

## FOR ACTION

**MOTION:** To Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Federally Assisted Low Income Public Housing Program Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes

### I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) would like to implement a substantive change to the Section 8 Housing Choice Voucher (HCV) Program's Administrative Plan (Admin Plan) and the federal Low Income Public Housing (LIPH) Program in order to maximize the use of U.S. Department of Housing and Urban Development (HUD) funding, assist families more efficiently, and to comply with HUD guidance.
- B. The Section 8 HCV Administrative Plan and LIPH Admissions and Continued Occupancy Policy (ACOP) currently reflect HUD's income hierarchy from 2007. HUD established new requirements in Notice PIH 2010-19 *Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification System* (Attachment A) and subsequently extended the changes in Notices PIH 2011-25 (Attachment B) and PIH 2012-26 (Attachment C).
- C. In order to implement these proposed changes, the Board of Directors must adopt changes to update the Section 8 HCV Program's Administrative Plan and Low Income Public Housing Program's Admissions and Continued Occupancy Policy.

### II. DISCUSSION

- A. The HPHA's Section 8 Administrative Plan, Chapter 7 Introduction and ACOP, Chapter 7 Introduction currently provide:

"The PHA will follow the verification guidance provided by HUD in PIH Notice 2004-01 Verification Guidance and any subsequent guidance issued by HUD."

- B. Chapter 7, Part I, Section B of the Admin Plan and ACOP on Overview of Verification Requirements currently provides:

“In order of priority, the forms of verification that the PHA will use are:  
Upfront Income Verification (UIV), whenever available  
Third-party Written Verification  
Third-party Oral Verification  
Review of Documents  
Self-Certification

Each of the verification methods is discussed in subsequent sections below. Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.”

(Exhibit 7-1 reflects the guidance in PIH Notice 2004-01. This guidance was superseded by guidance in PIH Notice 2010-19, which was subsequently extended in PIH Notice 2011-25 and 2012-26.)

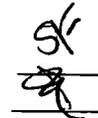
- C. These provisions must be amended to reflect the verification hierarchy required under the HUD Notice PIH 2010-19 (HA) and allowing for future HUD changes in the income hierarchy by modifying the current language to incorporate the current income verification hierarchy, as well as make technical changes to the chapter for consistency with these changes. The proposed changes to the relevant sections of the Section 8 Administrative Plan are attached as Attachment E. The proposed changes to the relevant sections of the LIPH ACOP are attached as Attachment D. The language to be removed is bracketed and stricken. New language is underlined. In addition, Exhibit 7-1 will be removed in its entirety.
- D. The proposed changes may be subject to review by the Department of the Attorney General. However, the substance of the policy change is based on HUD guidance.

### III. RECOMMENDATION

That the Board of Directors Amend the Section 8 Housing Choice Voucher Program's Administrative Plan and Federally Assisted Low Income Public Housing Program Admissions and Continued Occupancy Policy Regarding Income Verification Hierarchy Guidelines and to Authorize the Executive Director to Undertake All Steps Necessary to Effect such Changes

- Attachment A: Notice PIH 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification System, Issued May 17, 2010
- Attachment B: Notice PIH 2011-25, Extension
- Attachment C: Notice PIH 2012-26, Extension
- Attachment D: Draft Changes to the Low Income Public Housing Admissions and Continued Occupancy Policy, Chapter 7 Verification
- Attachment E: Draft Changes to the Section 8 Housing Choice Voucher Administrative Plan, Chapter 7 Verification

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

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David Gierlach  
Chairperson



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

**Special Attention of:**

Public Housing and Section 8 Program Administrators,  
Public Housing Hub Office Directors; Public Housing  
Resident Management Corporations; Resident Councils;  
Applicants and Participants of Public Housing, Housing  
Choice Voucher, Section 8 Moderate Rehabilitation,  
and Project-Based Certificate and Voucher Programs

**Notice PIH 2010 - 19 (HA)**

Issued: May 17, 2010

Expires: May 31, 2011

Cross References: 24 CFR §5.233,  
24 CFR §5.236, 24 CFR §908.101

**SUBJECT: Administrative Guidance for Effective and Mandated Use of the Enterprise  
Income Verification (EIV) System**

1. **Purpose:** This Notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's Enterprise Income Verification (EIV) system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the *Final Rule: Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published at 74 FR 68924, on December 29, 2009.
2. **Applicability:** This Notice applies to the following HUD-PIH rental assistance programs: Public Housing, Section 8 Moderate Rehabilitation, Project-Based Voucher, Project-Based Certificate, and Housing Choice Voucher (HCV) Programs.
3. **Background:** On December 29, 2009, HUD issued the final rule entitled *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification (EIV) System-Amendments*, which requires PHAs to use the EIV system in its entirety to verify tenant employment and income information during mandatory reexaminations of family composition and income; and reduce administrative and subsidy payment errors in accordance with 24 CFR §5.236 and administrative guidance issued by HUD.

Using EIV as an upfront income verification (UIV) technique will be valuable in validating tenant-reported income during interim and annual reexaminations of family income; as well as streamlining the income verification process. This will result in less administrative burden in complying with third party verification requirements. Additionally, EIV will help to identify and cure inaccuracies in housing subsidy determinations, which will benefit PHAs, tenants, and taxpayers by ensuring that the level of benefits provided on behalf of families is proper and will prevent fraud and abuse within Public and Indian Housing (PIH) rental assistance programs.

4. **Effective Date:** This Notice is effective as of issuance date.
5. **The New HUD Regulation: 24 CFR 5.233.** Effective January 31, 2010, all PHAs are required to use the EIV system in its entirety. This means that PHAs must use all features of the EIV system to:
- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
  - b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

6. **What is the EIV System?** The EIV System is a web-based application, which provides PHAs with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). This system is available to all PHAs nationwide. Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058.

All PHAs are required to review the EIV Income Report of each family before or during mandatory annual and interim reexaminations of family income and/or composition to reduce tenant under reporting of income and improper subsidy payments. EIV is classified as an UIV technique (or automated written third party verification), which helps to identify income sources and/or amounts that the tenant may not have disclosed. This UIV technique in many instances will reduce the need to mail or fax third party verification request forms to an income source. EIV also provides various reports to assist PHAs with the following:

- a. Identifying tenants whose reported personal identifiers do not match the SSA database;
  - b. Identifying tenants who need to disclose a SSN;
  - c. Identifying tenants whose alternate identification number (Alt ID) needs to be replaced with a SSN;
  - d. Identifying tenants who may not have reported complete and accurate income information;
  - e. Identifying tenants who have started a new job;
  - f. Identifying tenants who may be receiving duplicate rental assistance;
  - g. Identifying tenants who are deceased and possibly continuing to receive rental assistance;
  - h. Identifying former tenants of PIH rental assistance programs who voluntarily or involuntarily left the program and have a reportable adverse status and/or owe money to a PHA or Section 8 landlord.
7. **How to obtain access to the EIV System.** All PHA staff (including PHA-hired management agents), who have a need to access the EIV system, is required to complete and submit the EIV Access Authorization Form & Rules of Behavior and User Agreement to their designated EIV Coordinator in the local HUD office.

The form is available online at:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>.

The user's access must be approved by the PHA Executive Director or designee in order for the local HUD office to process all EIV access requests. Individuals who will not directly access the EIV system, but will have access to the EIV data in printed or electronic form is also required to complete the EIV Access Authorization Form & Rules of Behavior and User Agreement and maintain on file (do not submit the form to the local HUD office).

8. **The Verification Hierarchy.** PHAs should begin with the highest level of verification techniques.

PHAs are required to access the EIV system and obtain an Income Report for each household. The PHA is required to maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA should attempt the next lower level verification technique, as noted in the below chart.

Level	Verification Technique	Ranking
6	<b>Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system</b> (not available for income verifications of applicants)	<b>Highest (Mandatory)</b>
5	<b>Upfront Income Verification (UIV) using non-HUD system</b>	<b>Highest (Optional)</b>
4	<b>Written third Party Verification</b>	<b>High</b> (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV-reported employment and income information <b>and</b> is unable to provide acceptable documentation to support dispute)
3	<b>Written Third Party Verification Form</b>	<b>Medium-Low</b> (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)
2	<b>Oral Third Party Verification</b>	<b>Low</b> (Mandatory if written third party verification is not available)
1	<b>Tenant Declaration</b>	<b>Low</b> (Use as a last resort when unable to obtain any type of third party verification)

**Note:** This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

## Verification Technique Definitions

### Third Party Verification Techniques

**Upfront Income Verification (UIV) (Level 6/5):** The verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.

It should be noted that the EIV system is available to all PHAs as a UIV technique. PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

**Written Third Party Verification (Level 4):** An original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. It is the Department's position that such tenant-provided documents are written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information.

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

The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, the PHA should project income based on the information from a traditional written third party verification form or the best available information.

**Note:** Documents older than 60 days (from the PHA interview/determination or request date) is acceptable for confirming effective dates of income.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification. A standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email.

It is the Department's position that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

The Department recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

The Department requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. PHA staff should document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

#### **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant submits an affidavit or notarized statement of reported income and/or expenses to the PHA. This verification method should be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

#### **Exceptions to Third Party Verification Requirements**

HUD is aware that in some situations, third party verification is not available for a variety of reasons. Oftentimes, the PHA may have made numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal. In these cases, the PHA is **required to document in the family file the reason(s) why third party verification was not available.**

The exception to third party verification can be found at 24 CFR §960.259(c)(1) and §982.516(a)(2), which states, "The PHA must obtain and document in the family file third party verification of the following factors, **or must document in the file why third party verification was not available.**"

9. **Third party verification requirements.** In accordance with 24 CFR §960.259(c)(1) and 24 CFR §982.516(a)(2) for the Public Housing and the HCV programs, respectively, the PHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income.

10. **How to comply with and reduce administrative burden of third party verification requirements of family annual income.** PHAs can comply with and reduce administrative burden of third party verification requirements for employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV by:

- a. Reviewing the EIV Income Report to confirm/validate tenant-reported income; and
- b. Printing and maintaining an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
- c. Obtaining current acceptable tenant-provided documentation to supplement EIV information; and
- d. Using current tenant-provided documentation and/or third party verification to calculate annual income.

**Note:** Social Security benefit information in EIV is updated every three months. If the tenant agrees with the EIV-reported benefit information, PHAs do not need to obtain or request a benefit verification letter from the tenant. See PIH Notice 2010-03 for guidance on verifying Social Security benefit income through the EIV system.

