least once every twelve months, the authority may reexamine a family's income, composition and any other matter necessary to determine the participant's housing payment standard 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

authority may schedule a special reexamination at any time prior to the next annual reexamination.

(c) The participant shall be notified in writing by the authority of the results of any reexamination within a reasonable time. [Eff: ]  
 (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R §§5.617, 982.601, 982.516)

§17-2036-34 Interim homeownership assistance adjustment. (a) The authority may adjust a participant's homeownership assistance payment between reexaminations if a participant reports a change in income and requests an adjustment.

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

(c) An adjustment in the homeownership assistance payment 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 lender shall be notified in writing by the authority of the results of any reexamination within a reasonable time. [Eff:  
 ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.601, 982.516)

§17-2036-35 Continued assistance; family obligations. (a) To be eligible for homeownership assistance, the participant shall occupy the home.

(b) The participant shall comply with the following family obligations:

- (1) Attend and complete ongoing homeownership and housing counseling;
  - (2) Comply with the terms of any mortgage securing debt incurred to purchase or refinance the home;
  - (3) Not convey or transfer the home;
  - (4) Supply any required information that the authority or HUD determines is necessary in the administration of the Program, including information on the following:
    - (i) Any mortgage or other debt incurred to purchase the home, and any refinancing of such debt and information on any satisfaction or payment of the mortgage debt;
    - (ii) Any sale or other transfer of any interest in the home; or
    - (iii) The family's homeownership expenses;
  - (5) Notify the authority before the participant moves out of the home;
  - (6) Notify the authority if the participant defaults on a mortgage securing any debt incurred to purchase the home;
  - (7) During the time the participant receives homeownership assistance, no family member may have any ownership interest in any other residential property;
  - (8) Not commit drug-related criminal activity or violent criminal activity pursuant to chapter 17-2036, Hawaii Administrative Rules; and
  - (9) Comply with additional requirements that the authority may establish including:
    - (i) Attending post-purchase homeownership counseling; or
    - (ii) Having periodic inspections of the dwelling unit.
- (c) Prior to commencement of homeownership assistance, the participant shall execute a statement of family obligations in the form prescribed by HUD. In the statement, the family shall agree to comply with all family obligations as cited in paragraph (b)

of this section. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.551, 982.553, 982.633)

§§17-2036-36 to 17-2036-40 (Reserved).

### SUBCHAPTER 3

#### PURCHASE OF DWELLING UNIT

##### §17-2036-41 Contract of sale; requirements.

(a) Upon finding a dwelling unit that the applicant is willing to purchase, the applicant shall provide a copy of the contract of sale to the authority.

(b) The contract of sale shall contain the following information:

- (1) Specify the price and other terms of sale by the seller to the applicant;
- (2) Provide that the applicant shall arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the applicant;
- (3) Provide that the applicant is not obligated to purchase the unit;
- (4) Provide that the applicant is not obligated to pay for any necessary repairs; and
- (5) Certify that the seller has not been debarred, suspended, or subject to a limited denial of participation under 24 C.F.R. Part 24. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.631)

##### §17-2036-42 Dwelling unit inspection.

(a) Dwelling units approved for sale in the Program shall meet housing quality standards.

(b) Prior to commencing homeownership assistance, the authority shall inspect the dwelling unit within a reasonable time after receipt of the applicant's contract of sale.

(c) In addition to the inspection conducted by the authority, the applicant shall select and pay for an independent inspection conducted by an independent inspector qualified to report on property conditions, including major building systems and components. The independent inspection shall cover major building systems and components, including:

- (i) Foundation and structure;
- (ii) Housing interior and exterior; and
- (iii) Roofing, plumbing, electrical, heating and cooling systems.

(d) The independent inspector shall provide a copy of the inspection report to the authority and the applicant. The authority may disapprove the unit for homeownership assistance based on the information in the inspection report. [Eff: ]  
(Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.631)

§17-2036-43 Lender requirements. (a) The authority shall maintain a list of approved mortgage lenders from which a family may obtain financing to purchase a home.

(b) Lenders shall obtain the authority's approval of the terms of the loan.

(c) Lenders shall notify the authority when a participant becomes delinquent by more than thirty days. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.625, 982.632)

§17-2036-44 Financing requirements. (a) The family may obtain financing to purchase the dwelling unit from any lender on the authority's approved list of mortgage lenders.

(b) The authority shall review the terms of the mortgage loan. The corporation may disapprove proposed financing, refinancing or other debt if the corporation determines that the debt is unaffordable, or] to determine if the loan terms do not meet the authority's qualifications.

(c) The authority may disapprove certain loan types including adjustable rate mortgage loans and balloon payment mortgage loans. [Eff: ]  
(Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.632)

§§17-2036-45 to 17-2036-50 (Reserved).

#### SUBCHAPTER 4

#### HOMEOWNERSHIP ASSISTANCE PAYMENTS

§17-2036-51 Maximum term of homeownership assistance. (a) Except in the case of a family that qualifies as an elderly or disabled family, the maximum term of homeownership assistance is as follows:

- (1) Fifteen years, if the initial mortgage incurred to finance the purchase of the home has a term of twenty years or longer; or
- (2) Ten years, in all other cases.

(b) A family shall qualify as an elderly family at the start of the homeownership assistance.

(c) A family may qualify as a disabled family at any time during receipt of homeownership assistance.

(d) If, during the course of homeownership assistance, the family ceases to qualify as an elderly or disabled family, the maximum term of homeownership assistance is fifteen years plus six months. [Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §982.634)

§17-2036-52 Homeownership assistance payments.



## SUBCHAPTER 5

## OPERATIONS

§17-2036-61 Portability. (a) The authority may require applicants who were nonresidents at the time of application to live in its jurisdiction during the first twelve-month period.

(b) The authority 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: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.353, 982.355, 982.636)

§17-2036-62 Moves with continued tenant-based assistance. (a) A participant may move to a new unit with continued tenant-based assistance.

(b) The authority shall deny permission to move to a new unit with continued tenant-based assistance if:

- (1) The authority does not have sufficient funds to provide continued assistance;
- (2) The participant has defaulted on an FHA-insured mortgage;
- (3) The participant fails to demonstrate that the participant has conveyed title to the home to HUD or a HUD designee and the participant has moved from the home within the period established or approved by HUD; orThe participant has moved or has been issued a voucher within the last twelve months.

[Eff: ] (Auth: HRS §§356D-4, 356D-13) (Imp: HRS §356D-13; 24 C.F.R. §§982.314, 982.552, 982.637)

§17-2036-63 Termination of participation. (a)  
The authority shall terminate a family's participation  
in the Program when:

- (1) The family fails to comply with the  
continued assistance requirements set forth  
in section 17-2036-35 or
- (2) The family is dispossessed from the home  
pursuant to a judgment or order of  
foreclosure on any mortgage securing debt to  
purchase the property or any refinancing of  
such debt. [Eff: ] (Auth:  
HRS §§356D-4, 356D-13) (Imp: HRS §356D-13;  
24 C.F.R. §§982.551, 982.633, 982.638)

§§17-2036-64 to 17-2036-70 (Reserved).

#### SUBCHAPTER 6

#### MISCELLANEOUS PROVISIONS

§§17-2036-71 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  
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: ] (Auth: HRS  
§§356D-4, 356D-13) (Imp: HRS §356D-13)

§17-2036-72 Number. The use of all words used  
in the singular shall extend to and include the  
plural. [Eff: ] (Auth: HRS §§356D-  
4, 356D-13) (Imp: HRS §1-17)

DEPARTMENT OF HUMAN SERVICES

The repeal of chapter 15-195 and the adoption of chapter 17-2036, Hawaii Administrative Rules on the Summary Page dated April 21, 2016 was adopted on \_\_\_\_\_ following public hearings held on Oahu, Maui, Hilo and, Kauai after public notice was given in the Honolulu Star Advertiser, the Hawaii Herald Tribune, West Hawaii Today, The Garden Isle, and The Maui News on \_\_ (date)\_\_\_\_\_.

The repeal and adoption shall take effect ten days after filing with the Office of the Lieutenant Governor.

\_\_\_\_\_  
PONO SHIM  
Chairperson  
Board of Directors  
Hawaii Public Housing Authority

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General

APPROVED:

\_\_\_\_\_  
DAVID Y. IGE  
Governor, State of Hawaii

Dated: \_\_\_\_\_

Filed: \_\_\_\_\_

Attachment C

HAWAII ADMINISTRATIVE RULES

TITLE [15] 17

DEPARTMENT OF [BUSINESS, ECONOMIC DEVELOPMENT  
AND TOURISM] HUMAN SERVICES

SUBTITLE [14] 5

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

CHAPTER [195] 2036

SECTION 8 HOMEOWNERSHIP OPTION PROGRAM

SUBCHAPTER 1 General Provisions

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§ [15-195-2] <u>17-2036-2</u>	Definitions
§ [15-195-3] <u>17-2036-3</u>	Nondiscrimination
§ [15-195-4] <u>17-2036-4</u>	Verification of information

SUBCHAPTER 2 Eligibility

§ [15-195-21] <u>17-2036-21</u>	Applications
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§ [15-195-24] <u>17-2036-24</u>	Minimum income requirements
§ [15-195-25] <u>17-2036-25</u>	Employment requirements
§ [15-195-26] <u>17-2036-26</u>	Dwelling unit requirements
§ [15-195-27] <u>17-2036-27</u>	Notification of eligibility
§ [15-195-28] <u>17-2036-28</u>	Preferences
§ [15-195-29] <u>17-2036-29</u>	Waiting list
§ [15-195-30] <u>17-2036-30</u>	Removal from the waiting list

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§ [15-195-32]	<u>17-2036-32</u>	Final application process - selection and certification
§ [15-195-33]	<u>17-2036-33</u>	Reexaminations
§ [15-195-34]	<u>17-2036-34</u>	Interim homeownership assistance adjustment
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§ [15-195-51]	<u>17-2036-51</u>	Maximum term of homeownership assistance
§ [15-195-52]	<u>17-2036-52</u>	Housing assistance payments
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§ [15-195-61]	<u>17-2036-61</u>	Portability
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§ [15-195-66]	<u>17-2036-66</u>	Termination of participation

### SUBCHAPTER 6 Miscellaneous Provisions

§ [15-195-71]	<u>17-2036-71</u>	Severability
§ [15-195-72]	<u>17-2036-72</u>	Number

Historical Note. Chapter 2036 of Title 17 Hawaii Administrative Rules, is substantially based upon Chapter 15-195, Hawaii Administrative Rules. [Eff: ]

## SUBCHAPTER 1

### GENERAL PROVISIONS

§[15-195-1]17-2036-1 Purpose. These rules govern the requirements for participation by eligible families in the section 8 homeownership option program administered by the [housing and community development corporation of Hawaii.] authority. [Eff: 5/13/2002; am and ren §17-2036-1 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.54)

§[15-195-2]17-2036-2 Definitions. As used in this chapter:

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

"Authority" means the Hawaii public housing authority.

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

"Cooperative" or "housing cooperative" means housing owned by a corporation or association, and where a member of the corporation or association has the right to reside in a particular unit, and to participate in management of the housing.

"Cooperative member" means a family of which one or more members owns membership shares in a cooperative.

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

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

"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] authority or the executive director's designated representative.

"Family" means regardless of actual or perceived sexual orientation, gender identity, or marital status, a person or group of persons, as determined by the [corporation,] authority approved to reside in a unit with assistance under the Program. A family is comprised of:

- (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 [establish] established by the [corporation] authority in accordance with 24 C.F.R. Part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services.

"First-time homeowner" means a family of which no member owned any present ownership interest in a residence of any family member during the three years before commencement of homeownership assistance for the family. The term "first-time homeowner" includes a single parent or displaced homemaker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.

"Gender identity or expression" includes a person's actual or perceived gender, as well as a person's gender identity, gender-related self-image, gender-related appearance, or gender-related expression, regardless of whether that gender identity, gender-related self-image, gender-related appearance, or gender-related expression is different from that traditionally associated with the person's sex at birth.

"HRS" means Hawaii Revised Statutes.

"Home" means a dwelling unit for which the [corporation] authority pays homeownership assistance.

"Homeowner" means a family of which one or more members hold title to the home.

"Homeownership assistance" means monthly homeownership assistance payments by the [corporation.] authority. Homeownership assistance payments may be paid to the family, or to a mortgage lender on behalf of the family.

"Homeownership expenses" means a family's allowable monthly expenses for the home, as determined by the [corporation.] authority.

"Homeownership option" means assistance for a homeowner or cooperative member.

"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.

"Interest in the home" means:

- (1) In the case of assistance for a homeowner, "interest in the home" includes title to the home, any lease or other right to occupy the home, or any other present interest in the home.
- (2) In the case of assistance for a cooperative member, "interest in the home" includes ownership of membership shares in the cooperative, any lease or other right to occupy the home, or any other present interest in the home.

"Independent inspector" means a professional home inspector who is independent of the seller and the [corporation.] authority.

"Lender" or "mortgage lender" means a mortgage lender as defined in part I, chapter [201G,] 356D, HRS.

"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.

"Membership shares" means shares in a cooperative. By owning such cooperative shares, the share-owner has the right to reside in a particular unit in the cooperative, and the right to participate in management of the housing.

"Payment standard" means the maximum monthly assistance payment for a family assisted in the section 8 housing choice voucher program before deducting the total tenant payment by the family.

"PHA section 8 administrative plan" means the administrative plan for implementation of the section 8 housing choice voucher program pursuant to 24 C.F.R. Part 982.

"Participant" means a person or family that is receiving homeownership assistance in the Program.

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

"Present ownership interest" means holding title, in whole or in part, to a residence, or ownership, in whole or in part, of membership shares in a cooperative. "Present ownership interest" in a residence does not include the right to purchase title to the residence under a lease-purchase agreement.

"Program" or "homeownership program" means the section 8 homeownership option program.

"Section 8 housing choice voucher program" means the tenant-based section 8 rental voucher program.

"Total tenant payment" means the total amount the HUD rent formula requires the tenant to pay toward rent and utilities. [Eff: 5/13/2002; am and ren §17-2036-2 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. Parts 5 and 982)

§[15-195-3]17-2036-3 Nondiscrimination. (a) The [corporation] authority 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, gender identity, sexual orientation, handicap or disability or HIV infection.

(c) The [corporation] authority shall comply with state and federal nondiscrimination laws and with rules and regulations governing fair housing and equal opportunity in the administration of the Program. The [corporation] authority 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: 5/13/2002; am and ren §17-2036-3 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-7; 24 C.F.R. §§982.53, 982.304)

§[15-195-4]17-2036-4 Verification of information. (a) The [corporation] authority shall require an applicant or participant to provide documentation to verify information required to be 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. [Eff: 5/13/2002; am and ren §17-2036-4 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.551, 982.552, 982.553, 982.626)

17-2036-5 through 17-2036-20 Reserved

## SUBCHAPTER 2

### ELIGIBILITY

§[15-195-21] 17-2036-21 Applications. (a) A family seeking to participate in the Program shall submit a completed application form. The applicant form shall be provided by the [corporation.] authority. The applicant is permitted to file an application by mailing to or by submitting in person to any of the [corporation's] authority's applications offices.