The PHA may also reduce the administrative burden of obtaining third party verification by relying on acceptable documents that are generated by a third party, but provided by the tenant. Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

11. **When the PHA is required to request written third party verification** The PHA must request written third party verification under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
- b. When the PHA requires additional information that is not available in EIV and/or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

**Note:** 24 CFR §5.236(a), prohibits PHAs from taking adverse action based solely on EIV information

12. **Type of file documentation required to demonstrate PHA compliance with mandated use of EIV as a third party source to verify tenant employment and income information (24 CFR §5.233(a)(2)(i)).**

A. For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:

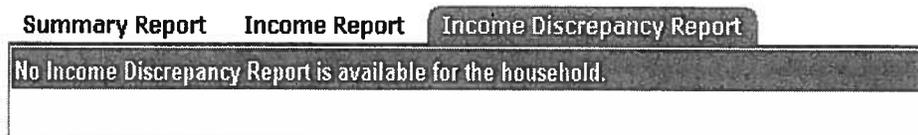
- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

B. For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:

- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
- ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
- iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.

C. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:

- i. **ICN Page** when there is **no** household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. (PHAs have the discretion to print the EIV Income report, however, only the ICN page is required.) See sample screen shot below.



**Note:** The ICN Page is available from the Summary Report tab. See sample screen shot below:

[Print All](#)

Summary Report	Certification Page	Income Report	Income Discrepancy Report			
<b>Head of Household Identifiers</b>						
Name:	MIKILA					
Social Security Number:	***-**-****					
Date of Birth (mm/dd/yyyy):	XX/XX/1989					
Program Type:	Sec 8 Vouchers					
Project:						
Unit Address:						
Participant Code:						
Annual Reexamination Date:	05/01/2010					
Tenant Data from Form 50058 as of:	10/20/2009					
Most Recent Type of Action:	3-Interim Reexamination					
Effective Date:	10/01/2009					
<b>Household Members</b>						
Member SSH	Member First Name	Member Last Name	Date of Birth	Age	Relationship	Identify Verification Status
***-**-****	MIKILA		XX/XX/1989	20	Head	Verified
***-**-****	MELAYA		XX/XX/2009		Other youth under 18	Verified
The month and day values in the Date of Birth field have been masked for security reasons						
<a href="#">Provide ICN</a>				<b>Click here to generate printer-friendly ICN page</b>		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.						
Report Generated By: H18XXX NICOLE X FAISON						

- ii. **EIV Income Report** when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report. See sample screen shot below.

Summary Report	Income Report	Income Discrepancy Report
<b>Head of Household Information</b>		
Name:	DEBRA	
Social Security Number:	***-**-****	
Program Type:	Public Housing	
Project:		
Effective Date of Action:	03/10/2009	
Annual Reexamination Date:	02/01/2010	
Projected Annual Wages and Benefits from Form HUD-50058:	\$8,328.00	
Period Of Income for Discrepancy Analysis	12/10/2007 - 12/09/2008	
Discrepancy Analysis	Actuals	Annualized Last Quarter
Reported Annual Wages and Benefits from EIV Data:	\$24,919.06	\$26,131.00
Amount of Annual Income Discrepancy:	(\$16,591.06)	<b>(\$17,803.00)</b>
Amount of Monthly Income Discrepancy:	(\$1,382.59)	(\$1,483.58)
Percentage of Income Discrepancy:	(66.58%)	(68.13%)
Note: Negative numbers represent potential under reporting of income. Please discuss this income discrepancy with the tenant. Positive numbers represent potential decrease in tenant income.		
Confidential Privacy Act Data. Civil and Criminal penalties apply to misuse of this data.		
Report Generated By: H18XXX NICOLE X FAISON		

- D. For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i. **No Dispute of EIV Information:** EIV Income Report, current acceptable tenant-provided documentation, and *if necessary* (as determined by the PHA), traditional third party verification form(s). See examples 1 and 3 below.
  - ii. **Disputed EIV Information:** EIV Income report, current acceptable tenant-provided documentation, and/or traditional third party verification form(s) for disputed information. See example 2 below.
  - iii. **Tenant-reported income not verifiable through EIV system:** Current tenant-provided documents, and *if necessary* (as determined by the PHA), traditional third party verification form(s). See example 3 below.

**Example 1: No Disputed EIV Information & Tenant Provided Documents**

You are conducting an annual reexam with tenant, Mary Jones. Ms. Jones reports that she is employed at the ABC Box Company. You pull up the EIV income report for the Jones family, which shows quarterly wages from the ABC Box Company for the full year of 2008, and the first two quarters of 2009. Last year's (2009) annual reexam reflects wages from the same employer. There is no other income information on the report.

The PHA may streamline the income verification process by requesting Ms. Jones provide current pay stubs dated within the last 60 days of the interview or PHA request date. The PHA must obtain a minimum of two current and consecutive pay stubs from Ms. Jones. Since there is no disparity between tenant-reported and EIV-reported income, the PHA may obtain original and current tenant-provided pay stubs to calculate annual income.

The PHA may **not** use quarterly EIV wage (or unemployment benefit) information to calculate annual income since this information is at least six months old and more current income information (from pay stubs) is available.

**Example 2: Disputed EIV Information & No Tenant-Provided Documents**

You are conducting an annual reexam with tenant, Bob Miller. Mr. Miller reports that his only source of income is monetary support from his sister, Betty Miller. You pull up the EIV income report for the Miller family, which shows quarterly wages from the Home Depot for the full year of 2008, and the first two quarters of 2009. There is no other income information on the EIV report. Last year's (2009) annual reexam reflects no wage information and only source of income is other non-wage income (monetary support from family member).

You inform Mr. Miller that the EIV system shows wages from the Home Depot and ask him to provide you with current pay stubs. Mr. Miller states that he does not work there and has no pay stubs.

Because Mr. Miller disputes the EIV-reported income and is unable to provide documents to support his dispute, the PHA **must** request written third party verification from Home Depot. You mail a third party verification request form to the address listed for Home Depot.

A few days later, you receive the third party verification request form back from Home Depot, which indicates that Mr. Miller has been employed there since January 5, 2008, and a payroll summary report, showing Mr. Miller's bi-weekly gross and net pay since January 2008. Since the disputed EIV information has been confirmed to be correct by the independent third party source (Home Depot), the PHA will use the income information from the payroll summary report to calculate annual income. The PHA would also calculate the retroactive rent (using the information provided by Home Depot) since Mr. Miller failed to disclose his employment at the 2008 and 2009, annual reexams. The PHA would also inform Mr. Miller of this retroactive rent and take action according to PHA-established policies.

**Example 3: Tenant Unreported Income, Income not Verifiable through EIV & Tenant- Provided Documents**

You are conducting an annual reexam with tenant, Sharon Duvet. Ms. Duvet reports that her only source of income is child support and provides you with four current and consecutive child support pay stubs. You pull up the EIV Income Report for the Duvet family, which shows: hire date at the District Police Department effective January 9, 2005; quarterly wages from the District Police Department for the full years of 2005, 2006, 2007, and 2008, and the first two quarters of 2009. There is no other income information on the EIV Income Report. Last year's (2009) annual reexam reflects income from only child support. You inform Ms. Duvet that the EIV system is showing wages from the District Police Department and you ask her to provide you with current pay stubs. Ms. Duvet admits that she has been working at the District Police Department and indicates that she can provide you with current pay stubs. You inform Ms. Duvet that you will also have to calculate her retroactive rent for the previous years in which she did not disclose her employment. You go over the EIV-reported wages with Ms. Duvet and she indicates that she does not dispute the information.

Since Ms. Duvet does not dispute the EIV-reported information, the PHA may use the tenant provided documents to calculate income and rent for the 2010 annual reexam, and use the EIV-reported earnings for years 2005 through 2008, to calculate the retroactive rent Ms. Duvet will owe. The PHA should require Ms. Duvet to provide her last pay stub from 2009, or her 2009 W- 2, to calculate the retroactive rent for 2009. The PHA will use the tenant-provided child support pay stubs (child support income is not available in EIV) to calculate annual income from this source.

13. **What if the tenant does not provide the PHA with requested information?** If the tenant does not provide the requested information, the PHA may mail or fax a third party verification request form to the third party source. The PHA is **required** to request third party verification when the tenant disputes EIV information and the tenant is unable to provide acceptable documentation to support disputed information. However, the PHA should **also** remind the tenant that s/he is required to supply any information requested by the PHA for use in a regularly scheduled annual or interim reexamination of family income and composition.

The PHA may **determine** that the tenant is not in compliance with program requirements and terminate tenancy or assistance, or both, if the tenant fails to provide the requested information in a timely manner (as prescribed by the PHA).

14. **How to use EIV to reduce administrative and subsidy payment errors.** EIV has the ability to identify other potential issues which may impact a family's level of assistance. EIV contains stand-alone reports, which a PHA may generate at any time (i.e. Deceased Tenants Report, New Hires Report, Multiple Subsidy Report, Identity Verification Report, Income Discrepancy Report, Debts Owed to PHAs & Termination Report, and Immigration Report). However, it should be noted that the information from these stand-alone reports are contained in the Income Report for each household. PHAs are required to address any and all potential issues at the time of the annual or interim reexam, as conveyed in the Income Report.

PHAs may use the stand-alone reports to monitor staff's progress in reducing the following administrative and subsidy payment errors by using the listed reports:

- a. Incorrect/invalid SSNs/name/date of birth – Identity Verification Report
- b. Follow-up with families who need to disclose a SSN – Immigration Report
- c. Duplicate rental assistance – Multiple Subsidy Report
- d. Unreported increase in income – Income discrepancy Report
- e. Improper payments on behalf of deceased tenants – Deceased Tenants Report
- f. Unreported new employment (PHAs with interim increase policy) – New Hires Report
- g. Adverse Termination/Outstanding Debt to PHA – Debts Owed to PHAs & Termination Search

In order to ensure PHAs are aware of potential subsidy payment errors, PHAs are **required** to monitor the following EIV reports on a monthly basis:

1. Deceased Tenants Report
2. Identity Verification Report
3. Immigration Report

In order to ensure PHAs are aware of potential subsidy payment errors, PHAs are **required** to monitor the following EIV reports on a quarterly basis:

1. Income Discrepancy Report
2. Multiple Subsidy Report
3. New Hires Report (if your agency has an interim increase policy)

15. **How to use the EIV Income Report as a third party source to verify tenant employment and income information.** The EIV Income Report provides a variety of information about each household member of the family. The report contains the following information for each household member:

- a. Personal identifiers: name, date of birth, and SSN
- b. Identity verification status (pending, verified, deceased, or failed)
- c. Employment information
  1. New Hire Information (W-4)
    - i. Date hired
    - ii. Employer name
  2. Employer name, address, and employer identification number of current and past employers
  3. Quarterly earnings
- d. Quarterly unemployment compensation
- e. Social Security benefit information
  1. Social Security (SS) benefits
    - i. Payment status code
    - ii. Date of current entitlement
    - iii. Current net monthly benefit amount (if payable)
    - iv. Gross monthly benefit history (last 8 changes in benefit amount)
    - v. Lump sum payment amount and date
    - vi. Payee name and address
  2. Dual Entitlement (Social Security benefits under another person's SSN)
    - i. Claim Number (the other person's SSN)
    - ii. Payment status code
    - iii. Date of current entitlement
    - iv. Current net monthly benefit amount (if payable)
    - v. Gross monthly benefit history (last 8 changes in benefit amount)
    - vi. Payee name and address
  3. Supplemental Security Income (SSI)
    - i. Payment status code
    - ii. Alien indicator
    - iii. Current net monthly benefit amount
    - iv. Current monthly state supplement benefit amount (if available)
    - v. Gross monthly benefit history (last 8 changes in benefit amount)
    - vi. Payee name and address
  4. Medicare data
    - i. Payee name and address
    - ii. Monthly hospital insurance premium amount, buy-in status, and buy-in start and end dates
    - iii. Monthly supplemental medical insurance premium amount, buy-in status, and buy-in start and end dates
- f. Disability status and onset date
- g. Identity verification status
- h. Indicator of possible multiple rental subsidy
- i. Indicator of debt and/or termination information from another PHA (effective September 2010)

All EIV Income Reports contain the date the report was generated and by whom; and the date EIV received each type of information.

To minimize tenant underreporting of income, PHAs are required to obtain an EIV Income Report for each family any time the PHA conducts an annual or interim reexamination of family income and composition.

In accordance with 24 CFR §5.236(b)(2)(3), PHAs are required to compare the information on the EIV report with the family-reported information. If the EIV report reveals an income source that was not reported by the tenant or a substantial difference in the reported income information, the PHA is required to take the following actions:

1. Discuss the income discrepancy with the tenant; and
2. Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/ or income sources; and
3. In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the PHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
4. If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively\*; and
5. Take any other appropriate action as directed by HUD or the PHA's administrative policies.

\*The PHA is required to determine the retroactive rent as far back as the existence of complete file documentation (form HUD-50058 and supporting documentation) to support such retroactive rent determinations.

**Note:** A substantial difference is defined as an amount equal to or greater than \$2,400, annually.

The tenant must be provided an opportunity to contest the PHA's determination of tenant rent underpayment. HUD regulations require PHAs to promptly notify tenants in writing of any adverse findings made on the basis of the information verified through the aforementioned income discrepancy resolution process. The tenant may contest the findings in accordance with the PHA's established grievance procedures, as required by HUD. The PHA may not terminate, deny, suspend, or reduce the family's assistance until the expiration of any notice or grievance period.

When there is an unsubstantial or no disparity between tenant-reported and EIV-reported income information, the PHA is required to obtain from the tenant, any necessary documentation to complete the income determination process. As noted previously, the PHA may reject any tenant-provided documentation, if the PHA deems the documentation unacceptable. The PHA may reject documentation provided by the tenant for only the following HUD-approved reasons:

1. The document is not an original; or
2. The original document has been altered, mutilated, or is not legible; or

3. The document appears to be a forged document (i.e. does not appear to be authentic).

The PHA should explain to the tenant, the reason(s) the submitted documents are not acceptable and request the tenant to provide additional documentation. If at any time, the tenant is unable to provide acceptable documentation that the PHA deems necessary to complete the income determination process, the PHA is required to submit a traditional third party verification form to the third party source for completion and submission to the PHA.

If the third party source does not respond to the PHA's request for information, the PHA is required to document the tenant file of its attempt to obtain third party verification and that no response to the third party verification request was received.

The PHA should then pursue lower level verifications in accordance with the verification hierarchy listed in section 8 of this notice.

16. **Tenant Repayment Agreement.** Tenants are required to reimburse the PHA if they were charged less rent than required by HUD's rent formula due to the tenant's underreporting or failure to report income. The tenant is required to reimburse the PHA for the difference between the tenant rent that should have been paid and the tenant rent that was charged. This rent underpayment is commonly referred to as retroactive rent. If the tenant refuses to enter into a repayment agreement or fails to make payments on an existing or new repayment agreement, the PHA **must** terminate the family's tenancy or assistance, or both. HUD does **not** authorize any PHA-sponsored amnesty or debt forgiveness programs.

All repayment agreements must be in writing, dated, signed by both the tenant and the PHA, include the total retroactive rent amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. At a minimum, repayment agreements must contain the following provisions:

- a. Reference to the paragraphs in the Public Housing lease or Section 8 information packet whereby the tenant is in non-compliance and may be subject to termination of tenancy or assistance, or both.
- b. The monthly retroactive rent repayment amount is in addition to the family's regular rent contribution and is payable to the PHA.
- c. The terms of the agreement may be renegotiated if there is a decrease or increase in the family's income.
- d. Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance.

PHAs are required to determine retroactive rent amount as far back as the PHA has documentation of family reported income. For example, if the PHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, the PHA is only able determine retroactive rent for the three years for which documentation is available.

The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income. However, PHAs have the discretion to establish thresholds and policies for repayment agreements in addition to HUD required procedures.

**Example:**

- Family's monthly adjusted income is \$1,230.
- Family's monthly rent payment is \$369 (30% of the family's monthly adjusted income).
- 40% of the family's monthly adjusted income is \$492.
- The monthly payment for the repayment agreement should not exceed \$123 per month (\$369 monthly rent + \$123 repayment = \$492, 40% of the family's monthly adjusted income.)

**Repayment Time Period.** The period in which the retroactive rent balance will be repaid is based on the monthly payments and original retroactive balance.

**Example:** The tenant agrees to repay \$1,000, by making a monthly payment of \$25 for 40 months.

**Repayment Options.** Tenants have the option to repay the retroactive rent balance as follows:

1. In a lump sum payment; or
2. Monthly installment; or
3. A combination of 1 and 2, above
  - a. For example, a tenant may owe \$1,000, make a lump sum payment of \$300 and enter into a repayment agreement for the remaining balance of \$700.

**17. How long should the PHA maintain EIV printouts in a tenant file?** The PHA's record retention policy will determine the length of time the PHA should maintain EIV printouts in a tenant file. PHAs are authorized to maintain the EIV Income Report in the tenant file for the duration of tenancy and no longer than three years from the end of participation (EOP) date. In accordance with revised regulation, 24 CFR §908.101, PHAs are required to maintain at a minimum, the last three years of the form HUD-50058, and supporting documentation for all annual and interim reexaminations of family income. All records are to be maintained for a period of at least three years from the effective date of the action.

**18. Disclosure of an Individual's EIV Information.** The Federal Privacy Act (5 USC §552a, as amended) prohibits the disclosure of an individual's information to another person without the written consent of such individual. As such, the EIV data of an adult household member may not be shared (or a copy provided or displayed) with another adult household member, unless the individual has provided written consent to disclose such information.

However, the PHA is not prohibited from discussing with the head of household (HOH) and showing the HOH how the household's income and rent were determined based on the total family income reported and verified.

EIV information and any other information obtained by the PHA for the purpose of determining eligibility and level of assistance for a PIH rental assistance program may not be disclosed to third parties for any reason (even for similar verifications under other programs, such as eligibility for low income housing tax credit units, other federal or state assistance programs), unless the tenant has authorized such disclosure in writing.

**19. What to do if the EIV Information is incorrect.**

Sometimes the source or originator of EIV information may make an error when submitting or reporting information about tenants. HUD cannot correct data in the EIV system. Only the originator of the data can correct the information. When the originator corrects the data, HUD will obtain the updated information with its next computer matching process. Below are the procedures tenants and PHAs should follow regarding incorrect EIV information.

***Employment and wage information*** reported in EIV originates from the employer. The employer reports this information to the local State Workforce Agency (SWA), who in turn, reports the information to HHS' National Directory of New Hires (NDNH) database.

If the tenant disputes this information, s/he should contact the employer directly, in writing to dispute the employment and/or wage information, and request that the employer correct erroneous information.

The tenant should provide the PHA with this written correspondence so that it may be maintained in the tenant file. If employer resolution is not possible, the tenant should contact the local SWA for assistance.

***Unemployment benefit information*** reported in EIV originates from the local SWA. If the tenant disputes this information, s/he should contact the SWA directly, in writing to dispute the unemployment benefit information, and request that the SWA correct erroneous information. The tenant should provide the PHA with this written correspondence so that it may be maintained in the tenant file.

***SS and SSI benefit information*** reported in EIV originates from the SSA. If the tenant disputes this information, s/he should contact the SSA at (800) 772-1213, or visit the local SSA office. SSA office information is available in the government pages of the local telephone directory or online at <http://www.socialsecurity.gov>.

**Note:** The tenant may also provide the PHA with third party documents which are in the tenant's possession to support their dispute of EIV information. The PHA, with the tenant's consent, is required to submit a third party verification form to third party sources for completion and submission to the PHA, when the tenant disputes EIV information and is unable to provide documentation to validate the disputed information. The tenant's failure to sign the consent form is grounds for termination of tenancy and/or assistance in accordance with 24 CFR §5.232.

***Debts owed to PHAs and termination information*** reported in EIV originates from the PHA. If a current or former tenant disputes this information, s/he should contact the PHA (who reported the information) directly in writing to dispute this information and provide any documentation that supports the dispute. If the PHA determines that the disputed information is incorrect, the PHA will update or delete the record from EIV. Former tenants may dispute debt and termination information for a period of up to three years from the end of participation date in the PIH program.

***Identity Theft.*** Seemingly incorrect information in EIV may be a sign of identity theft. Sometimes someone else may use an individual's SSN, either on purpose or by accident. SSA does not require an individual to report a lost or stolen SSN card, and reporting a lost or stolen SSN card to SSA will not prevent the misuse of an individual's SSN. However, a person using an individual's SSN can get other personal information about that individual and apply for credit in that individual's name. So, if the tenant suspects someone is using his/her SSN, s/he should check their Social Security records to ensure their records are correct (call SSA at (800) 772-1213); file an identity theft complaint with the local police department and/or Federal Trade Commission (call FTC at (877) 438-4338, or visit their website at: <http://www.ftc.gov/bcp/edu/microsites/idtheft/>); and s/he should also monitor their credit reports with the three national credit reporting agencies (Equifax, TransUnion, and Experian). The tenant should provide the PHA written documentation of filed identity theft complaint. (Refer back to paragraph on Employment and wage information regarding disputed EIV information related to identity theft).

Tenants may request their credit report and place a fraud alert on their credit report with the three national credit reporting agencies at: [www.annualcreditreport.com](http://www.annualcreditreport.com) or by contacting the credit reporting agency directly. Each agency's contact information is listed below.