(b) The initial 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 may 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 apply to and participate in the Program. [Eff: 5/13/2002; am and ren §17-2036-21 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.551, 982.552)

§[15-195-22]17-2036-22 Eligibility for admission; initial requirements. (a) To be eligible for admission in the Program, an applicant shall meet the following qualification requirements:

- (1) Has been admitted to the section 8 housing choice voucher program;
- (2) Is in compliance with the terms of the lease and the section 8 housing choice voucher program;
- (3) Satisfies the first-time homeowner requirements set forth in section [15-195-23;] 17-2036-23;
- (4) Satisfies the minimum income requirements set forth in section [15-195-24;] 17-2036-24;
- (5) Satisfies the employment requirements set forth in section [15-195-25;] 17-2036-25;
- (6) Has pre-qualified for a loan;
- (7) Has not defaulted on a mortgage securing debt to purchase a home under the Program;
- (8) Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, has no present ownership interest in a residence at the commencement of homeownership assistance for the purchase of a home;
- (9) Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, has entered a contract of sale

in accordance with section [15-195-41;] 17-2036-41; [and]

- (10) Satisfies any other initial requirements as determined by the [corporation] authority and set forth in the PHA section 8 administrative plan[.]; and
- (11) Not engage in or threaten abusive or violent behavior toward the authority's staff. For purposes of this subsection, "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.

(b) The applicant shall also satisfactorily complete a pre-assistance homeownership counseling program approved by the [corporation.] authority.

[Eff: 5/13/2002; am and ren §17-2036-22

] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §§356D-4, 356D-13; 24 C.F.R. §§982.626, 982.627, 982.628, 982.629)

§[15-195-23] 17-2036-23 First-time homeowner requirements. At commencement of homeownership assistance, the participant shall be:

- (1) A first-time homeowner;
- (2) A cooperative member; or
- (3) A family of which a family member is a person with disabilities and use of the homeownership option is needed as a reasonable accommodation so that the Program is readily accessible to and usable by such person. [Eff: 5/13/2002; ren §17-2036-23  
] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.627

§[15-195-24]17-2036-24 Minimum income requirements. (a) At commencement of homeownership assistance, the participant shall demonstrate that the annual income, as determined by the [corporation,] authority, of the adult family members who will own the home at commencement of homeownership assistance is not less than:

- (1) In the case of a disabled family, the monthly federal supplemental security income (SSI) benefit for an individual living alone or paying his or her share of food and housing costs multiplied by twelve; or
- (2) In the case of other families, the federal minimum hourly wage multiplied by 2,000 hours.

(b) Except for an elderly family or a disabled family, the [corporation] authority shall not count any welfare assistance received by the family in determining annual income. In the case of an elderly or disabled family, the authority shall include welfare assistance for the adult family members who will own the home in determining if the family meets the minimum income requirement.

(c) The disregard of welfare assistance income under subsection (b) only affects the determination of minimum annual income used to determine if a family initially qualifies for commencement of homeownership assistance in accordance with this section, but does not affect:

- (1) The determination of income-eligibility for admission to the voucher program;
- (2) Calculation of the amount of the family's total tenant payment; or
- (3) Calculation of the amount of homeownership assistance payments on behalf of the family.

[Eff: 5/13/2002; am and ren §17-2036-24  
] (Auth: HRS [§201G-15]  
§§356D-4, 356D-13) (Imp: HRS [§201G-15;]  
§356D-13; 24 C.F.R. §982.627)

§[15-195-25]17-2036-25 Employment requirements.

(a) Except as provided in subsection (b), the applicant shall demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance meets the following employment requirements:

- (1) Is currently employed on a full-time basis, with an average of not less than thirty hours per week; and
- (2) Has been continuously so employed during the year before commencement of homeownership assistance for the family.

(b) The following shall be exempt from the employment requirements:

- (1) An elderly family;
- (2) A disabled family; or
- (3) A family that includes a person with disabilities and the [corporation] authority has determined that an exemption is needed as a reasonable accommodation so that the Program is readily accessible to and usable by persons with disabilities. [Eff: 5/13/2002; am and ren §17-2036-25

] (Auth: HRS [§201G-15]

§§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.627)

§[15-195-26]17-2036-26 Dwelling unit requirements. (a) The dwelling unit shall satisfy the following dwelling unit requirements:

- (1) The unit is eligible;
- (2) The unit was either under construction or already existing at the time the [corporation] authority determined that the family was eligible for homeownership assistance to purchase the unit;
- (3) The unit is either a single family dwelling unit or single dwelling unit in a cooperative or condominium;

- (4) The unit was inspected by the [corporation] authority and by an independent inspector designated and paid for by the family; and
- (5) The unit satisfies the housing quality standards.

(b) The [corporation] authority shall not commence homeownership assistance for occupancy of a home if the [corporation] authority has been informed (by HUD or otherwise) that the seller of the home is debarred, suspended, or subject to a limited denial of participation under 24 C.F.R. Part 24. [Eff: 5/13/2002; am and ren §17-2036-26 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.352, 982.628)

§[15-195-27]17-2036-27 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 issued a certification of section 8 homeownership eligibility.

(c) In the event the [corporation] authority has issued all of the section 8 homeownership eligibility certifications, eligible applicants shall be placed on the waiting list.

(d) An applicant determined to be ineligible for admission or participation in the Program shall be afforded an opportunity to request [for] an informal review as set forth in chapter [15-185,] 17-2036, Hawaii Administrative Rules. [Eff: 5/13/2002; am and ren §17-2036-27 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.638)

§[15-195-28]17-2036-28 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) Completed or enrolled in and in full compliance with the [corporation's] authority's family self-sufficiency program; or
- (2) Enrolled and in full compliance with the [corporation's] authority's welfare to work program or other self-sufficiency program approved by the [corporation.] authority.

(b) Preference categories are of equal weight, and an applicant who qualifies for any of the preferences shall receive assistance before any other applicant who does not qualify regardless of:

- (1) Place on the waiting list; or
- (2) Date and time of submission of an application. [Eff: 5/13/2002; am and ren §17-2036-26 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.626)

[§15-195-29]§17-2036-29 Waiting list. (a) The [corporation] authority shall maintain a statewide waiting list of applicants who are eligible to obtain a certification of section 8 homeownership eligibility.

(b) All recipients of section 8 housing choice voucher assistance administered by the [corporation] authority shall be notified of the opportunity to apply for assistance under the Program.

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

- (1) Applicable preference; and
- (2) Date and time of application's receipt.

(d) An applicant must notify the [corporation,] authority, at least annually, of any change that may affect the applicant's place on the waiting list and the [corporation's] authority's ability to contact the applicant. Changes include, but are not limited to, familial status, financial status, preference status, mailing address and current residence. [Eff:

5/13/2002; am and ren §17-2036-30 ]  
 (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS  
 [§201G-15;] §356D-13; 24 C.F.R. §982.629)

§[15-195-30]17-2036-30 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] authority of applicant's continued interest for housing assistance at least once every twelve months;
- (3) The applicant no longer meets the eligibility criteria set forth in section [15-195-22;] 17-2036-22;
- (4) The applicant fails to respond to the [corporation's] authority'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 certification of section 8 homeownership eligibility; or
- (7) The applicant misrepresents any material information to the [corporation] authority on the application or otherwise. [Eff: 5/13/2002; am and ren §17-2036-30

] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.626, 982.629, 982.633)

§[15-195-31]17-2036-31 Closing and reopening the waiting list. (a) The [corporation] authority may suspend the acceptance of applications and close the waiting list when the [corporation] authority

determines that there are enough applicants on the waiting list to fill anticipated openings over a reasonable time period.

(b) The [corporation] authority may publicly announce any closure and reopening of the taking of applications pursuant to section 15-195-21. If the list is opened for only a limited time, the opening announcement shall include the closing date and not require further notice. The announcement may include, but is not limited to, publishing notices in a newspaper of general circulation, [and minority newspapers or] notifying social service organizations[.], or posting on the authority's website.

(c) During periods when the waiting list is closed, the [corporation] authority is not required to maintain a list of persons to be notified when application taking is reopened. [Eff: 5/13/2002; am and ren §17-2036-31 ] (Auth: HRS [§201G-15;] §§356D-4, 356D-13) (Imp: HRS [§201G-15] §356D-13; 24 C.F.R. §§982.626, 982.629)

§[15-195-32]17-2036-32 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 sign a statement of homeownership obligations, the terms of which are set forth in section [15-195-35,] 17-2036-35, and shall be issued a certification of section 8 eligibility.

(c) An applicant that has been issued a certification shall be responsible for finding a dwelling unit that meets the requirements of section [15-195-26] 17-2036-26 prior to the expiration of the certification.

(d) A certification shall expire at the end of ninety days from issuance unless within that time, the family submits a contract of sale, in which case the

ninety day time limit shall be suspended while the [corporation] authority reviews the contract of sale.

(e) An applicant may request a ninety day extension of time to submit a contract of sale before the certification expires. The request for extension shall be in writing and received by the [corporation] authority on or postmarked no later than the last day of the certification term. The extension request shall include an explanation for the request and a report on efforts made to locate a suitable unit.

(f) An applicant may request an extension beyond one hundred eighty 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] authority or postmarked no later than the last day of the certification term. The extension request shall include an explanation for the request and a progress report on efforts made to locate a suitable unit.

- (3) An extension may be granted at the [corporation's] authority's sole discretion.
- (4) If an extension is requested and denied, the applicant may be placed on the bottom of the waiting list. [Eff: 5/13/2002; am and ren §17-2036-32 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. § 982.629)

§[15-195-33]17-2036-33 Reexaminations. (a) At least once every twelve months, the [corporation] authority may reexamine a family's income, composition and any other matter necessary to determine the participant's housing payment standard 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] authority may schedule a special reexamination at any time prior to the next annual reexamination.

(c) The participant shall be notified in writing by the [corporation] authority of the results of any reexamination within a reasonable time. [Eff: 5/13/2002; am and ren §17-2036-33 ]  
(Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R §§5.617, 982.629, 982.635)

§[15-195-34]17-2036-34 Interim homeownership assistance adjustment. (a) The [corporation] authority may adjust a participant's homeownership assistance payment between reexaminations if a participant reports a change in income and requests an adjustment.

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

(c) An adjustment in the homeownership assistance payment 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 lender shall be notified in writing by the [corporation] authority of the results of any reexamination within a reasonable time. [Eff: 5/13/2002; am and ren §17-2036-34 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.635)

§[15-195-35]17-2036-35 Continued assistance; family obligations. (a) To be eligible for

homeownership assistance, the participant shall occupy the home.

(b) The participant shall comply with the following family obligations:

- (1) Attend and complete ongoing homeownership and housing counseling;
- (2) Comply with the terms of any mortgage securing debt incurred to purchase or refinance the home;
- (3) Not convey or transfer the home;
- (4) Supply any required information that the [corporation] authority or HUD determines is necessary in the administration of the Program, including information on the following:
  - (iv) Any mortgage or other debt incurred to purchase the home, and any refinancing of such debt and information on any satisfaction or payment of the mortgage debt;
  - (v) Any sale or other transfer of any interest in the home; or
  - (vi) The family's homeownership expenses;
- (5) Notify the [corporation] authority before the participant moves out of the home;
- (6) Notify the [corporation] authority if the participant defaults on a mortgage securing any debt incurred to purchase the home;
- (7) During the time the participant receives homeownership assistance, no family member may have any ownership interest in any other residential property;
- (8) Not commit drug-related criminal activity or violent criminal activity pursuant to chapter [15-185,] 17-2036, Hawaii Administrative Rules; and
- (9) Comply with additional requirements that the [corporation] authority may establish including:
  - (iii) Attending post-purchase homeownership counseling; or

(iv) Having periodic inspections of the dwelling unit.

(c) Prior to commencement of homeownership assistance, the participant shall execute a statement of family obligations in the form prescribed by HUD. In the statement, the family shall agree to comply with all family obligations as cited in paragraph (b) of this section. [Eff: 5/13/2002; am and ren §17-2036-35 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.551, 982.553, 982.633)

17-2036-36 through 17-2036-40 Reserved

### SUBCHAPTER 3

#### PURCHASE OF DWELLING UNIT

§[15-195-41] 17-2036-41 Contract of sale; requirements.

(a) Upon finding a dwelling unit that the applicant is willing to purchase, the applicant shall provide a copy of the contract of sale to the [corporation.] authority.

(c) The contract of sale shall contain the following information:

- (1) Specify the price and other terms of sale by the seller to the applicant;
- (2) Provide that the applicant shall arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the applicant;
- (3) Provide that the applicant is not obligated to purchase the unit;
- (4) Provide that the applicant is not obligated to pay for any necessary repairs; and
- (5) Certify that the seller has not been debarred, suspended, or subject to a limited denial of participation under 24 C.F.R. Part

24. [Eff: 5/13/2002; am and ren §17-2036-41 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.631)

§[15-195-42]17-2036-42 Dwelling unit inspection.

(a) Dwelling units approved for sale in the Program shall meet housing quality standards.

(b) Prior to commencing homeownership assistance, the [corporation] authority shall inspect the dwelling unit within a reasonable time after receipt of the applicant's contract of sale.

(c) In addition to the inspection conducted by the [corporation,] authority, the applicant shall select and pay for an independent inspection conducted by an independent inspector[.] qualified to report on property conditions, including major building systems and components. The independent inspection shall cover major building systems and components, including:

- (i) Foundation and structure;
- (ii) Housing interior and exterior; and
- (iii) Roofing, plumbing, electrical, heating and cooling systems.

(d) The independent inspector shall provide a copy of the inspection report to the [corporation] authority and the applicant. The [corporation] authority may disapprove the unit for homeownership assistance based on the information in the inspection report. [Eff: 5/13/2002; am and ren §17-2036-42 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.631)

§[15-195-43]17-2036-43 Lender requirements. (a)

The [corporation] authority shall maintain a list of approved mortgage lenders from which a family may obtain financing to purchase a home.

(b) Lenders shall obtain the [corporation's] authority's approval of the terms of the loan.

(c) Lenders shall notify the [corporation] authority when a participant becomes delinquent by more than thirty days. [Eff: 5/13/2002; am and ren §17-2036-43 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.625, 982.632)

§[15-195-44]17-2036-44 Financing requirements.

(a) The family may obtain financing to purchase the dwelling unit from any lender on the [corporation's] authority's approved list of mortgage lenders.

(b) The [corporation] authority shall review the terms of the mortgage loan[. The corporation may disapprove proposed financing, refinancing or other debt if the corporation determines that the debt is unaffordable, or] to determine if the loan terms do not meet the [corporation's] authority's qualifications. [In making such determination, the corporation may take into account other family expenses including child care, unreimbursed medical expenses, homeownership expenses, and other family expenses.]