#### **National Credit Reporting Agencies Contact Information**

Equifax Credit Information Services, Inc.  
P.O. Box 740241  
Atlanta, GA 30374  
Website: [www.equifax.com](http://www.equifax.com)  
Telephone: (800) 685-1111

Experian  
P.O. Box 2104  
Allen, TX 75013  
Website: [www.experian.com](http://www.experian.com)  
Telephone (888) 397-3742

TransUnion  
P.O. Box 6790  
Fullerton, CA 92834  
Website: [www.transunion.com](http://www.transunion.com)  
Telephone: (800) 680-7289 or (800) 888-4213

20. **Security of EIV Data.** The data in EIV contains personal information on individual tenants which is protected under the Federal Privacy Act. The information in EIV may only be used for limited official purposes, as noted below.

**A. Official Purposes Include:**

1. PHAs, in connection with the administration of PIH programs, for verifying the employment and income at the time of interim and annual reexaminations.
2. HUD staff for monitoring and oversight of PHA compliance with HUD program requirements.
3. Independent Auditors hired by the PHA or HUD to perform a financial audit for use in determining the PHA's compliance with HUD program requirements, including verifying income and determining the accuracy of the rent and subsidy calculations.

**Restrictions on disclosure requirements for Independent Auditors:**

- (a) May only access EIV income information within family files and only within the offices of the PHA or PHA-hired management agent;
- (b) May not transmit or transport EIV income information in any form;
- (c) May not enter EIV income information on any portable media;
- (d) Must sign non-disclosure oaths that the EIV income information will be used only for the purpose of the audit; and
- (e) May not duplicate EIV income information or re-disclose EIV income information to any user not authorized by Section 435(j)(7) of the Social Security Act to have access to the EIV income data.

**B. Official Purposes Does NOT Include:**

1. Sharing the information with governmental or private entities not involved in the reexamination process specifically used for PIH rental assistance programs.

Disclosing the EIV information to other private or public entities for purposes other than determining eligibility and level of assistance for PIH rental assistance programs is prohibited since these entities are not a party to the computer matching agreements with the HHS and SSA. The fact that these entities may find the EIV beneficial for similar eligibility and determination purposes for other low-income housing programs or public benefits, does not permit these entities to use or view information in the EIV system that is covered by the computer matching agreements.

The computer matching agreements are governed by the Privacy Act and the Social Security Act. Specifically, sections 453(j)(7)(E)(ii) and (iv) of the Social Security Act (42 USC §653j) limit disclosure of the data matched between HUD and HHS' National Directory of New Hires (NDNH) database to PHAs, Independent Auditors, the Inspector General (IG) and Attorney General, private owners, management agents, and contract administrators of Multifamily Housing programs.

**C. Penalties for Willful Disclosure or Inspection of EIV Data.**

1. **Unauthorized Disclosure** – felony conviction and fine up to \$5,000 or imprisonment up to five (5) years, as well as civil damages.
2. **Unauthorized Inspection** – misdemeanor penalty of up to \$1,000 and/or one (1) year imprisonment, as well as civil damages.

21. **Penalties for Noncompliance with Mandated EIV System Use.** PHAs may be subject to sanctions and/or the assessment of disallowed costs associated with any resulting incorrect subsidy or tenant rent calculation or both. It should be noted that HUD may impose a sanction on any PHA who does not have access to the EIV system or the PHA has access to the system, however, has not used the system within the last six months. To avoid sanctions or disallowed costs, PHAs should follow all formal and informal guidance provided to PHAs via webcast trainings, PIH Rental Housing Integrity Improvement Project (RHIP) periodic electronic mailings, and any other HUD Headquarters'-generated guidance.

**EIV System Tip Sheets (ETS).** PHAs are required to comply with guidance provided via ETS and HUD Headquarters-sponsored EIV training, via webcast and satellite. PIH will also post ETS to the PIH RHIP technical assistance web pages at: <http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>, and send via email to all subscribers of the PIH RHIP mailing list. ETS is designed to explain effective use of the EIV system to ensure PHAs' compliance with the third party verification requirements and reduce administrative and subsidy payment errors, so that PHAs may avoid penalties for failure to use the EIV system in its entirety.

22. **EIV System Training Information.** As a condition of initial and continued access to the EIV System, HUD and PHA staff are required to complete Annual Security Awareness training and EIV system training (initial (complete system training) and update (interim system changes) training) when offered by HUD Headquarters (HHQ). This training requirement also applies to those individuals who will not access EIV, but will view or handle printed and/or electronic EIV data. Individuals who will view and/or handle printed EIV information are required to complete only annual Security Awareness training (EIV system training is optional for these individuals). EIV training provided by third parties (other than HUD Headquarters) does not fulfill the mandatory EIV training requirement.

HHQ offers training in Washington, DC and via webcast at least once a year. EIV system users who need to complete EIV training may view EIV training webcasts at: <http://www.hud.gov/webcasts/archives/iv.cfm>. HUD offers a *Certificate of Completion* for a period of six months following the broadcast date, for those who desire confirmation of completed training.

However, it should be noted that a certificate is not required in order for an individual to be granted access to the EIV system or be certified for continued EIV system access. The most recent PIH RHIIP/EIV training was held on January 28, 2010. EIV system users may request a *Certificate of Completion* for this training through October 30, 2010.

Training information is posted at the following websites:

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm> and is emailed to all subscribers of the PIH RHIIP mailing list. To subscribe to this mailing list, paste the following URL into your browser, enter your email address, and click OK:

<http://www.hud.gov/subscribe/signup.cfm?listname=Public%20and%20Indian%20Housing%20Rental%20Housing%20Integrity%20Improvement%20Project&list=PIH-RHIIP-L>

Instructions for requesting a *Certificate of Completion* is posted at

<http://www.hud.gov/webcasts/archives/iv.cfm> or

<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>, and is automatically emailed to all subscribers of the PIH RHIIP mailing list.

EIV system users must complete HHQ-offered training as follows:

<b>Training Offered</b>	<b>Training Must be Completed By</b>
October 1 <sup>st</sup> – March 31 <sup>st</sup>	April 29 <sup>th</sup>
April 1 <sup>st</sup> – September 30 <sup>th</sup>	October 30 <sup>th</sup>

New employees, who begin employment after March 31<sup>st</sup>, are required to complete the training by October 30<sup>th</sup>.

New employees, who begin employment after September 30<sup>th</sup>, are required to complete the training by April 29<sup>th</sup>, of the following year.

**Note:** Employees must complete the training **prior** to accessing the EIV system and/or printed EIV reports.

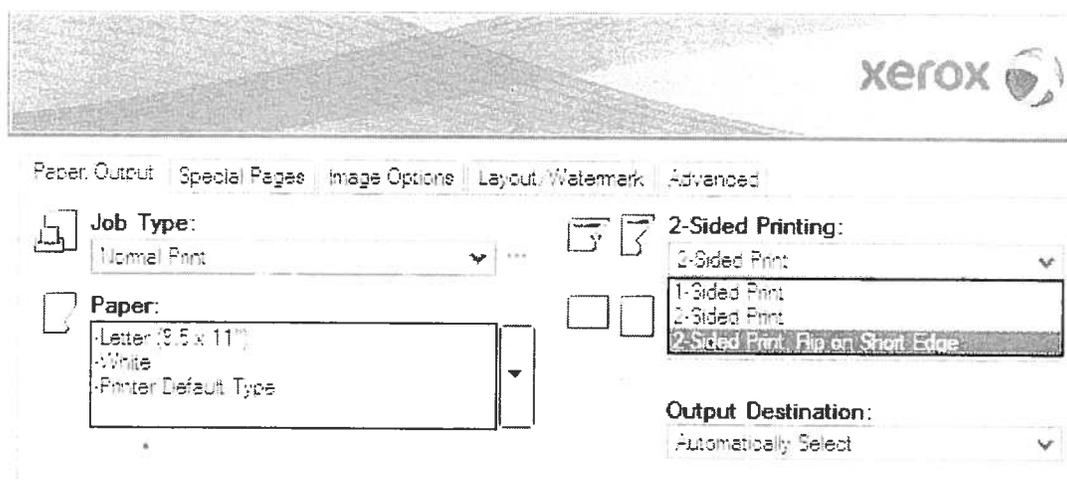
23. **Updating of PHA Policies and Procedures.** PHAs are required to immediately implement all new and modified regulatory requirements of the *Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*.

The Department recognizes that many PHAs have already begun to modify existing policies and procedures to reflect use of EIV during all mandatory annual and interim reexams. PHAs should immediately update their policies and procedures to reflect these new regulatory provisions.

24. **Notice to Applicants and Tenants.** PIH is providing PHAs with the attached EIV system information guide that PHAs may provide to applicants and tenants of PIH rental assistance programs. PHAs are **not** required to distribute this document. However, PHAs are strongly encouraged to provide applicants and tenants with the *What You Should Know About EIV Guide* to educate families about EIV and inform them of how it affects their family.

There are two versions of the document: 1) with a signature block; and 2) without a signature block. HUD does not require applicants or tenants to acknowledge receipt of the document; however, PHAs may, at their discretion, require the family to acknowledge receipt of the guide. If your PHA will require families to acknowledge receipt of the guide, provide the family with a copy of the guide to take with them, and maintain a signed copy in the family file folder.

The guide is a two page document or one double-side printed document. To print the file on one page (if your printer has two-sided printing capability), select **Print Properties** when printing the document, select **2-Sided Print, Flip on Short Edge**, and then print. This document is not available for ordering from HUD. Simply click and print the guide.



Currently, the guide is only available in English, however, in the future; HUD may make this document available in other languages. As a subscriber to the PIH RHIIP mailing list, you will automatically receive the guide in other languages, when they become available.

**Tip:** Print on color paper to add a little flare!

25. **Rental Housing Integrity Improvement Project (RHIP)/EIV Resources.** For your convenience, PIH EIV information is available on the web at the below listed URLs. Many of your questions can be answered by viewing information that is posted on the HUD web pages. Bookmark these pages:

**Overview of Upfront Income Verification (UIV) Technique:**  
<http://www.hud.gov/offices/pih/programs/ph/rhiip/uiv.cfm>

**Training and Technical Assistance (including webcast training materials):**  
<http://www.hud.gov/offices/pih/programs/ph/rhiip/training.cfm>

**EIV System, Access Authorization Form, and User Manuals:**  
<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivsystem.cfm>

**Subscribe to PIH RHIIP Mailing list:**

**<http://www.hud.gov/subscribe/signup.cfm?listname=Public%20and%20Indian%20Housing%20Rental%20Housing%20Integrity%20Improvement%20Project&list=PIH-RHIIP-L>**

**PIH EIV Webcasts Archives:**

**<http://portal.hud.gov/portal/page/portal/HUD/webcasts/archives/iv>**

**Latest EIV News: <http://www.hud.gov/offices/pih/programs/ph/rhiip/uivnewsflash.cfm>**

**Income Discrepancy Resolution:**

**<http://www.hud.gov/offices/pih/programs/ph/rhiip/indisres.cfm>**

**Public Notices: <http://www.hud.gov/offices/pih/programs/ph/rhiip/pubnotices.cfm>**

**Report Fraud, Waste & Abuse to HUD OIG:**

**<http://www.hud.gov/offices/pih/programs/ph/rhiip/uivreporting.cfm>**

**PIH Notices: <http://www.hud.gov/offices/pih/publications/notices/>**

26. **Paperwork Reduction:** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB under the Paperwork Reduction Act of 1995 (44 USC §3520) and assigned OMB control number(s) 2577-0083 and 2577-0266. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.
27. **For inquiries about this Notice contact:** the designated EIV Coordinator in the local HUD field office or Nicole Faison of HUD Headquarters' Office of Public and Indian Housing at (202) 475-7949, or via email at [PIH.RHIIP.TA@HUD.GOV](mailto:PIH.RHIIP.TA@HUD.GOV).

/s/

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

**Attachments:**

1. *What You Should Know About EIV Guide* (with signature block)
2. *What You Should Know About EIV Guide* (without signature block)



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

**Special Attention of:**

Public Housing and Section 8 Program Administrators,  
Public Housing Hub Office Directors; Public Housing  
Field Office Directors; Program Center Coordinators;  
Resident Management Corporations; Resident Councils;  
Applicants and Participants of Public Housing, Housing  
Choice Voucher and Project-Based Voucher Programs

**Notice PIH 2011-25 (HA)**

Issued: May 30, 2011

Expires: May 31, 2012

Cross References: 24 CFR §5.233,  
24 CFR §5.236, 24 CFR §908.101,  
and PIH Notice 2010-19

**SUBJECT: Extension: Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System**

1. **Extension:** This notice extends notice PIH-2010-19(HA), same subject, for another year until May 31, 2012.
2. **Purpose:** This notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's EIV system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the Final Rule: *Refinement of Income and Rent Determinations in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published in the Federal Register (FR) at 74 FR 68924, on December 29, 2009.
3. **For inquiries about this notice contact:** your local HUD field office or Nicole Faison of HUD Headquarters' Office of Public and Indian Housing, Real Estate Assessment Center via email at [PIH.RHIIP.TA@HUD.GOV](mailto:PIH.RHIIP.TA@HUD.GOV).
4. **Paperwork Reduction:** The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB control number(s) 2577-0083, 2577-0266, and 2577-0267. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

/s/

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



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

**Special Attention of:**

Public Housing and Section 8 Program Administrators,  
Public Housing Hub Office Directors; Public Housing  
Field Office Directors; Program Center Coordinators;  
Resident Management Corporations; Resident Councils;  
Applicants and Participants of Public Housing, Housing  
Choice Voucher and Project-Based Voucher Programs

**Notice PIH 2012-26 (HA)**

Issued: June 1, 2012

Expires: May 31, 2013

Cross References: 24 CFR §5.233,  
24 CFR §5.236, 24 CFR §908.101,  
PIH Notice 2010-19 and PIH Notice  
2011-25

**SUBJECT: Extension: Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System**

1. **Extension:** This notice extends notice PIH-2010-19(HA), which was extended under notice PIH-2011-25, same subject, for another year until May 31, 2013.
2. **Purpose:** This notice provides Public Housing Agencies (PHAs) with administrative guidance related to the mandated use of HUD's EIV system, as required in accordance with the new HUD regulation, 24 CFR §5.233, as issued in the Final Rule: *Refinement of Income and Rent Determinations in Public and Assisted Housing Programs: Implementation of the Enterprise Income Verification System-Amendments*, effective January 31, 2010, as published in the Federal Register (FR) at 74 FR 68924, on December 29, 2009.
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Sandra B. Henriquez, Assistant Secretary  
for Public and Indian Housing

## ATTACHMENT D

### Chapter 7

#### VERIFICATION

[24 CFR 960.259, 24 CFR 5.230]

#### INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in PIH Notice [2004-01-Verification-Guidance] 2010 – 19 (HA) Administrative Guidance for Effective and Mandated Use of the EIV System (extended by PIH Notices 2011-25 and 2012-26) and any subsequent [guidance] mandatory changes or extensions issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

#### PART I. GENERAL VERIFICATION REQUIREMENTS

##### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information.

##### Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

## Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## 7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

The PHA will follow the verification guidance provided by HUD in PIH Notice 2010-19 and any subsequent guidance issued by HUD.

### Implementation of the Enterprise Income Verification (EIV) System

PHAs must use all features of the EIV system to:

- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
- b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

### HUD's Verification Hierarchy

HUD authorizes the PHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

#### PHA Policy

In order of priority, the forms of verification that the PHA will use are:

Up-front Income Verification (UIV) whenever available

Third-party Written Verification

Third-party Oral Verification

Review of Documents

Self-Certification

HUD recommends PHAs to begin with the highest level of verification techniques. HUD requires PHAs to access the EIV system and obtain an Income Report for each household and maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, HUD recommends that the PHA attempt the next lower level verification technique, as noted in the below chart.

## PHA Policy

The PHA will use the forms of verification as required or recommended by HUD as follows:

The PHA must begin with the highest level of verification techniques.

The PHA must access the EIV system and obtain an Income Report for each household. The PHA must maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA will attempt the next lower level verification technique, as noted in the below chart.

<u>Level</u>	<u>Verification</u>	<u>Technique Ranking</u>
<u>6</u>	<u>Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System</u>	<u>Highest (Mandatory)</u>
<u>5</u>	<u>Upfront Income Verification (UIV) using non-HUD system</u>	<u>Highest (Optional)</u>
<u>4</u>	<u>Written Third Party Verification</u>	<u>High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV reported employment and income information and is unable to provide acceptable documentation to support dispute)</u>
<u>3</u>	<u>Written 3rd Party Verification</u>	<u>Medium-Low (Mandatory if written third party Verification Form verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)</u>
<u>2</u>	<u>Oral Third Party Verification</u>	<u>Low (Mandatory if written third party verification is not available)</u>

**1 Tenant Declaration Low (Use as a last resort when unable to obtain any type of third party verification)**

Note: This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

Each of the verification methods is discussed in subsequent sections below. [Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.]

**Requirements for Acceptable Documents**

PHA Policy

Any documents used for verification must be the original (not photocopies)[.] and must be dated within 60 calendar days preceding the agency's request date. [For applicants, verifications may not be more than ninety (90) days old at the time of a unit offer.] For applicants and participants, they are valid for one hundred twenty (120) days from date of receipt. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any [~~family self-certifications~~] tenant declaration must be made in a format acceptable to the PHA and must be signed in the presence of a [~~PHA representative or PHA~~] notary public.

**File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## **7-I.C. [UP-FRONT INCOME VERIFICATION (UIV)] VERIFICATION TECHNIQUES**

[Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.]

### **Verification Technique Definitions**

#### **Third Party Verification Techniques**

**Upfront Income Verification (UIV) (Level 6/5):** UIV is the verification of income before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a number of individuals.

The EIV system is available to all PHAs as a UIV technique. In addition, PHAs are encouraged to continue using other non-HUD UIV tools, such as The Work Number (an automated verification system) and state government databases, to validate tenant-reported income.

#### PHA Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system (when it is available to the PHA)

The Work Number

Hawaii Automated Welfare Information (HAWI)

The PHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

### **Use of HUD's Enterprise Income Verification (EIV) System**

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the PHA to use the EIV system when available. The following policies will apply when the PHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and "exceeds threshold" reports.

### ***Tenant Income Data (TID) Reports***

The data shown on TID reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

#### PHA Policy

The PHA will obtain TID reports for annual reexaminations. Reports will be generated as part of the regular reexamination process.

All earned income will be verified by third party verification in order to project annual income. If unable to verify directly with the third party, the verification hierarchy will be followed pursuant to 7-I.B.

TID reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits.

TID reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through TID reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***Income Discrepancy Reports (IDRs)***

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

#### PHA Policy

The PHA will generate and review IDRs on a monthly basis. The IDR threshold percentage will be set at 100% each month.

In reviewing IDRs, the PHA will begin with the largest discrepancies.

When the PHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "invalid" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the PHA will request third-party written verification of the income in question.

When the PHA determines through IDR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

## ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

### PHA Policy

The PHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The PHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

PHA will inform tenant in writing to correct discrepancy with SSA records.

**Written Third Party Verification (Level 4):** Written Third Party Verification is an original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. HUD accepts such tenant-provided documents as written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations. The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, HUD recommends the PHA to project income based on the information from a traditional written third party verification form or the best available information.

**Note:** Documents older than 60 days (from the PHA interview/determination or request date) are acceptable for confirming effective dates of income.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification, Written Third Party Verification Form is a standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email. HUD acknowledges that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

HUD recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information.

HUD requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. HUD recommends PHA staff to document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information.

This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

### **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant declaration is a submission of an affidavit or notarized statement of reported income and/or expenses to the PHA. HUD recommends that this verification method be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

#### **PHA Policy**

The tenant declaration must be made in a format acceptable to the PHA, signed by the family member whose information or status is being verified, and be signed in the presence of a notary public.

### **Exceptions to Third Party Verification Requirements**

HUD requires PHAs to obtain and document in the family file third party verification of certain factors, or to document in the file why third party verification was not available." (24 C.F.R. §960.259(c)(1) and §982.516(a)(2)) However, in situations where third party verification is not available for a variety of reasons even after making numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal, the PHA is required to document in the family file the reason(s) why third party verification was not available. The factors that this requirement applies to are: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other

factors that affect the determination of adjusted income. (24 C.F.R. §960.259(c)(1) and §982.516(a)(2).

## **7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

### **Reasonable Effort and Timing**

Unless third-party verification is not required as described below, HUD requires the PHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

#### PHA Policy

The PHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The PHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The PHA will send a written request for verification to each required source and allow the source 10 calendar days to respond in writing. If a response has not been received by the due date specified, the PHA will request third-party verification, which may be oral.

The PHA will make a minimum of two documented attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

### **When Third-Party Information is Late**

[When] In situations where third-party verification has been requested and the timeframes for submission have been exceeded, the PHA will use the [information from documents] next form of verification available on a provisional basis. If the PHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the PHA will conduct a correction to the reexamination to adjust the figures used for the reexamination[-] if the difference in amount is over \$200 or is for a new income source.

### **When Third-Party Verification is Not Required**

#### ***Primary Documents***

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

### ***Certain Assets***

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The PHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

#### PHA Policy

For any family declaring assets valued at \$5,000 or less the PHA will accept both the value of the assets and the amount the assets are expected to produce from the Family Annual/Update Report form, when this method is allowed by HUD. No other documentation or verification is required by the family or the PHA. The HPHA's application and reexamination documentation, which is signed by all adult family members, will serve as the declaration.