(c) The [corporation] authority may disapprove certain loan types including adjustable rate mortgage loans and balloon payment mortgage loans. [Eff: 5/13/2002; am and ren §17-2036-44 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.632)

17-2036-45 through 17-2036-50 Reserved

SUBCHAPTER 4

HOMEOWNERSHIP ASSISTANCE PAYMENTS

§[15-195-51]17-2036-51 Maximum term of homeownership assistance. (a) Except in the case of a

family that qualifies as an elderly or disabled family, the maximum term of homeownership assistance is as follows:

- (1) Fifteen years, if the initial mortgage incurred to finance the purchase of the home has a term of twenty years or longer; or
- (2) Ten years, in all other cases.
- (b) A family shall qualify as an elderly family at the start of the homeownership assistance.
- (c) A family may qualify as a disabled family at any time during receipt of homeownership assistance.
- (d) If, during the course of homeownership assistance, the family ceases to qualify as an elderly or disabled family, the maximum term of homeownership assistance is fifteen years plus six months. [Eff: 5/13/2002; ren §17-2036-51 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.634)

§[15-195-52]17-2036-52 Homeownership assistance payments.

- (a) The [corporation] authority shall make homeownership assistance payments into a dedicated, limited access account established by the lender or mortgage servicer.
- (b) The homeownership assistance payment shall be the lower of:
  - (i) The payment standard minus the total tenant payment; or
  - (ii) The participant's monthly homeownership expenses minus the total tenant payment.
- (c) The payment standard shall be the lower of:
  - (i) The payment standard for the family unit size; or
  - (ii) The payment standard for the size of the home.
- (d) Homeownership expenses shall include the following:
  - (i) Principal and interest on the initial mortgage debt and any mortgage insurance

- premium incurred to finance the purchase of the home and any refinancing of such debt;
- (ii) Real estate taxes and public assessments on the home;
  - (iii) Homeowner's insurance;
  - (iv) Hurricane insurance;
  - (v) An allowance for maintenance expenses;
  - (vi) An allowance for the costs of major repairs and replacements;
  - (vii) A utility allowance; and
  - (viii) Principal and interest on mortgage debt incurred to finance major repairs, replacements, or improvements for the home. [Eff: 5/13/2002; am and ren §17-2036-52 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.635)

§[15-195-53 Recapture of homeownership assistance. (a) The corporation shall recapture a percentage of the homeownership assistance provided to the participant upon the participant's sale or refinancing of the home.

(b) The recapture amount upon sale of the home shall be the lesser of:

- (1) The amount of homeownership assistance provided to the participant; or
- (2) The difference between the sales price and the purchase price minus the following:
  - (i) The costs of any capital expenditures;
  - (ii) The costs incurred by the participant in the sale of the home, including closing costs and sales commissions;
  - (iii) The amount of the difference between the sales price and purchase price that is being used, upon sale, towards the purchase of a new home under the section 8 homeownership option; and

- (iv) Any amounts that have been previously recaptured.
- (c) The recapture amount for refinancing shall be the lesser of:
  - (1) The amount of homeownership assistance provided to the participant; or
  - (2) The difference between the current mortgage debt and the new mortgage debt minus the following:
    - (i) The costs of any capital expenditures;
    - (ii) The costs incurred by the participant in the refinancing of the home, such as closing costs; and
    - (iii) Any amounts that have been previously recaptured as a result of refinancing.
- (d) The amount of homeownership assistance subject to recapture shall automatically be reduced over a ten-year period, beginning one year from the purchase date, in annual increments of ten percent. At the end of the ten year period, the amount of homeownership assistance to recapture is zero. [Eff: 5/13/2002; am and ren §17-2036-53 ]  
 (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §982.640)]

17-2036-53 through 17-2036-60 Reserved

## SUBCHAPTER 5

### OPERATIONS

§[15-195-61]17-2036-61 Portability. (a) The [corporation] authority may require applicants who were nonresidents at the time of application to live in its jurisdiction during the first twelve-month period.

(c) The [corporation] authority 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: 5/13/2002; am and ren §17-2036-61  
] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15;] §356D-13; 24 C.F.R. §§982.353, 982.355, 982.636)

§[15-195-62]17-2036-62 Moves with continued tenant-based assistance. (a) A participant may move to a new unit with continued tenant-based assistance.

(b) The [corporation] authority shall deny permission to move to a new unit with continued tenant-based assistance if:

- (1) The [corporation] authority does not have sufficient funds to provide continued assistance;
- (2) The participant has defaulted on an FHA-insured mortgage;
- (3) The participant fails to demonstrate that the participant has conveyed title to the home to HUD or a HUD designee and the participant has moved from the home within the period established or approved by HUD;  
or
- (4) The participant has moved or has been issued a voucher within the last twelve months.

[Eff: 5/13/2002; am and ren §17-2036-62  
] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15] §356D-13; 24 C.F.R. §§982.314, 982.552, 982.637)

§[15-195-63]17-2036-63 Termination of participation. (a) The [corporation] authority shall terminate a family's participation in the Program when:

- (1) The family fails to comply with the continued assistance requirements set forth in section [15-195-35;] 17-2036-35 or
- (2) The family is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage securing debt to purchase the property or any refinancing of such debt. [Eff: 5/13/2002; am and ren §17-2036-63 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15] §356D-13; 24 C.F.R. §§982.551, 982.633, 982.638)

17-2036-64 through 17-2036-70 Reserved

## SUBCHAPTER 6

### MISCELLANEOUS PROVISIONS

§[15-195-71]§17-2036-71 Severability. If any part, section, sentence, clause, of phrase of this chapter, of its application to any person or transaction of other circumstances is for any reason held to be 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: 5/13/2002; ren §17-2036-71 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS [§201G-15] §356D-13)

§[15-195-72]17-2036-72 Number. The use of all words used in the singular shall extend to and include the plural. [Eff: 5/13/2002; am and ren §17-2036-72 ] (Auth: HRS [§201G-15] §§356D-4, 356D-13) (Imp: HRS §1-17)

**FOR ACTION**

**MOTION:** To Approve the Execution of the General Depository Agreements (Form HUD 5199, 10/2014) with American Savings Bank, Bank of Hawaii, and First Hawaiian Bank as Required Under the Annual Contributions Contract with the United States of America through and by the U.S. Department of Housing and Urban Development

**I. FACTS**

- A. On July 1, 1988, the Hawaii Public Housing Authority (under its predecessor agency the Housing and Community Development Corporation of Hawaii) entered into the Annual Contributions Contract (ACC) with the United States of America, acting by and through the Secretary of Housing and Urban Development (HUD).
- B. Section 9(A) of the ACC states:

“(A) The HA shall deposit and invest all funds and investment securities received by or held for the account of the HA in connection with the development, operation and improvement of the projects under an ACC with HUD in accordance with the terms of the General Depository Agreement(s). The General Depository Agreement shall be in the form prescribed by HUD and must be executed by the HA and the depository. Immediately upon execution of any Depository Agreement, the HA shall furnish to HUD such executed or conformed copies thereof as HUD may require. A depository Agreement shall not be terminated except after 30 days notice to HUD.”
- C. As stated in the General Depository Agreement (GDA), HPHA is required to execute the GDA with financial institution(s) whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF). In the event that funds deposited are in excess of the FDIC or NCUSIF limit, those funds shall be fully collateralized with specific and identifiable Government or Agency securities as prescribed by HUD in a notice.
- D. Collateralization shall be in trust with an independent custodian (third party) who holds the securities on behalf of the HPHA. Any financial institution that is used by the HPHA as a depository of its funds must sign a GDA.

- E. The GDA is a legal document between the HPHA and the financial institution complying with the insurance and collateralization requirements.

## II. DISCUSSION

- A. HPHA currently has its funds deposited at three financial institutions in the State of Hawaii: American Savings Bank, Bank of Hawaii and First Hawaiian Bank. All these financial institutions are currently in compliance with both the insurance limit and collateralization requirement and have executed the GDA with the HPHA dated May 2013. (a copy of the prior signed GDA's are attached).
- B. HPHA was recently informed that HUD issued an amended Form 51999 (10/2014 version) which must be executed to replace the previous form executed in 2013.

## II. RECOMMENDATION

That the Board of Directors Approve the Execution of the General Depository Agreements (Form HUD 5199, 10/2014) with American Savings Bank, Bank of Hawaii, and First Hawaiian Bank as Required Under the Annual Contributions Contract with the with the United States of America through and by the U.S. Department of Housing and Urban Development

Attachment A: Copy of previous GDAs  
Attachment B: GDAs with signatures of duly authorized individuals of American Savings Bank, Bank of Hawaii and First Hawaiian Bank

Prepared by: Chong Gu, Chief Financial Management Advisor \_\_\_\_\_

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

\_\_\_\_\_  
Pono Shim, Chair

# General Depository Agreement

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

OMB No. 2577-0270  
exp. 09/30/2013

This Agreement, entered into this 26th day of APRIL, 2013 by and between HAWAII PUBLIC HOUSING AUTHORITY

(herein called the "PHA/IHA"), a duly organized and existing public body corporate and politic of the STATE of HAWAII

and AMERICAN SAVINGS BANK, F.S.B.

(herein called the "Depository"), located at 1001 BISHOP STREET, 25TH FLOOR, HONOLULU, HI 96813

## Witnesseth:

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract") with the PHA/IHA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the PHA/IHA is required to select as depositories of its funds financial institutions whose deposits or accounts are insured by either — the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants herein-after set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by either — the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

2. All monies deposited by the PHA/IHA with the Depository shall be credited to the PHA/IHA in a separate interest bearing deposit or interest bearing accounts, designated

Accounts" (herein the "Accounts"). Any portion of PHA/IHA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The PHA/IHA shall have possession of the securities (or the PHA/IHA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the PHA/IHA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If PHA/IHA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.

3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in

writing and signed on behalf of the PHA/IHA by an officer or member designated by resolution of the Board of Directors of the PHA/IHA to have such authority. To assist the Depository in its obligation, the PHA/IHA shall furnish the Depository with a certified copy of the resolution.

4. Any securities received from the PHA/IHA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the PHA/IHA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.

5. If the Depository received written notice from HUD that no withdrawals by the PHA/IHA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the PHA/IHA from said Accounts until the Depository is authorized to do so by written notice from HUD.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the PHA/IHA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either PHA/IHA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the PHA/IHA and HUD.

This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall promptly notify the PHA/IHA of crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

*NP*  
11. ~~Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the PHA/IHA are hereby terminated and all monies and securities of the PHA/IHA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the PHA/IHA pursuant to and in accordance with the provisions of this Agreement.~~

*NP*  
12. ~~At no time shall the PHA/IHA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the PHA/IHA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the PHA/IHA or, (b) on behalf of the PHA/IHA, purchase securities approved for~~

investment by the PHA/IHA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the PHA/IHA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated:

Income or other proceeds from securities held in the Securities Account shall, as directed by the PHA/IHA, upon receipt, be paid to or on behalf of the PHA/IHA, provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the PHA/IHA from the Accounts are to be permitted, the Depository shall not honor any directive from the PHA/IHA to sell securities, or permit any withdrawal by the PHA/IHA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the PHA/IHA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the PHA/IHA and hold such securities in the Securities Account.

(For use only in certain States that have statutes that prohibit Public Housing Agencies and Indian Housing Authorities from implementing paragraph 2.)

In Witness Whereof, the PHA/IHA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

(SEAL)  
ATTEST:  
By \_\_\_\_\_

Secretary

(SEAL)  
ATTEST:

HAWAII PUBLIC HOUSING AUTHORITY  
PHA/IHA

*[Signature]*  
Chairman

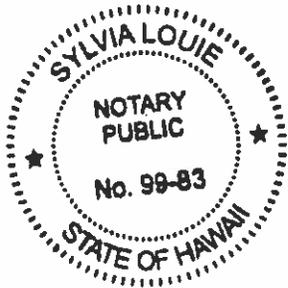
AMERICAN SAVINGS BANK, F.S.B.  
Depository

By *[Signature]*  
Its Executive Vice-President

Note: Strike paragraphs 11 and 12 if not applicable.

STATE OF HAWAII )  
 ) ss.:  
CITY AND COUNTY OF HONOLULU )

On this 29th day of April, 2013, before me personally appeared **GABE LEE**, to me personally known, who, being by me duly sworn, did say that he is the Executive Vice President of **AMERICAN SAVINGS BANK, F.S.B.** and that the instrument was signed in behalf of the corporation by authority of its board of directors and **GABE LEE** acknowledged the instrument to be the free act and deed of the corporation.



  
\_\_\_\_\_

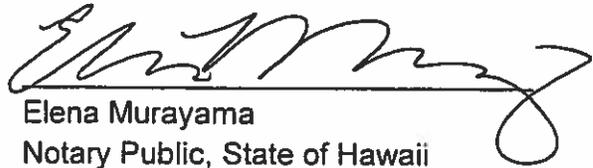
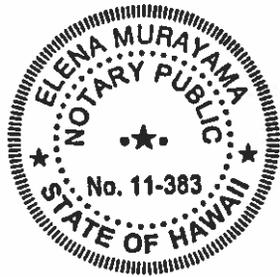
Sylvia Louie  
NOTARY PUBLIC, State of Hawaii  
First Judicial Circuit

My Commission Expires: 02-16-2015

Title of Document: General Depository Agreement  
Date of Document: April 26, 2013  
Number of Pages: 2

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 15<sup>th</sup> day of May, 2013, before me personally appeared Hakim Ouansafi, Executive Director of the Hawaii Public Housing Authority, to me to be known to be the person described herein, and who being duly sworn, executed said instrument attached as his own free act and deed.



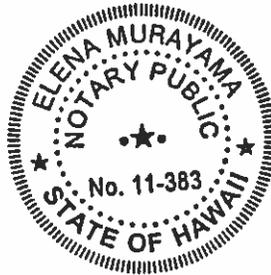
Elena Murayama  
Notary Public, State of Hawaii  
First Judicial Circuit

My commission expires: 12/4/2015

NOTARY PUBLIC CERTIFICATION  
Elena Murayama First Judicial Circuit  
Doc Description: General Depository Agreement

No of Pages: 2 Date of Doc. 4-26-13

 MAY 15 2013  
Notary Signature Date  
Elena Murayama



# General Depository Agreement

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

OMB No. 2577-0270  
exp. 09/30/2013

This Agreement, entered into this 1st day of May 2013, ~~xxx~~ by and between Hawaii Public Housing Authority

(herein called the "PHA/IHA"), a duly organized and existing public body corporate and politic of the State of Hawaii

and Bank of Hawaii

(herein called the "Depository"), located at 130 Merchant Street, 12th Floor, Honolulu, Hawaii 96813

## Witnesseth:

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract") with the PHA/IHA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the PHA/IHA is required to select as depositories of its funds financial institutions whose deposits or accounts are insured by either — the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants herein-after set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by either — the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

2. All monies deposited by the PHA/IHA with the Depository shall be credited to the PHA/IHA in a separate interest bearing deposit or interest bearing accounts, designated

Hawaii Public Housing Authority

Accounts" (herein the "Accounts"). Any portion of PHA/IHA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The PHA/IHA shall have possession of the securities (or the PHA/IHA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the PHA/IHA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If PHA/IHA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.