### ***Certain Income, Asset and Expense Sources***

The PHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the PHA will rely upon review of documents when the PHA determines that a third party's privacy rules prohibit the source from disclosing information.

#### PHA Policy

The PHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective. The cost of verification will not be passed on to the family. To determine the cost effectiveness, the actual administrative cost must be greater than the asset income. You will be allowed to use the documents provided by the applicant/tenant. However, if the prospective asset income is greater than the administrative cost, you must secure third party asset verification. Actual administrative cost is determined by the cost to do business, plus the cost or service fee the institution charges our agency. In determining the base administrative cost, it has been determined that it will cost HPHA \$22.00 in employee time and miscellaneous expenses. The following has been used to determine this number:

Base Administrative Cost (BAC) has been determined by:

Time for process:	1 hour
Employee wages:	\$15.00
Mileage cost:	<u>\$7.00</u>

Base Administrative Cost: \$22.00

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

#### **7-I.E. REVIEW OF DOCUMENTS**

##### **Using Review of Documents as Verification**

###### **PHA Policy**

If the PHA has determined that third-party verification is not available or not required, the PHA will use documents provided by the family as verification.

The PHA may also review documents when necessary to help clarify information provided by third parties. In such cases the PHA will document in the file how the PHA arrived at a final conclusion about the income or expense to include in its calculations.

#### **7-I.F. SELF-CERTIFICATION**

###### **PHA Policy**

When information cannot be verified by a third party or by review of documents, (this includes termination of source of income) family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.]

#### **7.I.E. THIRD PARTY VERIFICATION REQUIREMENTS**

For employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV, the PHA can:

- a. Review the EIV Income Report to confirm/validate tenant-reported income; and
- b. Print and maintain an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
- c. Obtain current acceptable tenant-provided documentation to supplement EIV information; and
- d. Use current tenant-provided documentation and/or third party verification to calculate annual income.

The PHA may rely on acceptable documents that are generated by a third party, but provided by the tenant, such as those derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

Written third party verification is required under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
- b. When the PHA requires additional information that is not available in EIV and /or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

### Required file documentation

- A. For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:
  - i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- B. For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:
  - i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- C. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
  - i. ICN Page when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
  - ii. EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
- D. For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:
  - i. No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and if necessary (as determined by the PHA), traditional third party verification form(s).
  - ii. Disputed EIV Information: EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.

iii. Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and if necessary (as determined by the PHA), traditional third party verification form(s).

## ATTACHMENT E

### Chapter 7

#### VERIFICATION

[24 CFR 960.259, 24 CFR 5.230]

#### INTRODUCTION

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in PIH Notice [2004-01-Verification-Guidance] 2010-19 (HA) Administrative Guidance for Effective and Mandated Use of the EIV System (extended by PIH Notices 2011-25 and 2012-26) and any subsequent [guidance] mandatory changes or extensions issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

#### PART I. GENERAL VERIFICATION REQUIREMENTS

##### 7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230]

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information.

##### Consent Forms

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

## **Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## **7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS**

The PHA will follow the verification guidance provided by HUD in PIH Notice 2010-19 and any subsequent guidance issued by HUD.

### **Implementation of the Enterprise Income Verification (EIV) System**

PHAs must use all features of the EIV system to:

- a. Verify tenant employment and income information during mandatory reexaminations of family composition and income in accordance with 24 CFR §5.236, and HUD administrative guidance; and
- b. Reduce administrative and subsidy payment errors in accordance with HUD administrative guidance.

### **HUD's Verification Hierarchy**

HUD authorizes the PHA to use five methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

#### **[PHA Policy**

In order of priority, the forms of verification that the PHA will use are:

Up-front Income Verification (UIV) whenever available

Third-party Written Verification

Third-party Oral Verification

Review of Documents

Self-Certification]

HUD recommends PHAs to begin with the highest level of verification techniques. HUD requires PHAs to access the EIV system and obtain an Income Report for each household and maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, HUD recommends that the PHA attempt the next lower level verification technique, as noted in the below chart.

## PHA Policy

The PHA will use the forms of verification as required or recommended by HUD as follows:

The PHA must begin with the highest level of verification techniques.

The PHA must access the EIV system and obtain an Income Report for each household. The PHA must maintain the Income Report in the tenant file along with the form HUD-50058 and other supporting documentation to support income and rent determinations for all mandatory annual reexaminations of family income and composition.

If the Income Report does not contain any employment and income information for the family, the PHA will attempt the next lower level verification technique, as noted in the below chart.

### Level Verification Technique Ranking

<u>6</u>	<u>Upfront Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System</u>	<u>Highest (Mandatory)</u>
<u>5</u>	<u>Upfront Income Verification (UIV) using non-HUD system</u>	<u>Highest (Optional)</u>
<u>4</u>	<u>Written Third Party Verification</u>	<u>High (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when tenant disputes EIV reported employment and income information and is unable to provide acceptable documentation to support dispute)</u>
<u>3</u>	<u>Written 3rd Party Verification</u>	<u>Medium-Low (Mandatory if written third party verification documents are not available or rejected by the PHA; and when the applicant or tenant is unable to provide acceptable documentation)</u>
<u>2</u>	<u>Oral Third Party Verification</u>	<u>Low (Mandatory if written third party verification is not available)</u>
<u>1</u>	<u>Tenant Declaration</u>	<u>Low (Use as a last resort when unable to obtain any type of third party verification)</u>

Note: This verification hierarchy applies to income determinations for applicants and participants. However, EIV is not available for verifying income of applicants.

Each of the verification methods is discussed in subsequent sections below. [~~Exhibit 7-1 at the end of the chapter contains an excerpt from the notice that provides guidance with respect to how each method may be used.~~]

## **Requirements for Acceptable Documents**

### PHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 calendar days [~~of the date they are provided to the PHA]~~ preceding the agency's request date. For applicants and participants, verifications may not be more than one hundred twenty (120) days from date of receipt. The documents must not be damaged, altered or in any way illegible.

The PHA will accept documents dated up to 6 months before the effective date of the family's reexamination if the document represents the most recent scheduled report from a source. For example, if the holder of a pension annuity provides semi-annual reports, the PHA would accept the most recent report.

Print-outs from web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any [~~family self-certifications]~~ tenant declaration must be made in a format acceptable to the PHA and must be signed in the presence of a [~~PHA representative or PHA]~~ notary public.

## **File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

## **7-I.C. [UP-FRONT INCOME VERIFICATION (UIV)] VERIFICATION TECHNIQUES**

~~[Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.]~~

### PHA Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system (when it is available to the PHA)

The Work Number

Hawaii Automated Welfare Information (HAWI)

The PHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

### **Use of HUD's Enterprise Income Verification (EIV) System**

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the PHA to use the EIV system when available. The following policies will apply when the PHA has access to HUD's EIV system.

The EIV system contains two main components: tenant income data reports and "exceeds threshold" reports.

### ***Tenant Income Data (TID) Reports***

The data shown on TID reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

### PHA Policy

The PHA will obtain TID reports for annual reexaminations. Reports will be generated as part of the regular reexamination process.

All earned income will be verified by third party verification in order to project annual income. If unable to verify directly with the third party, the verification hierarchy will be followed pursuant to 7-I.B.

TID reports will be used in interim reexaminations when it is necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits.

TID reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through TID reports and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***Income Discrepancy Reports (IDRs)***

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

#### PHA Policy

The PHA will generate and review IDRs on a monthly basis. The ETR threshold percentage will be set at 100% each month.

In reviewing IDRs, the PHA will begin with the largest discrepancies.

When the PHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "invalid" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or annual reexamination has been completed.

When it appears that a family may have concealed or under-reported income, the PHA will request third-party written verification of the income in question.

When the PHA determines through IDR review and third party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on Social Security number, name, and date of birth.

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

#### PHA Policy

The PHA will identify participants whose identity verification has failed as part of the annual reexamination process.

The PHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

PHA will inform tenant in writing to correct discrepancy with SSA records.

**Written Third Party Verification (Level 4): Written Third Party Verification is an original or authentic document generated by a third party source dated either within the 60-day period preceding the reexamination or PHA request date. Such documentation may be in the possession of the tenant (or applicant), and is commonly referred to as tenant-provided documents. HUD**

accepts such tenant-provided documents as written third party verification since these documents originated from a third party source. The PHA may, at its discretion, reject any tenant-provided documents and follow up directly with the source to obtain necessary verification of information. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices. Current acceptable tenant-provided documents must be used for income and rent determinations. The PHA is required to obtain at a minimum, two current and consecutive pay stubs for determining annual income from wages. For new income sources or when two pay stubs are not available, HUD recommends the PHA to project income based on the information from a traditional written third party verification form or the best available information.

Note: Documents older than 60 days (from the PHA interview/determination or request date) are acceptable for confirming effective dates of income.

**Written Third Party Verification Form (Level 3):** Also, known as traditional third party verification, Written Third Party Verification Form is a standardized form to collect information from a third party source. The form is completed by the third party by hand (in writing or typeset). PHAs send the form directly to the third party source by mail, fax, or email. HUD acknowledges that the administrative burden and risk associated with use of the traditional third party verification form may be reduced by PHAs relying on acceptable documents that are generated by a third party, but in the possession of and provided by the tenant (or applicant). Many documents in the possession of the tenant are derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.). HUD recognizes that third party verification request forms sent to third party sources often are not returned. In other instances, the person who completes the verification form may provide incomplete information; or some tenants may collude with the third party source to provide false information; or the tenant intercepts the form and provides false information. HUD requires PHAs to rely on documents that originate from a third party source's computerized system and/or database, as this process reduces the likelihood of incorrect or falsified information being provided on the third party verification request form. The use of acceptable tenant-provided documents, which originate from a third party source, will improve the integrity of information used to determine a family's income and rent and ultimately reduce improper subsidy payments. This verification process will also streamline the income verification process.

**Oral Third Party Verification (Level 2):** Independent verification of information by contacting the individual income/expense source(s), as identified through the UIV technique or identified by the family, via telephone or in-person visit. HUD recommends PHA staff to document in the tenant file, the date and time of the telephone call (or visit to the third party), the name of the person contacted and telephone number, along with the confirmed information. This verification method is commonly used in the event that the independent source does not respond to the PHA's faxed, mailed, or e-mailed request for information in a reasonable time frame, i.e., ten (10) business days.

## **Non-Third Party Verification Technique**

**Tenant Declaration (Level 1):** The tenant declaration is a submission of an affidavit or notarized statement of reported income and/or expenses to the PHA. HUD recommends that this verification method be used as a last resort when the PHA has not been successful in obtaining information via all other verification techniques. When the PHA relies on tenant declaration, the PHA must document in the tenant file why third party verification was not available.

### **PHA Policy**

The tenant declaration must be made in a format acceptable to the PHA, signed by the family member whose information or status is being verified, and be signed in the presence of a notary public.

## **Exceptions to Third Party Verification Requirements**

HUD requires PHAs to obtain and document in the family file third party verification of certain factors, or to document in the file why third party verification was not available.” (24 C.F.R. §960.259(c)(1) and §982.516(a)(2)) However, in situations where third party verification is not available for a variety of reasons even after making numerous attempts to obtain the required verifications with no success, or it may not be cost effective to obtain third party verification of income, assets, or expenses, when the impact on total tenant payment is minimal, the PHA is required to document in the family file the reason(s) why third party verification was not available. The factors that this requirement applies to are: (i) reported family annual income; (ii) the value of assets; (iii) expenses related to deductions from annual income; and (iv) other factors that affect the determination of adjusted income. (24 C.F.R. §960.259(c)(1) and §982.516(a)(2).

## 7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION

### Reasonable Effort and Timing

Unless third-party verification is not required as described below, HUD requires the PHA to make at least two unsuccessful attempts to obtain third-party verification before using another form of verification [VG, p. 15].

#### PHA Policy

The PHA will diligently seek third-party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information provided in writing by the third party or as independent verification when written third-party verification is not received in a timely fashion.

The PHA may mail, fax, e-mail, or hand deliver third-party written verification requests and will accept third-party responses using any of these methods. The PHA will send a written request for verification to each required source and allow the source 10 calendar days to respond in writing. If a response has not been received by the due date specified, the PHA will request third-party verification, which may be oral.

The PHA will make a minimum of two documented attempts, one of which may be oral, to obtain third-party verification. A record of each attempt to contact the third-party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

### When Third-Party Information is Late

[When] In situations where third-party verification has been requested and the timeframes for submission have been exceeded, the PHA will use the next form of verification available [information from documents] on a provisional basis. If the PHA later receives third-party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the PHA will conduct a correction to the reexamination to adjust the figures used for the reexamination[-] if the difference in amount is over \$200 or is for a new income source.

### When Third-Party Verification is Not Required

#### *Primary Documents*

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

#### *Certain Assets*

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

The PHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [VG, p. 15].

PHA Policy

For any family declaring assets valued at \$5,000 or less the PHA will accept both the value of the assets and the amount the assets are expected to produce from the Family Annual/Update Report form, when this method is allowed by HUD. No other documentation or verification is required by the family or the PHA. The HPHA's application and reexamination documentation, which is signed by all adult family members, will serve as the declaration.

***Certain Income, Asset and Expense Sources***

The PHA will determine that third-party verification is not available when it is known that an income source does not have the ability to provide written or oral third-party verification [VG, p. 15]. For example, the PHA will rely upon review of documents when the PHA determines that a third party's privacy rules prohibit the source from disclosing information.

PHA Policy

The PHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense *and* the family has original documents that provide the necessary information.

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective. The cost of verification will not be passed on to the family. To determine the cost effectiveness, the actual administrative cost must be greater than the asset income. You will be allowed to use the documents provided by the applicant/tenant. However, if the prospective asset income is greater than the administrative cost, you must secure third party asset verification. Actual administrative cost is determined by the cost to do business, plus the cost or service fee the institution charges our agency. In determining the base administrative cost, it has been determined that it will cost HPHA \$22.00 in employee time and miscellaneous expenses. The following has been used to determine this number:

Base Administrative Cost (BAC) has been determined by:

Time for process:	1 hour
Employee wages:	\$15.00
Mileage cost:	<u>\$7.00</u>

Base Administrative Cost: \$22.00

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

## **[7-I.E. REVIEW OF DOCUMENTS**

### **Using Review of Documents as Verification**

#### PHA Policy

If the PHA has determined that third-party verification is not available or not required, the PHA will use documents provided by the family as verification.

The PHA may also review documents when necessary to help clarify information provided by third parties. In such cases the PHA will document in the file how the PHA arrived at a final conclusion about the income or expense to include in its calculations.]

## **7-I.F. SELF-CERTIFICATION**

### **PHA Policy**

When information cannot be verified by a third party or by review of documents, (this includes termination of source of income) family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.]

## **7.I.E. THIRD PARTY VERIFICATION REQUIREMENTS**

For employment, wage, unemployment compensation and social security benefits, and any other information that is verifiable using EIV, the PHA can:

- a. Review the EIV Income Report to confirm/validate tenant-reported income; and
- b. Print and maintain an EIV Income Report (or an EIV Individual Control Number (ICN) page for interim reexaminations as prescribed in Section 12 of this Notice) in the tenant file; and
- c. Obtain current acceptable tenant-provided documentation to supplement EIV information; and
- d. Use current tenant-provided documentation and/or third party verification to calculate annual income.

The PHA may rely on acceptable documents that are generated by a third party, but provided by the tenant, such as those derived from third party sources (i.e. employers, federal, state and/or local agencies, banks, etc.).

Written third party verification is required under the following circumstances:

- a. When the tenant disputes the EIV information and is unable to provide acceptable documentation to support his/her dispute (24 CFR §5.236(b));
- b. When the PHA requires additional information that is not available in EIV and /or the tenant is unable to provide the PHA with current acceptable tenant-provided documentation. Examples of additional information, includes but is not limited to:
  - i. Effective dates of income (i.e. employment, unemployment compensation, or social security benefits)
  - ii. For new employment: pay rate, number of hours worked per week, pay frequency, etc.
  - iii. Confirmation of change in circumstances (i.e. reduced hours, reduced rate of pay, temporary leave of absence, etc.)

## **Required file documentation**

- A. For each new admission (form HUD-50058 action type 1), the PHA is required to do the following:
- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- B. For each historical adjustment (form HUD-50058 action type 14), the PHA is required to do the following:
- i. Review the EIV Income Report to confirm/validate family-reported income within 120 days of the PIC submission date; and
  - ii. Print and maintain a copy of the EIV Income Report in the tenant file; and
  - iii. Resolve any income discrepancy with the family within 60 days of the EIV Income Report date.
- C. For each interim reexamination (form HUD-50058 action type 3) of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i. ICN Page when there is no household income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
  - ii. EIV Income Report when there is an income discrepancy noted on the household's Income Discrepancy Report tab or Income Discrepancy Report.
- D. For each annual reexamination of family income and composition, the PHA is required to have the following documentation in the tenant file:
- i. No Dispute of EIV Information: EIV Income Report, current acceptable tenant-provided documentation, and if necessary (as determined by the PHA), traditional third party verification form(s).
  - ii. Disputed EIV Information: EIV Income report, current acceptable tenant provided documentation, and/or traditional third party verification form(s) for disputed information.
  - iii. Tenant-reported income not verifiable through EIV system: Current tenant-provided documents, and if necessary (as determined by the PHA), traditional third party verification form(s).

**Executive Director's Board Status Report  
March 2013 / April 2013**

**Major Programs**

**A. Public Housing**

- The Property Management Branch's vacancy activity consisted of the following:

	Federal	State	Reason
New Move-ins from the Waitlist	47	8	
Internal Transfers	12	1	10-RRA* 1 - H&S 2 - Other*
Vacancy (tenants who vacated from the program)	30	6	

\*RRA – Request for Reasonable Accommodation  
H&S – Health & Safety (unit deemed uninhabitable due to flooding, loss of electrical power, etc.)

As of March 31, 2013, HPHA has a total of 97 approved RRA tenants statewide (Oahu – 87, Maui – 2, Hilo – 2 and Kauai – 6). These approved internal RRA tenants are waiting for a transfer to a suitable unit.

- Program Progress from January 2013 to the end of March 2013:
  - Overall occupancy increased from 92.94% to 93.68%. HPHA's target occupancy rate is 97%.
  - Non vacated delinquencies were reduced from 1,043 families owing approximately \$578,000 to 864 families owing approximately \$48,443 in back rent.

s/b \$487,443



- Formal Grievance Hearings held:

Oahu – 1 (AMP 40)  
Kona – 1 (AMP 43)  
Maui – 1 (AMP 39)

The Property Management Branch conducted three (3) formal grievance hearing cases due to tenants being in violation of the rental agreement. The violations included drug activities on property, a dog bite and an attempted murder.

- Response to HUD regarding decision on Faircloth Limit for public housing inventory; conducting research and working with the HPHA's legal team to prepare an appeal to recent decision limiting the number of HPHA's units.
- Continue review of amendments/revisions to the Hawaii Administrative Rules for public housing, grievances, and evictions. Determine whether associated changes need to be made in the Admissions and Continued Occupancy Policy.

The AMPs have completed the No Smoking Policy meetings with the tenants. The tenants were asked for their input to identify designated smoking areas on each property. HPHA will continue to work with the DOH to bring cessation programs to the AMPs and to install proper signage.

- Implementing a plan to address backlog of recertifications for the federal public housing program.

## **B. Section 8 Subsidy Programs**

- Voucher lease up update: Staff screened and issued (not leased):
  - 29 veterans with VASH vouchers statewide (issued, vouchers holders are in housing search);
  - 10 Port-In's from other states or neighbor islands (issued);
  - 40 Kuhio Park Terrace applicants (screened);
  - 1 applicant for Palolo Homes (screened); and
  - 0 Housing Choice Vouchers for families from the waitlist.

HPHA is currently assisting 1962 families. Additional voucher Lease up activities have stopped except for the veteran's vouchers due to the effects of sequestration

- 133 inspections were completed by HPHA staff in March 2013.

The program issued \$2,002,207 in housing assistance payments for the month of March 2013. From Oct 2012 to March 2013, HPHA expended 97.2% of funds received.

- HPHA expended 60% of \$50,890 received in the month of March for the State Rent Supplement Program. Rent supplement assistance program is administered by the HPHA on every island. Efforts are being made to increase lease up of rent supplement subsidy on all islands.
- The Family Self Sufficiency (FSS) program assisted 94 Section 8 clients in March 2013. One family graduated from the program and received an escrow disbursement of \$824. Two families increased their income. One case closed/terminated. Fifty six families currently have an escrow account.

- Resolved major issues with the Section 8 Project Based Contract Administration program.

### **C. Construction Management Branch**

For Construction Management Branch Activities, see Program Reports

### **Administrative Services**

#### **A. Compliance Office**

- Resolved 19 tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act.

Requests were approved for:

- a. Transfers to accessible or ground floor units (5);
  - b. Transfer of unit for other reasons (1);
  - c. Installation of air conditioning (0); and
  - d. Service animal (1)
- HPHA continues to work on the filing of Declarations of Trust for all of the federally assisted public housing projects.
  - Continue to administer contract with National Center for Housing Management for HPHA self-evaluation and transition plan, including working with the Construction Management Branch to plan for the construction or retrofit of accessible units.
  - Prepared for the implementation of the revised changes to the HPHA reasonable accommodations policy.
  - Worked with the Department of the Attorney General to review all proposed changes for the Federal Public Housing Program and the Section 8 Housing Choice Voucher Program.
  - Completed certifications for the Five Year and Annual PHA Plan which was submitted to HUD last week. The PHA Plan was due to HUD no later than April 17, 2013.