3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in

writing and signed on behalf of the PHA/IHA by an officer or member designated by resolution of the Board of Directors of the PHA/IHA to have such authority. To assist the Depository in its obligation, the PHA/IHA shall furnish the Depository with a certified copy of the resolution.

4. Any securities received from the PHA/IHA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the PHA/IHA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.

5. If the Depository received written notice from HUD that no withdrawals by the PHA/IHA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the PHA/IHA from said Accounts until the Depository is authorized to do so by written notice from HUD.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the PHA/IHA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either PHA/IHA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the PHA/IHA and HUD.

This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall promptly notify the PHA/IHA of crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

~~11. Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the PHA/IHA are hereby terminated and all monies and securities of the PHA/IHA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the PHA/IHA pursuant to and in accordance with the provisions of this Agreement.~~

~~12. At no time shall the PHA/IHA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the PHA/IHA and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the PHA/IHA or, (b) on behalf of the PHA/IHA, purchase securities approved for~~

investment by the PHA/IHA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the PHA/IHA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated:

*[Handwritten initials]*

Income or other proceeds from securities held in the Securities Account shall, as directed by the PHA/IHA, upon receipt, be paid to or on behalf of the PHA/IHA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the PHA/IHA from the Accounts are to be permitted, the Depository shall not honor any directive from the PHA/IHA to sell securities, or permit any withdrawals by the PHA/IHA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the PHA/IHA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the PHA/IHA and hold such securities in the Securities Account.

(For use only in certain States that have statutes that prohibit Public Housing Agencies and Indian Housing Authorities from implementing paragraph 2.)

*[Handwritten initials]*

In Witness Whereof, the PHA/IHA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

*[Handwritten signature]*

PHA/IHA

Chairman

(SEAL)  
ATTEST:  
By \_\_\_\_\_

Secretary

Bank of Hawaii

Depository

By

*[Handwritten signature]*

Lea M. Nakamura, SVP

(SEAL)  
ATTEST:

By

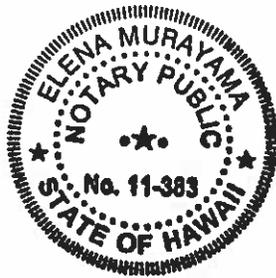
*[Handwritten signature]*

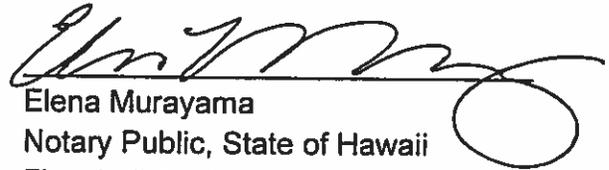
Dawn T. Furumoto, VP

Note: Strike paragraphs 11 and 12 if not applicable.

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 15<sup>th</sup> day of May, 2013, before me personally appeared Hakim Ouansafi, Executive Director of the Hawaii Public Housing Authority, to me to be known to be the person described herein, and who being duly sworn, executed said instrument attached as his own free act and deed.

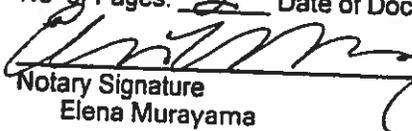


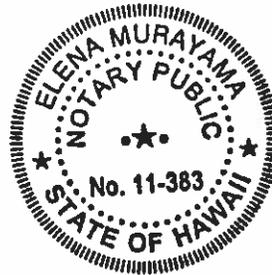
  
Elena Murayama  
Notary Public, State of Hawaii  
First Judicial Circuit

My commission expires: 12/4/2015

NOTARY PUBLIC CERTIFICATION  
Elena Murayama First Judicial Circuit  
Doc Description: General Depository Agreement

No. of Pages: 2 Date of Doc. 5-1-13

  
Notary Signature  
Elena Murayama  
Date MAY 15 2013



**General Depository Agreement**

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

OMB No. 2577-0270  
exp. 09/30/2013

This Agreement, entered into this 6th day of May 2013, 19     by and between Hawaii Public Housing Authority

(herein called the "PHA/IHA"), a duly organized and existing public body corporate and politic of the State of Hawaii

and First Hawaiian Bank

(herein called the "Depository"), located at 999 Bishop Street, Honolulu, Hawaii 96813

**Witnesseth:**

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract" with the PHA/IHA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the PHA/IHA is required to select as depositories of its funds financial institutions whose deposits or accounts are insured by either — the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants herein-after set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by either — the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

2. All monies deposited by the PHA/IHA with the Depository shall be credited to the PHA/IHA in a separate interest bearing deposit or interest bearing accounts, designated

Accounts" (herein the "Accounts"). Any portion of PHA/IHA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The PHA/IHA shall have possession of the securities (or the PHA/IHA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the PHA/IHA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If PHA/IHA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.

3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in

writing and signed on behalf of the PHA/IHA by an officer or member designated by resolution of the Board of Directors of the PHA/IHA to have such authority. To assist the Depository in its obligation, the PHA/IHA shall furnish the Depository with a certified copy of the resolution.

4. Any securities received from the PHA/IHA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the PHA/IHA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.

5. If the Depository received written notice from HUD that no withdrawals by the PHA/IHA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the PHA/IHA from said Accounts until the Depository is authorized to do so by written notice from HUD.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the PHA/IHA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either PHA/IHA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the PHA/IHA and HUD.

This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall promptly notify the PHA/IHA of crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

~~11. Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the PHA/IHA are hereby terminated and all monies and securities of the PHA/IHA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the PHA/IHA pursuant to and in accordance with the provisions of this Agreement.~~

~~12. At no time shall the PHA/IHA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the PHA/IHA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the PHA/IHA or, (b) on behalf of the PHA/IHA, purchase securities approved for~~

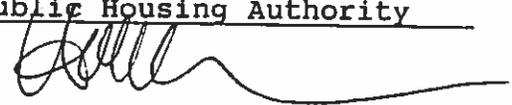
investment by the PHA/IHA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the PHA/IHA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated:

Income or other proceeds from securities held in the Securities Account shall, as directed by the PHA/IHA, upon receipt, be paid to or on behalf of the PHA/IHA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the PHA/IHA from the Accounts are to be permitted, the Depository shall not honor any directive from the PHA/IHA to sell securities, or permit any withdraws by the PHA/IHA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the PHA/IHA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the PHA/IHA and hold such securities in the Securities Account.

(For use only in certain States that have statutes that prohibit Public Housing Agencies and Indian Housing Authorities from implementing paragraph 2.)

In Witness Whereof, the PHA/IHA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

Hawaii Public Housing Authority  
PHA/IHA

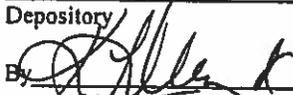


Chairman

(SEAL)  
ATTEST:  
By \_\_\_\_\_

Secretary

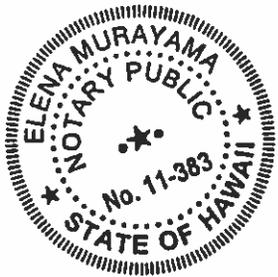
First Hawaiian Bank  
Depository

By   
Krisel L. Maynard  
Executive Vice President & Treasurer

Note: Strike paragraphs 11 and 12 if not applicable.

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 15<sup>th</sup> day of May, 2013, before me personally appeared Hakim Ouansafi, Executive Director of the Hawaii Public Housing Authority, to me to be known to be the person described herein, and who being duly sworn, executed said instrument attached as his own free act and deed.



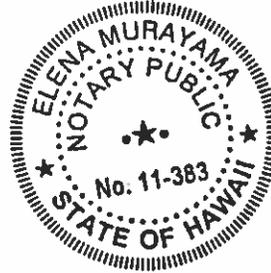
Elena Murayama  
Notary Public, State of Hawaii  
First Judicial Circuit

My commission expires: 12/4/2015

NOTARY PUBLIC CERTIFICATION  
Elena Murayama First Judicial Circuit  
Doc Description: General Depository Agreement

No. of Pages: 2 Date of Doc. 5-6-13

 **MAY 15 2013**  
Notary Signature Date  
Elena Murayama



This Agreement, entered into this 27 day of October, 2016 by and between  
HAWAII PUBLIC HOUSING AUTHORITY

(herein called the "HA"), a duly organized and existing public body corporate and politic of the  
STATE of HAWAII

and  
AMERICAN SAVINGS BANK, F.S.B.

(herein called the "Depository"), located at  
1001 BISHOP STREET, 25TH FLOOR, HONOLULU, HAWAII 96813

**Witnesseth:**

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract" with the HA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.

2. All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest bearing deposit or interest bearing accounts, designated See attached list.

Accounts" (herein the "Accounts"). Any portion of HA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.

3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, ~~or (b) directive to purchase investment securities with monies from the Accounts or to sell securities~~, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.

4. Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.

5. If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either HA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

11. ~~Strike this paragraph if inapplicable:~~ Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.

12. For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2. ~~Strike this paragraph if paragraph 2 applies:~~

~~At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated \_\_\_\_\_ . Income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdraws by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.~~

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

HAKIM OUANSAFI, on behalf of HAWAII PUBLIC HOUSING AUTHORITY  
Title EXECUTIVE DIRECTOR Organization (PHA)

RANDY LU, on behalf of AMERICAN SAVINGS BANK, F.S.B.  
Title FIRST VICE PRESIDENT Organization (Depository)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title \_\_\_\_\_ Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. Notice shall be considered immediate if delivered not later than 2:00 p.m. local bank time. Notice received by 2:00 p.m. local bank time shall be implemented by the Depository by 5:00 p.m. on the business day on which the notice was deemed received by the Depository's designee referenced above. Notice delivered after 2:00 p.m. local bank time shall be considered received and effective at the opening of the following business day. Business day means every day except Saturdays, Sundays and federal holidays.

In Witness Whereof, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

**HAWAII PUBLIC HOUSING AUTHORITY**

HA

(SEAL)

ATTEST:

By \_\_\_\_\_

Chairman

Secretary \_\_\_\_\_

**AMERICAN SAVINGS BANK, F.S.B.**

Depository

By  \_\_\_\_\_

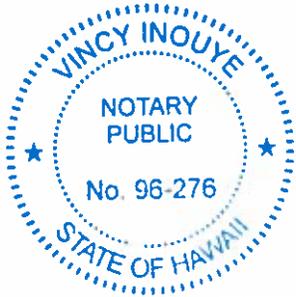
(SEAL)

ATTEST: ITS EXECUTIVE VICE PRESIDENT

Page 86 was removed due to confidential information

STATE OF HAWAII )  
 ) SS:  
CITY & COUNTY OF HONOLULU )

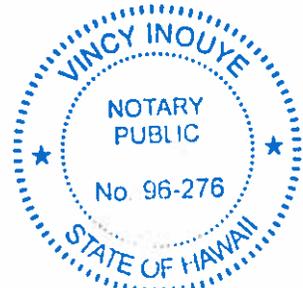
On this 27 day of October 2016 before me personally appeared Gabriel Lee, to me personally known, who being by me duly sworn did say that he is the Executive Vice President of American Savings Bank and that the instrument was signed in behalf of the corporation by authority of its board of directors and acknowledged the instrument to be the free act and deed of the corporation.



*Vincyl Inouye*

Vincyl Inouye  
Notary Public, State of Hawaii  
My commission expires: 11/5/2018

<b>NOTARY CERTIFICATE</b> (Hawaii Administrative Rules §5-11-8)	
Document Identification or Description: <i>General Depository Agreement OMB NO. 2577-0075</i>	
Doc. Date: <i>10/27/2016</i>	
No. of Pages: <i>5</i>	Jurisdiction: First Circuit (in which notarial act is performed)
<i>Vincyl Inouye</i>	<i>10/27/2016</i>
Signature of Notary	Date of Certificate
<b>VINCY INOUYE</b>	
Printed Name of Notary	



(Official Stamp or Seal)

This Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between  
HAWAII PUBLIC HOUSING AUTHORITY

(herein called the "HA"), a duly organized and existing public body corporate and politic of the  
STATE of HAWAII

and  
BANK OF HAWAII

(herein called the "Depository"), located at  
130 MERCHANT ST. 12TH FLOOR, HONOLULU, HAWAII 96813

**Witnesseth:**

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract" with the HA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.

2. All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest bearing deposit or interest bearing accounts, designated \_\_\_\_\_

Accounts" (herein the "Accounts"). Any portion of HA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.

3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.

4. Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.

5. If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.

6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either HA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

11. ~~Strike this paragraph if inapplicable: Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.~~

12. ~~For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2. Strike this paragraph if paragraph 2 applies:~~

~~At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated \_\_\_\_\_ . Income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA, provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdraws by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.~~

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

HAKIM OUANSAFI, on behalf of HAWAII PUBLIC HOUSING AUTHORITY  
Title EXECUTIVE DIRECTOR Organization PHA

John K. Hulihe'e, on behalf of BANK OF HAWAII  
Title Vice President Organization (Depository)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title \_\_\_\_\_ Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. Notice shall be considered immediate if delivered not later than 2:00 p.m. local bank time. Notice received by 2:00 p.m. local bank time shall be implemented by the Depository by 5:00 p.m. on the business day on which the notice was deemed received by the Depository's designee referenced above. Notice delivered after 2:00 p.m. local bank time shall be considered received and effective at the opening of the following business day. Business day means every day except Saturdays, Sundays and federal holidays.

**In Witness Whereof**, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

**HAWAII PUBLIC HOUSING AUTHORITY**

HA

(SEAL)

ATTEST:

By

Chairman

Secretary

**BANK OF HAWAII**

Depository

By

(SEAL)

ATTEST:

**JOHN K. HULIHE'E**

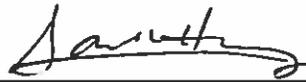
**VICE PRESIDENT**

This certificate is attached to a 3-pages of General Depository Agreement between Hawaii Public Housing Authority, State of Hawaii and Bank of Hawaii, would deter fraudulent removal and reattachment of a loose certificate.

State of Hawaii )  
City & County of Honolulu)ss.

On this November 4, 2016, before me personally appeared John K. Hulihe'e, to me personally known, who, being by me duly sworn did say that he is a Vice President of the Bank of Hawaii, a Hawaii corporation; that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors; and said officer acknowledged said instrument to be the free act and deed of said corporation.

(Seal)  
LS

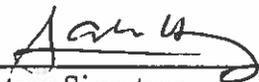


Sarah MunSun Hong  
My commission expires: 3/19/2018

NOTARY PUBLIC CERTIFICATION

Sarah MunSun Hong First Judicial Circuit  
Doc. Description: General Depository Agreement Between Hawaii Public Housing Authority, State of Hawaii and Bank of Hawaii.

No. of Pages 4 Date of Doc. Undated

  
\_\_\_\_\_  
Notary Signature Date

11/4/16

(Seal)  
LS

This Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between  
HAWAII PUBLIC HOUSING AUTHORITY

(herein called the "HA"), a duly organized and existing public body corporate and politic of the  
STATE of HAWAII

and  
FIRST HAWAIIAN BANK

(herein called the "Depository"), located at  
999 BISHOP STREET, HONOLULU, HAWAII 96813

**Witnesseth:**

Whereas, the Department of Housing and Urban Development (herein called "HUD") has entered into one or more contracts (herein called the "Contract" with the HA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

Whereas, under the terms of the Contract the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

Now Therefore, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.
2. All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest bearing deposit or interest bearing accounts, designated \_\_\_\_\_ Accounts" (herein the "Accounts"). Any portion of HA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.
3. Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.
4. Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt.
5. If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.
6. The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the Contract, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the Contract or whether either HA or HUD is in default under the provisions of the Contract. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed.

7. The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days' written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD.

~~11. Strike this paragraph if inapplicable: Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.~~

~~12. For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2. Strike this paragraph if paragraph 2 applies:~~

~~At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated \_\_\_\_\_.~~

~~Income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdraws by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD. During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.~~

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

HAKIM OUANSAFI, on behalf of HAWAII PUBLIC HOUSING AUTHORITY  
Title EXECUTIVE DIRECTOR Organization PHA

Bryan Shigezawa, on behalf of FIRST HAWAIIAN BANK  
Title Senior Vice President & Division Manager Organization (Depository)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title \_\_\_\_\_ Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. Notice shall be considered immediate if delivered not later than 2:00 p.m. local bank time. Notice received by 2:00 p.m. local bank time shall be implemented by the Depository by 5:00 p.m. on the business day on which the notice was deemed received by the Depository's designee referenced above. Notice delivered after 2:00 p.m. local bank time shall be considered received and effective at the opening of the following business day. Business day means every day except Saturdays, Sundays and federal holidays.

In Witness Whereof, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.  
HAWAII PUBLIC HOUSING AUTHORITY

HA  
(SEAL)  
ATTEST:  
By \_\_\_\_\_  
Chairman

Secretary  
First Hawaiian Bank

Depository  
By \_\_\_\_\_  
(SEAL) Bryan Shigezawa  
ATTEST:

STATE OF HAWAII )  
CITY & COUNTY OF HONOLULU ) SS.

On this 31<sup>st</sup> day of October 2016, before me personally appeared Bryan Shigezawa, to me known to be the person described and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Witness my hand and seal.



Dairie S. Sugita  
Dairie S. Sugita  
Notary Public, State of Hawaii

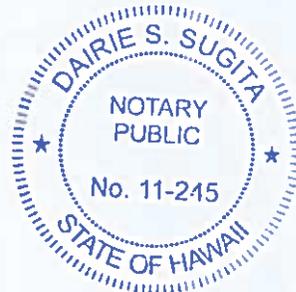
My commission expires: July 31, 2019

Doc. Date: 10/31/16 # Pages 3

Notary Name: Dairie S. Sugita First Circuit

Doc. Description General Depository Agreement U.S. Dept. of Housing & Urban Dev.

Dairie S. Sugita  
Notary Signature Date 10/31/16



**FOR ACTION**

**MOTION:** To Approve the Audited Financial Statements for the Hawaii Public Housing Authority for Fiscal Year July 1, 2015 to June 30, 2016 ("Audit") and to Authorize the Executive Director to Finalize the Audit to Include the Final Pension Schedule and Submit the Final Audit to Applicable State and Federal Offices

**I. FACTS**

- A. The audit of the Hawaii Public Housing Authority's (HPHA) financial statements for fiscal year ended June 30, 2016, was performed by our independent auditor, KMH, LLP. The draft financial statements are attached.
- B. The financial statements will be submitted to the Department of Accounting and General Services and the Department of Budget and Finance for inclusion in the State's Consolidated Annual Financial Report.
- C. The HPHA's financial statements will be submitted electronically to the U.S. Department of Housing and Urban Development (HUD) and are due no later than March 31, 2017.

**II. DISCUSSION**

- A. The final pension schedule for the HPHA was not received by the Department of Accounting and General Services prior to the HPHA's preparation of the Board meeting documents.
- B. Management is recommending that the Board approve the draft audit and authorize the Executive Director to make audit adjustments once the final schedule is received. We believe that any outstanding auditor recommended adjustments and the issuance of the final pension schedule will not significantly affect the HPHA's financial position and the Management Discussion and Analysis.

## II. RECOMMENDATION

That the Board of Directors approve the draft audited financial statements for the Hawaii Public Housing Authority for fiscal year July 1, 2015 to June 30, 2016 ("audit") and authorize the Executive Director to finalize the audit to include final pension schedule and submit the final audit to applicable state and federal offices.

Attachment A: Draft Audited Financial Statements for Fiscal Year July 1, 2015  
Ending June 30, 2016

Prepared by: Chong Gu, Chief Financial Management Advisor \_\_\_\_\_

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

---

Pono Shim, Chair

## Attachment A: Forthcoming

## FOR ACTION

**MOTION:** To Approve the Settlement Agreement in Kercy Frank, on behalf of herself and her minor child, Daidap Basiente v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority and Cynthia Yoshida (HCRC No. RE-O-1011; HUD No. 09-16-5162-8) and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

### I. FACTS

- A. On May 30, 2013, Complainants Kercy Frank and Daidap Basiente ("Complainants"), residents at the Mayor Wright Homes housing project, were approved for a disability-based unit transfer to a 3-bedroom ground floor unit in the Honolulu area. As of May 27, 2016, no suitable destination unit had yet become available, and Complainants had not yet been transferred.
- B. On May 27, 2016 named Complainants, who are represented by counsel from the Medical-Legal Partnership, filed a complaint for discrimination with the Hawaii Civil Rights Commission (HCRC) and United States Department of Housing and Urban Development (HUD) alleging discriminatory housing practices based on their disability and ancestry/national origin in violation of the Fair Housing Act and Chapter 515, Hawaii Revised Statutes.

### II. DISCUSSION

- A. An internal HPHA investigation determined that there was no systemic intent to discriminate nor did HPHA engage in discriminatory practices based on disability or ancestry/national origin, and the HPHA vigorously defended against this complaint.
- B. The HPHA contacted the HCRC and specifically requested explanation of their decision to investigate Complainant's alleged discrimination on the basis of Ancestry/National Origin as the complaint included no specific instance of disparate treatment between tenants of different ancestries/national origins. The HCRC responded by stating that Complainants need only allege the legal conclusion of discrimination in order to trigger an investigation and insisted that the HPHA respond to the

Complaint as initially written. The HPHA responded with a vigorous denial of all alleged discrimination.

- C. However, in the interest of all parties to resolve these matters and to avoid further costs, expense, and time as a result of continued litigation, and, without admitting a violation of the Fair Housing Act or Chapters 368 or 515 of the Hawaii Revised Statutes, the parties have agreed to enter into a Settlement Agreement.
- D. This Settlement Agreement is by and between Complainant, HCRC, and HPHA, and releases the Complainants' charges or complaints of alleged discrimination.
- E. The Settlement Agreement is attached as Attachment A.
- F. Staff recommends that the Board consider the matter in 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 this motion.

### III. RECOMMENDATION

That the Board Approve the Agreement in Kercy Frank, on behalf of herself and her minor child, Daidap Basiente v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority and Cynthia Yoshida and Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

Attachment A: CONFIDENTIAL Settlement Agreement

Prepared by: Ursula Jackson, Chief Compliance Officer \_\_\_\_\_

Adopted by the HPHA Board of Directors on  
the date set forth above

\_\_\_\_\_  
Pono Shim  
Chairperson

Attachment A

(Confidential Settlement Agreement to be Discussed in Executive Session.)

Page 101-106 was removed due to confidential information



**FAIR HOUSING 2016**  
**Fair Housing for an Equitable Society**

Presented by State and Federal Fair Housing Enforcement Staff

Date: November 2, 2016, Wednesday  
 Time: 9:00 a.m. – 4:15 p.m. (Registration begins at 8:30 a.m.)  
 Location: Princess Ruth Keelikolani Building  
 830 Punchbowl Street, Room 310  
 Honolulu, HI 96813

Parking, on your own. Limited street-metered stalls and state parking lots. No parking validation. An hour lunch, on your own. A 15-minute morning & afternoon break.

**Reservations by invitation only! Registration Deadline: October 24, 2016**  
*Submit Registration Form to:*  
 HCRC, 830 Punchbowl St., Rm. 411, Honolulu, HI 96813,  
 Facsimile: 808-586-8655, or email: DLIR.HCRC.INFOR@hawaii.gov

Fair Housing Training November 2, 2016 Registration Form *(CUT ON ABOVE DOTTED LINE)*

Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

If you require an auxiliary aid (sign language interpreter, material in alternate format, etc.) or accommodation due to a disability, please describe: \_\_\_\_\_

\_\_\_\_\_ (Deadline to make REQUEST: October 19, 2016).



# FAIR HOUSING 2017

“It Starts With Home” to “Affirmatively Furthering Fair Housing”

Date: April 26, 2017, Wednesday

Time: 9:00 a.m. – 4:15 p.m. (Registration begins at 8:45 a.m.)

Location: Princess Ruth Keelikolani Building  
830 Punchbowl Street, Room 310  
Honolulu, HI 96813

Parking, on your own. Limited street-metered stalls and state parking lots. No parking validation. An hour lunch, on your own. A 15-minute morning & afternoon break.

**Reservations by invitation only! Registration Deadline: April 12, 2017**

*Submit Registration Form to:*

HCRC, 830 Punchbowl St., Rm. 411, Honolulu, HI 96813,

Facsimile: 808-586-8655, or email: [DLIR.HCRC.INFOR@hawaii.gov](mailto:DLIR.HCRC.INFOR@hawaii.gov)

Fair Housing Training April 26, 2017 Registration Form *(CUT ON ABOVE DOTTED LINE)*

Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

If you require an auxiliary aid (sign language interpreter, material in alternate format, etc.) or accommodation due to a disability, please describe: \_\_\_\_\_  
\_\_\_\_\_ (Deadline to make request: April 12, 2017).

**Hawaii Public Housing Authority  
Report for the Month of October 2016**

**I. Fiscal Management**

**A. Variance Report for September 2016**

**1. Revenue for the Month of September**

**Dwelling Rental Income \$176,451 greater than budget**

The favorable variance consists of \$190,352 more rental income from Federal Low Rent Program ("FLRP"). The favorable variance is partially offset by \$5,010 and \$8,271 less rental income from state family and elders' housing programs, respectively, and \$620 less collection from rent repayment agreement.

**CFP Grant Income \$207,331 less than budget**

The Public Housing Capital Fund Program ("CFP") is a HUD grant for capital and management activities, including the modernization and development of public housing. HUD regulation also allows each PHA to use certain percentage of CFP for administration and operational costs. By HUD rule, a PHA has two years to obligate and two years to spend it after CFP grant is made available annually.

CFP is drawn through HUD's Electronic Line of Credit System ("eLOCCS") based on Budget Line Items ("BLI"). BLIs are further grouped into soft cost (BLI Numbers 1406, 1408 and 1410) for management activities, and hard cost (BLI Numbers greater than 1430) for capital projects.

CFP drawings and expenditures that are not capitalized are reported on this line as operating income. Capitalization of CFP expenditure is reported in Balance Sheet under construction in progress.

The unfavorable variance is partially due to the fact that \$18,589 out of \$613,589 September CFP expenditure is for repair and maintenance and recognized as income under this line.

**State CIP Fund \$17,943 more than budget**

State Legislature appropriates Capital Improvement Project fund ("CIP"). Spending agency has two or three years to encumber the appropriation before it lapses.

CIP expenditures that are not capitalized are reported on this line as operating income. Capitalization of CIP expenditure is reported in Balance Sheet under Construction in Progress.

The favorable variance is due to the fact that out of September CIP expenditure of \$2,463,520, \$31,315 is for repair and maintenance and recognized as income under this line.

**Grant Income \$461,814 greater than budget**

The favorable variance consists of more grant incomes of: \$119,932 for Section 8 program, and \$683,035 and \$8,591 for state family and elders' housing programs, respectively.

The favorable variance is partially offset by less grant incomes of: \$22,748 for FLRP; \$109,933 for state rental supplemental program, and \$217,063 for Central Office Cost Center ("COCC"),

**Other Income \$63,291 less than budget**

The variance consists of unfavorable variances of: \$13,309 less tenant payment not directly related to dwelling units rent; \$14,381 less front line services fee; \$46,232 less fee revenue from central maintenance crew, and \$4,901 less miscellaneous income that captures all types of incomes not specified otherwise.

The unfavorable variance is partially offset by more income of: \$6,494 investment income; \$8,985 fraud recovery, and \$53 admin fee earned on port-in accounts.

**2. Expenses for the Month of September**

**Administrative \$280,277 less than budget, a favorable variance**

The \$280,277 variance consists of favorable variances of: \$114,169 less admin salaries and fringe benefits of HPHA employees, of which \$79,967 contributable to COCC; \$17,112 less auditing fees; \$32,670 less admin furniture and equipment; \$14,381 less front line service fee; \$56,943 less legal expense; \$11,996 less travel expense, and \$55,616 less other admin expense that captures admin expenses not specified otherwise.

The favorable variance is partially offset by budget overruns of \$3,468 more admin salaries and fringe benefits of private management companies; \$13,744 more managing agent fees from privately managed AMPs and Bremerton, the company managing section 8 contract administration program, and \$5,398 more office expense.

**Tenant Services \$15,569 less than budget, a favorable variance**

Tenant Services include relocation costs, resident participation program costs and tenant service costs for any services directly related to meeting tenant needs.

The \$15,569 variance consists of \$11,392 less expense than budget for relocation costs; \$6,496, less resident participation program cost, and \$2,319 more other tenant service.

**Protective Services \$71,084 less than budget, a favorable variance**

The \$71,084 variance consists of budget savings of: \$33,928 for FLRP; \$18,333 and \$19,150 for state family and elders' housing programs, respectively. The favorable variance is partially offset by budget overruns of \$67 and \$260 for Section 8 program and COCC, respectively.

**Insurance \$17,420 less than budget, a favorable variance**

The \$17,420 variance consists of budget savings of: \$971 for general liability insurance; \$14,296 for workers' compensation, and \$3,363 for other insurance. The favorable variance is partially offset by budget overrun of \$1,210 for property insurance.

**Bad Debt Expense \$22,636 less than budget**

Bad Debt Expense represents the estimated loss due to uncollectable in relation to HPHA's accounts receivable. A non-cash expense, the variance represents estimated uncollectable is less than budgeted.

**General Expenses \$8,524 more than budget**

The \$8,524 unfavorable variance consists of budget overruns of \$3,784 for motor pool vehicle rental expense, and \$5,751 more expense of other general expense. The unfavorable variance is partially offset by \$1,011 less expense for payment in lieu of taxes.

**3 Revenue year to date**

**Dwelling Rental Income \$514,133 greater than budget**

The favorable variances consist of \$515,059 more rental income, of which \$548,140 contributable to FLRP; the favorable variance is partially offset by \$926 less collection from rent repayment agreement.

**CFP Grant Income \$651,373 less than budget**

CFP is a HUD grant for capital and management activities, including the modernization and development of public housing, and up to certain extent for administrative and operating costs. By HUD rule, a PHA has two years to obligate and two years to spend it after CFP grant is made available annually.

CFP is drawn through HUD's eLOCCS based on BLIs, which are grouped into soft cost (BLI Numbers 1406, 1408 and 1410) for management activities, and hard cost (BLI Numbers greater than 1430) for capital projects.

CFP drawings and expenditures that are not capitalized are reported on this line as operating income. Capitalization of CFP expenditure is reported in Balance Sheet under Construction in Progress.

\$26,386 out of YTD hard cost draws of \$1,030,088 is for repair and maintenance so included under this line as CFP income.

**State CIP Fund \$348,448 more than budget**

State Legislature appropriates CIP fund. Spending agency has two or three years to encumber the appropriation before it is lapsing.

CIP expenditures that are not capitalized are reported on this line as operating income. Capitalization of CIP expenditure is reported in Balance Sheet under Construction in Progress.

The \$348,448 variance is mainly because of timing, as the budgeted State CIP Fund revenue spreads out among 12 months evenly, whereas actual expenditure fluctuates depending on project progress.

\$388,564 out of YTD \$3,131,450 CIP expenditure is not capitalized therefore reported on this line as revenue.

**Grant Income \$333,754 less than budget**

The unfavorable variances consist of \$192,103 less revenue for FLRP; \$651,192 less revenue for COCC; \$252,258 less revenue for Section 8 program.

The unfavorable variance is partially offset by \$438,454 and \$41,676 more income for state family and elders' housing programs, respectively, and \$281,669 more revenue for state rental supplemental program.

**Other Income \$158,776 less than budget**

The \$158,776 variance consists of unfavorable variances of: \$14,442 less front line services fee; \$167,429 less work order revenue by Multi - Skilled Workers Pilot program team, and \$13,807 less miscellaneous income that captures all types of income not specified otherwise.

The unfavorable variance is partially offset by more revenues of: \$561 more payments not directly related to dwelling unit rent; \$15,697 more investment income; \$20,487 more fraud recovery, and \$157 more revenue of admin fee earned on port-in.

**4 Expenses year to date**

**Administrative \$825,081 less than budget, a favorable variance**

The \$825,081 variance consists of favorable variances of: \$340,509 less administrative salaries and fringe benefits of HPHA employees, of which \$177,211 and \$46,337 contributable to COCC and FLRP, respectively; \$77,514 less auditing fees; \$15,960 less office expenses; \$69,783 less furniture and equipment; \$14,442 less front line services; \$99,999 less legal expense; \$63,480

less travel expense, and \$166,921 less other admin cost that captures other administrative expenses not specified otherwise.

The favorable variances are partially offset by budget overruns of: \$6,447 for administrative salaries and fringe benefits of private management companies, and \$17,080 for managing agent fee charged by private management companies and Bremerton, the company managing Section 8 contract administration program.

**Tenant Services \$74,011 less than budget, a favorable variance**

Tenant Services include relocation costs, resident participation program costs and tenant service costs for any services directly related to meeting tenant needs.

The \$74,011 variance consists of \$53,898 less relocation costs; \$19,546 less resident participation program cost, and \$567 less tenant service cost.

**Protective Services \$366,554 less than budget, a favorable variance**

The \$366,554 variance consists of budget savings of: \$236,853 for FLRP; \$73,750 and \$57,321 for state family and elders housing programs, respectively. The favorable variance is partially offset by budget overruns of \$208 and \$1,162 for Section 8 program and COCC, respectively.

**Insurance \$52,464 less than budget, a favorable variance**

The \$52,464 variance consists of budget savings of: \$2,810 for general liability insurance; \$42,888 for workers' compensation, and \$10,390 for other insurance. The favorable variance is partially offset by budget overrun of \$3,624 for property insurance.

**Bad Debt Expense \$61,638 less than budget**

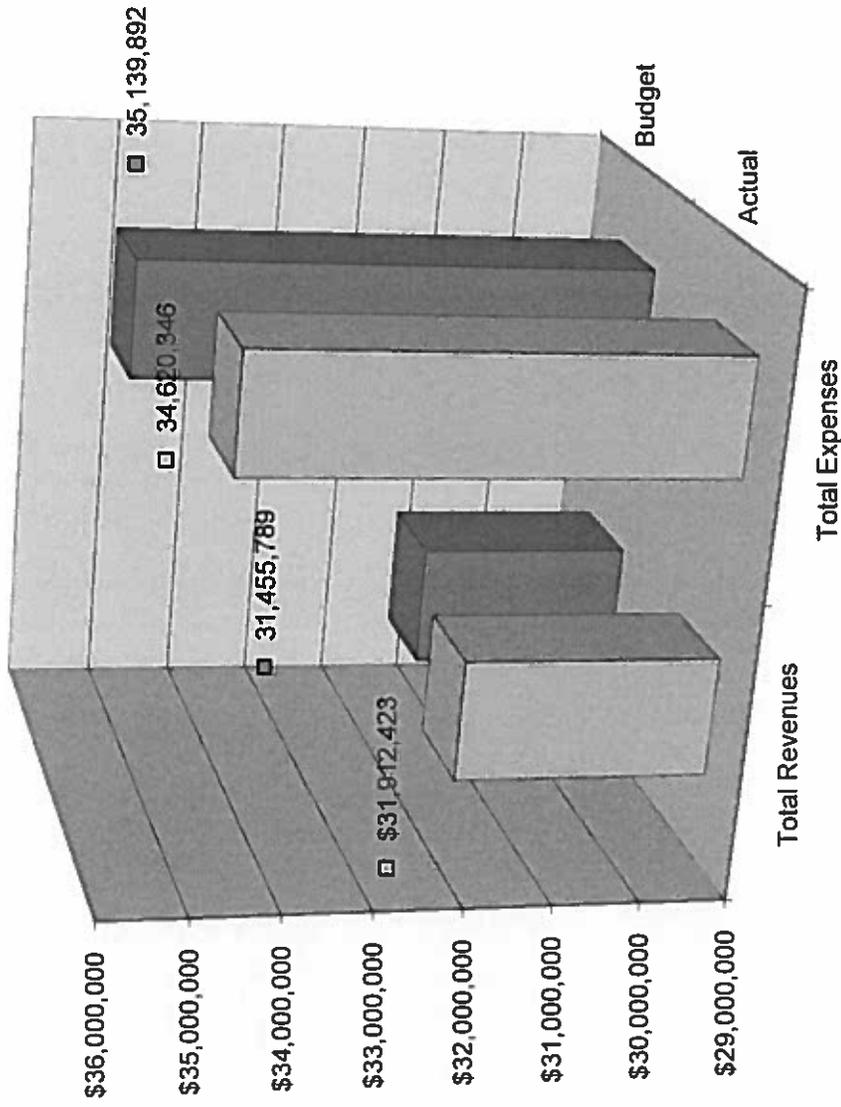
Bad Debt Expense represents the estimated loss due to uncollectibility in relation to HPHA's accounts receivable. A non-cash expense, the variance represents estimated uncollectibility is less than budgeted.

**General Expenses \$13,108 more than budget**

The \$13,108 unfavorable variance consists of budget overruns of: \$6,008 for other general expense, and \$10,131 for motor pool vehicle rental expense. The unfavorable variance is partially offset by budget savings of \$3,031 for payments in lieu of taxes.



HPHA September 30, 2016 Actual vs Budget



	Total Revenues	Total Expenses
Actual	\$31,912,423	34,620,346
Budget	31,455,789	35,139,892

HAWAII PUBLIC HOUSING AUTHORITY  
Consolidated Balance Sheet

Agency Total (Funds 130 To 150, 007, 020, 024, 181, 265, 318 & 337)  
As of September 30, 2016 and August 31, 2016

	As of September 30 2016	As of August 31 2016	Increase (Decrease)
<b>ASSETS:</b>			
Cash	74,652,039	76,177,322	(1,525,283)
Receivables:			
Tenant Receivables	1,084,935	1,052,836	32,099
Other	1,336,093	1,216,024	120,069
Less Allowance for Doubtful Accounts	(931,347)	(927,691)	(3,656)
Total receivables	1,489,680	1,341,168	148,512
Accrued Interest	7,972	6,444	1,528
Prepaid Expenses	2,974,419	3,030,835	(56,415)
Inventories	665,635	664,556	1,080
Interprogram Due From	(672,375)	(608,346)	(64,029)
<b>Total Current Assets</b>	<b>79,117,372</b>	<b>80,611,978</b>	<b>(1,494,607)</b>
Property, Plant & Equipment:			
Land	23,824,737	23,824,737	-
Buildings	627,647,591	623,611,833	4,035,758
Furniture & Equipment	5,753,893	5,753,893	-
Motor vehicles	1,691,849	1,691,849	-
Construction in Progress	40,305,824	41,314,377	(1,008,553)
Less: Accumulated Depreciation	(382,840,710)	(381,311,212)	(1,529,498)
Notes, Loans & Mortgage Receivable-Non Current	8,716,630	8,716,630	-
Other Long term assets	-	-	-
Deferred Outflows of Resources	3,137,321	3,137,321	-
<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>\$ 407,354,506</b>	<b>\$ 407,351,406</b>	<b>3,100</b>
<b>LIABILITIES AND NET POSITION</b>			
Accounts Payable	2,949,150	2,926,683	22,467
Accrued Expenses	-	-	-
Accrued Salaries & Wages	885,306	885,306	-
Accrued Vacation	1,508,903	1,508,903	-
Tenant Security Deposits	766,520	760,235	6,285
Other Liabilities & Deferred Income	1,296,838	3,293,544	(1,996,707)
<b>Total Current Liabilities</b>	<b>7,406,717</b>	<b>9,374,671</b>	<b>(1,967,954)</b>
Accrued Liabilities	20,849,869	20,849,869	-
Net Pension Liability	23,355,937	23,355,937	-
Deferred Inflows of Resources	2,903,051	2,903,051	-
<b>Net Assets</b>			
Investment in capital assets	316,383,184	314,885,477	1,497,707
Restricted Net Assets	(26,915,629)	(26,915,629)	-
Unrestricted Net Assets	66,079,300	65,343,856	735,445
Net Income Year to Date	(2,707,923)	(2,445,826)	(262,097)
<b>Total Net Assets</b>	<b>352,838,932</b>	<b>350,867,877</b>	<b>1,971,055</b>
<b>Total Liabilities, Deferred Inflow of Resources &amp; Net Position</b>	<b>\$ 407,354,506</b>	<b>\$ 407,351,406</b>	<b>3,100</b>

















**HAWAII PUBLIC HOUSING AUTHORITY**  
**Central Office Cost Center**  
**Actual vs Budget Comparison**  
**For the Month of September 2016, and the 3 Months ended September 30, 2016**  
**(Amounts in Full Dollars)**

	Month of September 2016			Year to Date ended September 30, 2016			Variance			
	Actual	Budget	%	Actual	Budget	%	Actual	Prior Year	Amount	%
<b>REVENUES</b>										
Dwelling Rental Income	-	-	0%	-	-	0%	-	-	-	0%
Ongoing Admin Fee Earned	6,423	-	100%	19,242	-	100%	19,242	-	19,242	100%
CFP Grant Income	-	225,920	-100%	(677,759)	677,759	-100%	(677,759)	906,697	(906,697)	-100%
COCC Fee Income	381,094	394,746	-3%	1,136,422	1,184,237	-4%	(47,815)	1,118,925	17,497	2%
Grant Income	-	217,064	-100%	651,192	651,192	-100%	-	-	-	0%
Other Income	246,110	306,933	-20%	746,292	920,800	-19%	(174,507)	644,962	101,330	16%
<b>Total Revenues</b>	<b>\$ 633,626</b>	<b>1,144,663</b>	<b>-45%</b>	<b>\$ 1,901,956</b>	<b>3,433,988</b>	<b>-45%</b>	<b>(1,532,032)</b>	<b>2,670,585</b>	<b>(768,628)</b>	<b>-29%</b>
<b>EXPENSES</b>										
Administrative	587,552	724,339	19%	1,877,851	2,235,839	16%	357,989	1,935,302	57,451	3%
Asset Management Fees	-	-	0%	-	-	0%	-	-	-	0%
Management Fees	-	-	0%	-	-	0%	-	-	-	0%
Bookkeeping Fees	-	-	0%	-	-	0%	-	-	-	0%
Housing Assistance Payments	-	-	0%	-	-	0%	-	-	-	0%
Tenant Services	-	8,674	100%	332	26,023	99%	25,690	22	(310)	-1412%
Utilities	9,157	9,197	39	27,791	27,590	(201)	-1%	35,207	7,416	21%
Maintenance	287,498	241,758	(45,740)	846,859	758,165	(88,695)	-12%	710,542	(136,317)	-19%
Protective Services	798	537	(260)	2,774	1,612	(1,162)	-72%	2,707	(66)	-2%
Insurance	78	5,412	5,334	235	16,237	16,002	99%	12,931	12,696	98%
Depreciation Expense	4,947	4,013	(934)	14,841	12,039	(2,802)	-23%	12,039	(2,802)	-23%
General Expenses	4,671	3,616	(1,054)	14,165	10,849	(3,316)	-31%	15,092	927	6%
<b>Total Expenses</b>	<b>894,701</b>	<b>997,547</b>	<b>102,847</b>	<b>2,784,848</b>	<b>3,088,354</b>	<b>303,506</b>	<b>10%</b>	<b>2,723,843</b>	<b>(61,006)</b>	<b>-2%</b>
<b>Net Income(Loss)</b>	<b>\$ (261,075)</b>	<b>147,115</b>	<b>(408,190)</b>	<b>\$ (882,892)</b>	<b>345,634</b>	<b>(1,228,526)</b>	<b>-355%</b>	<b>(53,258)</b>	<b>(829,634)</b>	<b>-1558%</b>
<b>CASH BASIS:</b>										
Net Income(loss) per Above	(261,075)	147,115	(408,190)	(882,892)	345,634	(1,228,526)	-355%	(53,258)	(829,634)	-1558%
Add back non cash items:										
Depreciation Expense	4,947	4,013	934	14,841	12,039	2,802	23%	12,039	2,802	23%
Bad Debt Expense	-	-	-	-	-	-	0%	-	-	0%
<b>TOTAL CASH BASIS</b>	<b>\$ (256,128)</b>	<b>151,128</b>	<b>(407,256)</b>	<b>\$ (868,051)</b>	<b>357,673</b>	<b>(1,225,724)</b>	<b>-343%</b>	<b>(41,219)</b>	<b>(826,832)</b>	<b>-2006%</b>

## II. Procurement

### A. Solicitation(s) Issued in October 2016:

Solicitation No.	Title	Due Date
RFP PMB-2016-40	Furnish Property Management, Maintenance, and Resident Services for the Federal Low Income Public Housing Property under Asset Management Project 50 on the Island of Oahu	October 27, 2016
RFQ CMB-2016-45	Interior Improvements at Ke Kumu Elua; HPHA Job No. 16-020-227	November 4, 2016

### B. Contract(s) Executed in October 2016:

Contract No.	Contractor & Description	Amount
CMS 16-15	<b>Architects Pacific, Inc.</b> Provide Design and Consultant Services for Site and Building Improvements at Puahala Homes, Phases I, II and III (AMP 31) on Oahu End Date: 1555 Calendar Days from Notice to Proceed	Total Amount: \$1,282,939.00
CMS 15-02-CO03	<b>Artistic Builders Corp.</b> Provide Additional Labor, Material, and Equipment and Extension of Time of 40 Calendar Days for Site and Dwelling Improvements at David Malo Circle (AMP 39) on Maui Completion Date: April 15, 2017	Suppl Amount: \$278,521.10  Total Amount: \$3,471,696.15
CMS 14-04-CO02	<b>Hako Plumbing, Inc. dba Hako Construction</b> Provide Additional Labor, Material, and Equipment and Extension of Time of 264 Calendar Days for Modernization of Salt Lake Apartments (AMP 30) on Oahu Completion Date: August 2, 2017	Suppl Amount: \$503,684.83  Total Amount: \$4,430,620.88
CMS 14-04-SC06	<b>Hako Plumbing, Inc. dba Hako Construction</b> No-Cost Extension of Time of 30 Calendar Days for the Modernization of Salt Lake Apartments (AMP 30) on Oahu Completion Date: November 11, 2016	Suppl Amount: n/a  Total Amount: \$3,926,936.05

B. Contract(s) Executed in October 2016 (cont.):

Contract No.	Contractor & Description	Amount
PMB 16-09	<b>Hawaii Affordable Properties, Inc.</b> Provide Property Management, Maintenance and Resident Services for Kauhale Nani, Wahiawa Terrace and Kupuna Home O Waialua (AMP 49) on Oahu End Date: September 30, 2017	Total Amount: \$803,472.00
PMB 16-08	<b>Garden Isle Disposal, Inc.</b> Provide Refuse Collection Services at Kawailehua – State and Kawailehua – Federal (AMP 38) on Kauai End Date: September 30, 2017	Total Amount: \$25,122.00
PMB 15-05-SC01	<b>American Guard Services, Inc.</b> Continue to Provide Security Services at Kamehameha Homes and Kaahumanu Homes (AMP 33) on Oahu End Date: October 31, 2017	Suppl Amount: \$196,396.20  Total Amount: \$390,891.60
PMB 15-02-SC01	<b>Island Refuse, Inc.</b> Continue to Provide Refuse Collection Services at Kahale Mua – State and Kahale Mua – Federal (AMP 39) on Molokai End Date: August 31, 2017	Suppl Amount: \$39,287.04  Total Amount: \$77,313.84
PMB 12-01-SC05	<b>Realty Laua LLC</b> Provide Additional Compensation Due to Medical Insurance Premium Increase for Property Management, Maintenance and Resident Services at Palolo Valley Homes (AMP 50) on Oahu End Date: November 30, 2016	Suppl Amount: \$25,615.25  Total Amount: \$1,799,409.25

C. Planned Solicitation/Contract Activities for November/December 2016

Solicitation(s):

- Issue Invitation-for-Bids for Provision of Refrigerators to State and Federal Low Income Public Housing Properties Statewide.

Contract(s)

- Execute New Contract for Provision of Refrigerators for State and Federal Low Income Public Housing Properties Statewide.
- Execute New Contract for Property Management, Maintenance and Resident Services for AMP 50 on Oahu.

- Execute Supplemental Contract to Continue to Provide Property Management and Maintenance Services for the Ka Hale O Kamehaikana Community Resource Center on Oahu.
- Execute Supplemental Contract to Continue to Provide Property Management, Maintenance and Resident Services for AMP 45 on Oahu and AMP 46 and Ke Kumu Ekahi on Hawaii.
- Execute Supplemental Contracts to Continue Refuse Collection Services for AMPs 30, 31, 32, 34, 35, 40, 45, and MU 42 on Oahu.
- Execute New Contracts to Provide Laundry Services for AMP 34 on Oahu and AMP 39 on Molokai.
- Execute Supplemental Contract to Continue Security Services at AMP 30 on Oahu.
- Execute Supplemental Contract to Continue to Provide Emergency Generator Preventive Maintenance Services for Various AMPs on Oahu.
- Execute Supplemental Contract to Continue to Provide Elevator Preventive Maintenance Services for Various AMPs on Oahu.
- Execute Supplemental Contract to Continue to Provide Call-for-Aid Systems Maintenance at Various AMPS on Oahu.
- Execute Supplemental Contract to Continue to Provide Preventive Maintenance Services to Fire Prevention Systems at AMP 34, AMP 35 and MU 42 on Oahu.
- Execute Supplemental Contract to Continue to Provide Individual Wastewater System Maintenance for AMP 37, AMP 43 and AMP 46 on Hawaii.

### III. Property Management and Maintenance Services Branch

A.	Total Move Ins for September:	35 units
	<u>Vacancies:</u>	<u>34 units</u>
	Net gain:	1 unit

This month, our Asset management Projects (AMPs) have continued to carry out more right-sizing of residents from ground floor and ADA units, to accommodate residents needing accessible units.

#### B. Formal Grievance Hearings

Our grievance process is essential to deal with complaints whenever a tenant disputes HPHA's action or failure to act in accordance with their rental agreement or other regulations, that adversely affects their rights, duties, welfare or status.

In the month of October, HPHA logged and processed over 47 tenant complaints, and sent out various emails and 2 response letters to elected officials acting on their behalf.

Island	Federal Public Housing (number of cases heard for October)	Type of Grievance Hearing Conducted
Oahu	7	Misconduct, unauthorized occupants, rent delinquency, drinking, physical violence and adding additional members to tenant household

#### C. Hearings

16 Eviction cases heard for the month of October 2016, 11 for rent, 5 for non-rent, criminal activities and other non-rent violations. For Fiscal 2017 there were a total of 65 referrals, 46 for rent and 20 for non-rent. Of the 46 cases for rent, 17 were placed on conditions or given a 2<sup>nd</sup> chance to pay their rent on time and in full and 19 cases were continued.

#### D. Program Activities

1. In October, the Applications Office serviced 609 people at the window, another 1,403 over the phone, and dealt with over 60 complaints. The office also placed 16 applicants and interviewed 2 others.

2. On October 11, 2016, the Wellness Team, from Hawaii Public Health Institute, Department of Health, visited the PMMSB team at our quarterly AMP Managers' Meeting, to help implement our wellness initiative. Under the theme *Build a Tower, Build a Team*, teams of PMMSB staff and AMP managers constructed free standing towers through an interactive process, using spaghetti noodles, tape and marshmallows. This demonstrated that the strength of HPHA's tower lies in the individual branches needing to work together cohesively as one strong agency to serve the tenants and applicants on a daily basis. A personality test was also conducted, which revealed the similarities and differences between staff, helping to foster a better understanding of how to work with each other.
3. The Family Self-Sufficiency (FSS) program has 23 active participants for our Federal Low-Income Public Housing, with 14 eligible families but only 10 active escrow accounts totaling \$2,989. The FSS program rewards a family by creating an FSS savings account and when the family's share of rent increases, the FSS will make a monthly deposit to match that increase until the family reaches their goals.
4. The HUD auditors were back at the HPHA offices from October 24, 2016 through October 28, 2016 and reviewed some of our AMP tenant files. Applications staff assisted the auditors with locating items required from the FY 2015-16 audit.
5. The Aloha Harvests and Honolulu Community Action Plan Food Bank held by AMP 31 this month served approximately 375 residents and 40 volunteers in total.
6. The PMMSB contract staff monitored 48 contracts and authorized payment on 107 contracts for services, including elevators, security, refuse and private AMP management.

## IV. Construction Management

### A. Program Activities and Major Projects

#### Vacant Units Undergoing Modernization as of October 27, 2016

1. On-going construction and design continues on vacant units undergoing modernization (requiring work beyond that of routine maintenance and repairs) totaling 232 units of which 22 are State units and 210 are Federal units.
2. HPHA completed 2 major remodeled units in the month of October as part of larger modernization projects.
3. Status by County of Vacant Units under construction or design:
  - a. O`ahu: 134 units total
    - 1) Demo/dispo: 4
    - 2) Under Construction: 121
    - 3) Bid: 6
    - 4) In Design/About to go out to bid: 3
  - b. Hawai`i: 76 units total
    - 1) Demolished: 62
    - 2) In Design/About to go out to bid: 14
  - c. Maui: 6 units total
    - 1) Under Construction: 6
  - d. Molokai: 16 units total
    - 1) In Design: 9
    - 2) Bid: 7

#### Multi-Site Projects:

1. Maintenance to Elevators
  - a. 16 Federal Elevators Maintenance and Repairs (Kone, Inc.)  
Working closely with the contractor. Maintenance service to all elevators is on schedule.
  - b. 10 State Elevators Maintenance and Repairs (Schindler)  
Working closely with the contractor. Maintenance service to all elevators is on schedule. Schindler's contract expires on November 28, 2016, CMB is working on the solicitation for another maintenance contract. The current contract with Schindler will be extended until the new maintenance contract starts with no break in services.

## O`ahu Projects:

### 1. Salt Lake Apartments – Major Modernization

The contract for the new water lines, fire booster pump, backflow preventer, pump room and revising the ground floor layout to accommodate new scope is under review. Plans have been submitted to the Department of Planning and Permitting (DPP) for permitting and the Disabilities and Communication Access Board (DCAB) for review. Once the contractor is remobilized and permit is approved, construction completion is approximately 12 months out.

### 2. Hale Laulima – Major Modernization

Phase 2 is under construction. Utility and interior work is underway. Estimated completion December 2016.

### 3. Pu`uwai Momi – Miscellaneous Repairs and Demolition of Failing Hot Water Tanks

HPHA will be selecting a design consultant.

### 4. Kalihi Valley Homes – Major Modernization

a. Through routine inspection another boulder has been sighted in the hillside above Kalihi Valley Homes. HPHA contacted the Board of Water Supply (BWS) to investigate and remove the boulder and any other boulders encountered in their investigation. HPHA received a letter from BWS on October 12<sup>th</sup>, 2016 stating they have contracted with AECOM to provide design services. AECOM is in the process of completing survey work and will prepare design and specifications to install a steel ring system. The current schedule is to complete design in January 2017 with work to commence in February 2017 and complete by June 2017.

b. Phase 4b – Work on Buildings 19 and 20 continues. The site continues to be hampered by rain which prevents the ability to move forward on the site work around the building which is on the critical path. However concrete work when possible as well as interior work such as framing and the installation of cabinets are on-going.

During paint prep, the painter encountered a problem with the building substrate. It appears the prior layers of paint (installed by others) is delaminating from the concrete walls. This does not occur in every unit but is a significant issue. CMB and the consultants are currently investigating the issue. It appears all of the layers of paint will need to be removed down to the concrete walls.

- c. Phase 5 – HPHA has reviewed the proposal and is in negotiations with the consultant. Estimated bid date is Spring 2018 when we also hope to have enough construction.

5. Kuhio Park Terrace – Roadway and Site Improvements

Construction is on-going. Roadway work started on September 13, 2016 on Ahonui Street. Linapuni Street paving is scheduled to start on October 3, 2016 pending the Traffic Control Plan approval by the City.

HPHA, has submitted for permit, as per discussions with the City and County of Honolulu regarding street ownership and maintenance of Linapuni and Ahonui Streets. The HPHA has met with the Managing Director who has agreed to allow the guard shacks to remain. The Department of Planning and Permitting, DPP, is continuing their permit review.

6. Mayor Wright Homes

- a. Exterior & Interior Repairs and Site Improvements – Repair of selective solar hot water systems are in progress and solar site lighting work will start shortly.
- b. Security Camera System – Total of 30 security cameras have been installed at Mayor Wright Homes. Antennas were purchased and installed at the guard booths to provide wireless connection for security camera viewing. ITO has the guard shack computers on order and will install in December 2016. The 2-year warranty inspection was conducted on September 14, 2016 with punchlist items for the contractor to correct.

7. Ka'ahumanu Homes – Site and Building Improvements:

Contractor is working on punch list items for Phase I. Phase 2 unit renovations in progress; re-pavement is completed, interior

renovation, perimeter wall replacement with picket aluminum fence and; spall repair and building exterior painting are on-going.

Upcoming Work: Phases 3 and 4 of unit renovation; building signage; parking lots 1 and 2 to be repaved; solar post lighting; installation of new security camera system and secured access ID system.

8. Puahala Homes – Phase 1B Abatement and Modernization to Buildings 4, 5 & 6

- a. Major modernization of sixteen 4 and 5 bedroom units is on-going. It is anticipated that completion of the 4 dwelling units in Building 4 will extend into November 2016 due to delay in receiving HECO approval of the electrical service. Completion of the 6 ADA units in Building 5 is scheduled for December 2016 and the completion of the 6 units in Building 6 in March 2017.
- b. Site and Building Improvements Phases I – III The Notice to Proceed for the consultant, Architects Pacific, Inc., was issued on October 17, 2016. Architects Pacific started its field investigation on October 31, 2016.

9. Spencer House – Masonry Stabilization and Repairs

The HPHA issued a Notice of Rejection to All Maintenance and Repair, LLC, on October 31, 2016, for failure to meet the minimum requirements of the HUD General Conditions, form HUD-5370 because All Maintenance and Repair, LLC, did not propose to self-perform at least 12% of the work. All Maintenance and Repair subsequently submitted a bid protest.

The building permit is pending approval.

10. Punchbowl Homes

- a. Exterior Repairs, Re-roofing, Site and ADA Improvements – HPHA has completed the review of the consultant's Design Development Submittal and the consultant is incorporating the HPHA's comments.
- b. Alapai Street Sewer Repair — Contract was awarded on September 27, 2016. The contractor, Henkels & McCoy, Inc., is reviewing the awarded construction contract.

11. Punchbowl Homes, Makamae, and Pumehana – Repair to Trash Chutes.

DPP has approved building permits for Punchbowl Homes, Pumehana and Makamae. The Notice to Proceed is pending the consultant's completion of Post Contract Documents incorporating changes from the plan review.

12. State Elderly Projects (MU 42)

- a. Upgrade to Fire Prevention Systems – The controller for the Ho`olulu fire pump has arrived. Installation of the new controllers is completed. Final inspection is being scheduled.
- b. Improvement to Major Systems: Water Heaters, Heat Pumps and Booster Pumps – The construction contract was awarded to Doonwood Engineering. Notice to proceed was issued for July 1, 2016. CMB is exploring a design change to the HW storage tanks at Ho`olulu and Kamalu, and negotiating a cost proposal.
- c. Repair and Maintenance to Call for Aid Systems at Various Projects: Maintenance service to all systems is on schedule.
- d. Upgrade to Fire Alarm Systems at Halia Hale: Consultant completed final design documents. Estimated bid date is December 22, 2016.
- e. Upgrade to Sate Elevators – CMB is in a process of selecting a new elevator consultant to upgrade 9 state elevators and monitor maintenance of 23 state & federal elevators state wide.
- f. Hale Po`ai Site and Building Improvements – The consultant contract was awarded on June 27, 2016. The contract is being routed to the Attorney General's Office for final review and execution.

13. AMP 34 & 35

- a. Improvement to Major Systems at AMP 34 & 35: Water Heaters, Heat Pumps and Booster Pumps – The contractor completed installation of the new hot water storage tank, booster pumps & heat pumps at Kalakaua, the water heaters at Makua Alii and installation of water heaters at Paoakalani. Pre-final inspection for AMP 34 was on 10/18/16. Equipment

training session for AMP 34 maintenance staff is scheduled on 11/2/16, final inspection on 11/7/16.

The Contractor completed testing for asbestos in all AMP 35 projects and submitted the findings report. Installation of the booster pumps at Kalanihulia shall be completed by 11/2/16. Maintenance to all water heating systems is on schedule.

- b. Upgrade to Fire Alarm Systems and Call for Aid Systems at Various Projects: Bids for AMP 34 and Punchbowl Homes were opened on June 2, 2016. Bids for Pumehana, Makamae & Kalaniuia, Spencer House were opened on June 6, 2016. Bid review is completed and now awaiting approval to award.
- c. Installation of Backflow Preventers (AMP 34) – The contractor completed installation of the backflow preventer at Paoakanai and Kalakaua, and installation of expansion tanks at Kalakaua Low-Rises is completed. Final inspection to be scheduled first week of November.

14. Hau'iki

- a. Site and Building Improvements – Awaiting approval of the consultant's proposal for the additional engineering services for the design for a new drainage swale above the existing play court to prevent the flooding of Bldg. 6.
- b. Rockfall Mitigation – Awaiting approval of the consultant's proposal for the additional engineering services for the rockfall mitigation study.
- c. Upgrade to Electrical Distribution System – HECO will submit a sample of the indemnification requirements for HECO's liability of temporarily connecting their electrical system to the HPHA-owned electrical system for the HPHA to review.

15. Palolo Valley Homes

- a. Major Modernization (Phases 1 & 2) – Building 14 and 15 are currently in construction. Cabinets and painting is occurring. Continued rain throughout the month has delayed the project. The current estimated completion date is January 2017.

- b. Major Modernization (Phase 3) – The project went out to bid for Phase 3, Buildings 10 thru 13. HPHA has awarded the project to T. Iida Contracting. The building permit is still in review with the City and Country Building Department.
16. Ko`olau Village – ADA Compliance
- Construction of remaining site elements are being completed. Nine new visual-hearing impaired unit renovations have been added to the contract.
17. Ho`okipa Kahalu`u – ADA Compliance
- Construction is on-going for 6 units, community center, and site improvements. Six new accessible unit renovations have been added to the contract.
18. Kauhale Ohana
- Closeout documents are being processed.
19. Makua Ali`i – Trash Chute Repair
- Substantial completion and project acceptance has been delayed by scheduling the Honolulu Fire Department test of the fire alarm. The general contractor anticipates the test will be performed and the job substantially complete in October.
20. Kauia`okalani – Site and Building Improvements
- HPHA awarded the contract to the low bidder, Paradigm Construction. The contractor started submitting materials data and shop drawings for review.
21. Nanakuli Homes – Drainage and Site Improvements
- Bids were opened on April 12, 2016. HPHA has requested AG concurrence regarding a minor informality in the bid proposal of the apparent low bidder before making an award.
22. Maili II – Sewer, Drainage and Site Repairs
- A single quote for the Sewer and Drainage Repairs at Maili II was received on June 17, 2016. HPHA reviewed the quote and found it is responsive and responsible. CMB will recommend this solicitation be awarded, even though the low bid is higher than the

Independent Cost Estimate by 38%. The IOM was drafted and is being routed.

23. Wahiawa Terrace – Site and Building Improvements

Pre-construction meeting was held on Wednesday, October 12, 2016. The contractor will start upon the completion of the submittal process and units vacated, estimated in mid-December 2016.

24. Kupuna Home O`Waialua – Site and Building Improvements

The consultant has executed the contract and the contract has been forwarded to the Attorney General for review and final execution.

25. Kaneohe Apartments - Upgrade to Fire Alarm Systems

Consultant completed final design documents. Estimated posting date is December 22, 2016.

**Hawai`i Projects:**

1. Lanakila Homes

- a. Demolition of Phase IIIb (HA 1105) & IV – The Construction Work Plan (CWP) is currently under review by the Hazard Evaluation and Emergency Response (HEER) Office of the Department of Health (DOH). When approved, the CWP will allow the excavation of Phase IIIB site to proceed.
- b. Lanakila Public Housing – Phase IIIB & IV – Once the Construction Work Plan is approved the excavation of the Phase IIIB can commence upon approval of the additional work due to the modified excavation requirements to remove the contaminated soil.
- c. Lanakila Fair Housing Site Improvements – Award is being delayed due to a bid error by the apparent low bidder. AG's concurrence needed to award the contract to the second low bidder.

2. Pomaika`i Site and Building Improvements

Construction completed. Occupancy of the units is in progress.

3. Hale Aloha O`Puna Site and Building Improvements

HPHA is awaiting approval of the consultant's proposal for the additional architectural and engineering services to review the code impacts on the project. The building permit was not approved by the County due to the replacement cost exceeding 50% of the assessed property value.

4. Pahala Site and Building Improvements

The consultant is progressing with the design to renovate this project. The supplemental contract for the additional architectural and engineering services has been sent to the consultant for execution.

5. Kekumu Elua – Renovation to kitchen and bathroom at one unit

Project was posted in HlePRO on October 11, 2016. A pre-bid meeting was held on October 19, 2016. The bid due date is November 4, 2016.

6. Noelani I & II – Replacement to Waterlines and Solar Installation

Contractor continues to provide quarterly maintenance service to the new solar hot water system.

7. AMP 46 – Investigation and Survey at Noelani I & II, Ke Kumu Ekahi, Ke Kumu Elua, Ke Kumu Ekolu for Unexploded Ordinances.

A consultant has been selected for the project. HPHA is currently working on fee negotiation and drafting the contract.

8. PHA-Wide Individual Wastewater System (IWS) Maintenance

- a. Kaimalino: The consultant located and uncovered all missing wells. HPHA submitted a timeline to the DOH, as requested, on September 14, 2016 for the permanent access to the Wells 1, 3, and 5.
- b. Hale Ho`okipa: The Underground Injection Control (UIC) contractor performed their inspection in August 2016 and is submitting their findings to the Department of Health this month. The HPHA sent DOH updated well dimensions on September 15, 2016, as requested and submitted the revised Permit Renewal.

- c. Noelani I & II: The contractor is preparing the Permit Renewal documents for submission.

**Mau'i County Projects:**

1. David Malo Circle and Makani Kai Hale – Physical Improvements

The contractor started working on Phase III on September 16, 2016. Phase III includes Buildings 103 (ADA), 104 & 105 (ADA), total of 4 ADA units and 2 regular units. Estimated completion date is April 18, 2016.

2. Pi'ilani Homes – Major Modernization

The consultant conducted the HUD mandated noise assessment to determine what measures are required. After a preliminary site investigation, the noise consultant determined that an 11-foot high wall along the highway was required due to the amount of noise. An in-depth investigation will be conducted and alternative solutions explored.

3. Kahekili Terrace Environmental

A consultant has been selected to perform environmental testing at Kahekili Terrace. The consultant is submitted its proposal which will also include a Lead Risk Assessment. DOH has approved the plan and HPHA is currently reviewing the proposal.

4. Kahale Mua (Federal) – Site and Building Improvements

Two bids were submitted and are still undergoing review by the HPHA. Procurement received an opinion from the Attorney General and is proceeding with the bid review.

**Kaua'i Projects:**

1. AMP 38 – Infrastructure and Site Improvements

The consultant contract was awarded and has been routed for final execution.

2. Kapa'a Housing – Major Modernization

The consultant contract was awarded and the draft contract was executed by the consultant.

3. Hale Nana Kai O Kea – Bathroom Modifications

The Invitation for Bids is being prepared for this in-house design project.

4. Kawailehua Unit Modification –Bathroom Modifications

The Invitation for Bids is being routed for this in-house design project.

5. Ele`ele Homes – Building & Site Improvements

The consultant contract has been awarded and the draft contract was sent to the consultant for signature.

**B. State Capital Improvement Projects (CIP) & Federal Capital Fund Program (CFP)**

1. The State obligation deadline is June 30, 2018. HPHA is preparing the request for release of the state 2016 CIP funds.
2. The Federal obligation deadline is April 12, 2017 for the 2015 (CFP 725). The HPHA received the authorization from the Governor to be the Certifying Officer for the required Environmental Reviews. The public notice has been posted of CFP 2016 (CFP 726) planned projects. There was no public comment. A letter is being drafted to HUD to request release the federal CFP funds.
3. The expenditure deadline for the Economic Development Initiative (EDI) Grant is September 30 2017 for Kahale Mua and Pahala. Kahale Mua is on track to fully expend before the end of this year. Pahala is currently in design and should be going out to bid in early 2017.
4. Replacement Housing Factor grant funds: There are varying federal deadlines for obligation and expenditure of these grants. The funds are entirely budgeted for the Lanakila demolition. HPHA has already expended most of the funds and is on track with all obligation and expenditure deadlines.
5. The HUD audit of procurement of professional services and construction was conducted during the week of October 24 - 28.
6. The Construction Management Branch lead the effort of a major ADA/UFAS mobility and visual/hearing impaired (VHI) inventory of

all existing units combined with all units in construction. It has determined that the HPHA meets the 5% ADA/UFAS required units and is moving toward the 2% compliance for VHI units.

## V. Section 8 Subsidy Programs

HPHA manages the Housing Choice Voucher Program, Project Based Voucher Program, Veteran's Affairs Supportive Housing, Non-Elderly Disabled Vouchers, Performance Based Contract Administration, and State Rent Supplement Program.

### A. Program Activities

#### 1. Voucher activity for October 2016:

- HPHA expended a total of \$2,382,542 (109% of eligible HUD funds received) in housing assistance payments to private landlords on behalf of 2,250 voucher holders in October 2016.
- Two families who received a Housing Choice Voucher (HCV) from the waitlist found rental units and moved into the unit in October 2016.
- HPHA expended \$34,055 on behalf of 159 families served under the rent supplement program statewide in October 2016.
- As of October 2016, 423 veterans were assisted with Veterans Administration Supportive Housing Vouchers (VASH). Monetary assistance was \$342,621. Twelve veterans who were searching for a home found a rental unit and leased up. Fifteen veterans received VASH vouchers in October 2016 and are currently in housing search.
- As of October 31, 2016 the Special Rent Supplement program leased 37 homeless families.

#### 2. Voucher lease up activity for October 2016:

Voucher Type	October 2016		
	# leased	# of vacancies	# in housing search
Housing Choice Vouchers	2		0
VASH	12		59
Kuhio Park Towers	0	0	1
Palolo Homes Project Based Section 8	0	0	4
Non Elderly Disabled Vouchers	0	13	13
Port In (from other PHA)	11		10

3. Inspections update:

	October 2016
Housing Quality Standards (HQS) Inspections	152
HQS Failed Inspections	84
Quality Control Inspections	30

4. Family Self Sufficiency (FSS) Program

The Family Self Sufficiency (FSS) program assisted 51 Section 8 clients in October 2016. There were 36 active escrow accounts with a total deposit of \$6516 in October 2016.

## VII. Compliance Office

### A. Program Activities for October

- Continue to process tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act. The most common requests the office receives include:
  - a. Transfers to accessible or ground floor units;
  - b. Installation of air conditioning;
  - c. Approval to keep assistance animal;
  - d. Approval of live-in aides;
  - e. Disability-related unit modifications;
  - f. Utility allowances for disability-related medical equipment;
- Worked with the Department of the Attorney General to respond to various requests for government information including discussion of possible efforts to ask the legislature to reenact its vexatious requestor provision, which would allow the agency to ignore duplicative requests that have already been responded to;
- Worked with Department of the Attorney General to respond to inquiries from the OIP pertaining to our compliance with requests for information;
- Continued discussions with Hawai'i Civil Rights Commission (HCRC) about reducing the time burden associated with discrimination investigations;
- Finalized settlement agreement with HCRC and the Medical-Legal Partnership re: Basiente/Frank

- Begin settlement negotiations with Legal Aid/HCRC for Adeline Liftee
- Worked on Declarations of Trust and requests for procurement of title reports.
- Continue to revise NCHM ADA self-evaluation and transition plans for updating/finalizing.
- Responded to HUD complaint and data request Hawaii Disability Rights Center (HDRC) v. HPHA
- Entered discussions with Legal Aid regarding halting eviction proceedings for a Big Island tenant due to disability-related explanation for late payment of rent; processed Reasonable Accommodation Request for a deadline extension

## **VIII. Information Technology Office**

### **A. Program Activities**

1. Late fee setup and batch correspondence nearly completed to comply with new tenant policy.
2. eSign – Purchase of 15 computers to support staff for eSign submissions submitted. ITO creation of 170 Gmail accounts to allow for lower cost of the purchase of licenses completed.
3. Ongoing maintenance phase with Emphasys and HPHA.
  - Applicant Portal data of 14K applications migrated to Elite.
  - MR7 SP1 concluded with no major problems.
4. VoIP – On site visitation for determination of detailed requirements and specifications completed. Procurement stage initiated.

## **IX. Human Resources**

### **A. Summary of Staffing:**

Filled positions (FTE):	284
Positions (recruit and fill non-maint)	45
Positions (recruit and fill maint)	23
Other vacancies	18

**B. Program Activities:**

1. HPHA attended 2016 Kauai Job Fair on October 12, 2016. By proactively reaching out to applicants, we were able to obtain viable referral candidates for temporary 89-days hire appointments. In addition, HR office also encouraged and made potential applicants aware of the opportunity to apply on-line NeoGov for our civil service positions.
2. New addition to HPHA Ohana: Ursula Jackson (Chief Compliance Officer), Rowena Alzona (Account Clerk II), Mae Llacuna (Office Assistant III), Tamara Vilchis (temporary 89-days/Office Assistant III), Asher Tamanaha (Plumber Helper), Sheldon Ajala (General Laborer II), and Israel Morris (General Laborer II).
3. Continue to work with DHS/Human Resources Office in establishing the Chief Financial Officer, and establishing and filling the Assistant Chief Financial Officer position.
4. Continue to recruit maintenance positions and encourage new hires and staff to participate in the Multi-Skilled Worker Pilot Program (MSWPP). Two informational sessions will be held on November 3, 2016. Presentation will be conducted by several subject matter experts. Topics will be discussed include success, accomplishment of the MSWPP since it is established, incentive why join the Multi-Skilled Worker Pilot Program, and what's the trending with this program.
5. On November 4, 2016, Department of Human Services held the Incentive & Service Awards Ceremony. Mr. Andrew Medeiros, from the Multi-Skilled Worker Pilot Program (MSWPP) was selected as the HPHA Sustained Superior Performance award and the "2016 Department's Employee Award". The agency's MSWPP team has been selected as the Department's Team of the Year Award. Congratulations to the awardees and they will represent DHS and HPHA in the upcoming Governor's Award.
6. Worker's Compensation: 4 injuries reported with average lost time of 19 days.