#### **B. Planning and Evaluation Office (PEO)**

- Conducted/coordinated public hearing on the HPHA's Five Year and Annual Plan at four properties statewide on March 11, 2013 at 6:00 p.m.
- Choice Neighborhoods Task Force Kick-Off Meetings March 12 - 13, 2013. Went very well with numerous community leaders in attendance. The Kuhio Park Community meeting was held on March 14, 2013 estimated 100 people attended to learn more about the Choice Neighborhoods program and how to get involved. The goal is to develop a transformation plan for potential improvements of the Kuhio Homes and Low Rise Units, as well as the

surrounding neighborhood, with the hopes of attaining a \$30 million Choice Neighborhoods Implementation Grant.

Legislative

- Participated in task force meetings
- Refined and submitted legislative proposals for inclusion in administrative package
- Coordinated responses to legislative requests for information and testimony for subject matter committees
- Working with the Governor’s Policy Office on Legislative proposals
- Continue meeting with various Departments and affected organizations on HPHA’s proposed legislations

**C. Fiscal Management Office**

For Fiscal Management Office Activities, see Financial reports.

- Preparation and Submission of the Financial Data Schedules to HUD for the fiscal year ended June 30, 2012. (Report was successfully submitted to HUD and to the federal audit clearinghouse by the March 31<sup>st</sup> due date.)
- Work with the Office of the Executive Director to secure allotment of FY 2013 funds pending release by the Department of Budget and Finance.
- Continue to analyze the fiscal impact of sequestration on HPHA’s Public Housing and Section 8 program and administrative operations.

**D. Contracts and Procurement**

For Solicitations and Contracts Issued in March 2013 see Program Reports.

Central Stores Requisitions/Purchase Orders/pCards Processed:

Type	Mar	Feb	% change	FYTD
Central Stores Requisitions	18	18	0%	179
Purchase Orders	144	81	78%	1,387
pCard (Total)	35	23	52%	302

**E. Information Technology Office**

- Coordinated onsite and remote assistance from Emphasys support to address ongoing issues with Elite Low Income Public Housing (LIPH), Section 8 and Financial modules.

## F. Hearings Office

- 17 Eviction cases heard for March 2013 Continue to prepare findings of fact, conclusions or law, decision and order, and other legal documents.
- Continue to respond to request and inquiries from tenants, associations, HUD, Hawaii Civil Rights Commission, and Legal Aid Society.
- Continue to work with the Department of the Attorney General for evictions from State public housing and cases in the appeal process.

## G. Personnel

Staffing as of March 31, 2013, Full-time Equivalent positions:

Filled positions:	279
Vacant positions:	89
Total FTEs:	368

***As of March 1, 2013 HPHA imposed a temporary hiring freeze as a result of the sequestration by the federal government and OED reviewing and approving on a case to case basis.***

Tenant Aides (19 hours)	13
New Hires:	1
Termination/resigned:	3

Note: 89-day hires (temp) 2

- Personnel Office will contact managers and identify critical positions to fill within their allotted budget for staffing.

### Safety & Worker's Compensation

- No workers compensation injury for March 2013
- Staff attended training on workplace safety at the Human Services Personnel Office/Training Section.

**Federal LIPH  
HPHA Project Overview Report  
March 2013**

Occupancy*								
AMP	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready
30P-Aiea	363	343	15	94.49%	1	1	1	4
31P-KVH	373	336	36	90.08%	2	5	1	1
32P-MWH	364	357	6	98.08%	9	4	3	1
33P-Kam/Kaamanu	373	367	6	98.39%	4	2	1	0
34P-Kalakaua	583	567	12	97.26%	6	6	0	4
35P-Kalanihua	587	581	5	98.98%	3	0	0	1
37P-Hilo	322	289	31	89.75%	8	3	0	2
38P-Kauai	321	290	19	90.34%	11	2	0	10
39P-Maui	196	162	27	82.65%	3	4	0	7
40P-KPT	168	167	1	99.40%	0	0	0	0
43P-Kona	202	197	5	97.52%	2	6	3	0
44P-Leeward Oahu	260	229	30	88.08%	3	7	1	1
45P-Windward Oahu	235	219	5	93.19%	4	1	1	2
46P-Kamuela	103	99	2	96.12%	1	1	1	1
49P-Central Oahu	150	123	23	82.00%	1	0	0	4
50P-Palolo	118	95	23	80.51%	0	0	0	0
<b>Total</b>	<b>4,718</b>	<b>4,421</b>	<b>246</b>	<b>93.70%</b>	<b>58</b>	<b>42</b>	<b>12</b>	<b>38</b>

AMP	Count of Families	Non Vacated Delinquencies**			Collection Rate		
		30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	97	59,760.41	30	45,594.56	\$ 137,412.67	\$ 112,810.84	82.10%
31P-KVH	92	39,553.05	32	12,208.88	\$ 96,618.59	\$ 79,304.89	82.08%
32P-MWH	43	28,991.25	15	18,440.79	\$ 113,902.57	\$ 104,494.65	91.74%
33P-Kam/Kaamanu	54	24,346.43	23	19,500.04	\$ 88,617.56	\$ 79,874.78	90.13%
34P-Kalakaua	43	19,741.98	13	18,686.83	\$ 141,518.00	\$ 134,690.07	95.18%
35P-Kalanihua	34	13,178.59	7	4,503.41	\$ 154,597.09	\$ 149,800.12	96.90%
37P-Hilo	33	11,794.00	6	919.00	\$ 62,905.00	\$ 58,911.78	93.65%
38P-Kauai	42	24,410.17	18	18,705.57	\$ 77,168.00	\$ 66,422.00	86.07%
39P-Maui	31	15,245.64	10	3,841.00	\$ 49,710.67	\$ 45,416.13	91.36%
40P-KPT	34	23,361.45	5	2,045.76	\$ 67,976.00	\$ 58,019.11	85.35%
43P-Kona	29	6,204.00	10	2,708.00	\$ 40,992.68	\$ 36,859.60	89.92%
44P-Leeward Oahu	68	24,003.70	15	12,272.97	\$ 56,910.22	\$ 48,288.89	84.85%
45P-Windward Oahu	22	7,069.00	4	2,568.72	\$ 59,570.80	\$ 56,158.80	94.27%
46P-Kamuela	14	6,302.00	8	3,944.00	\$ 19,911.00	\$ 17,689.00	88.84%
49P-Central Oahu	15	9,614.00	3	2,450.00	\$ 34,900.00	\$ 31,926.34	91.48%
50P-Palolo	9	2,930.00	6	2,548.46	\$ 22,038.00	\$ 21,744.15	98.67%
<b>Total</b>	<b>660</b>	<b>\$ 316,505.67</b>	<b>205</b>	<b>\$ 170,937.99</b>	<b>\$ 1,224,748.85</b>	<b>\$ 1,102,411.15</b>	<b>90.01%</b>

\* Occupancy also counts Scheduled for Modernization Units

\*\* Occupancy reflects removal of KPT Units

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

**Federal LIPH  
HPHA Island Overview Report  
March 2013**

Island	Occupancy *						LIPH and Elderly Waiting List**						
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	627	584	38	93.14%	11	10	4	0	Average Income	42	0.34%	6.23	3.05
Kauai	321	290	20	90.34%	11	2	0	0	Low Income (80%)	143	1.16%	2.77	1.92
Maui	196	162	27	82.65%	3	4	0	0	Very Low Inc. (50%)	930	7.53%	2.83	1.89
Oahu	3,574	3,384	165	94.68%	33	26	8	0	Extremely Low Inc. (30%)	11,233	90.97%	2.55	1.75
<b>Total</b>	<b>4,718</b>	<b>4,420</b>	<b>250</b>	<b>93.68%</b>	<b>58</b>	<b>42</b>	<b>12</b>	<b>0</b>		<b>12,348</b>	<b>100.00%</b>		

Island	Non Vacated Delinquencies***				Collection Rate ****		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	76	\$ 24,300.00	24	\$ 7,571.00	\$ 123,808.68	\$ 113,460.38	91.64%
Kauai	42	\$ 24,410.17	18	\$ 18,705.57	\$ 77,168.00	\$ 66,422.00	86.07%
Maui	31	\$ 15,245.64	10	\$ 3,841.00	\$ 49,710.67	\$ 45,416.13	91.36%
Oahu	510	\$ 252,549.86	153	\$ 140,820.42	\$ 974,061.50	\$ 877,112.64	90.05%
<b>Total</b>	<b>659</b>	<b>\$ 316,505.67</b>	<b>205</b>	<b>\$ 170,937.99</b>	<b>\$ 1,224,748.85</b>	<b>\$ 1,102,411.15</b>	<b>90.01%</b>

\* Occupancy also counts Scheduled for Modernization Units.

\* Occupancy reflects removal of KPT Units.

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

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

\*\*\*\* Lower Collection rate due to mailing label errors.

FEDERAL PUBLIC HOUSING

Occupancy from March 2012 to March 2013

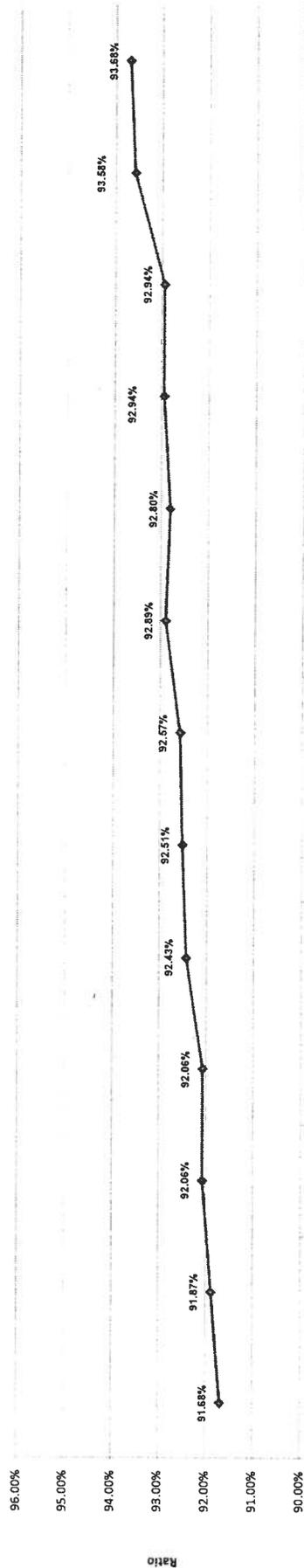
Cumulative (12 Months)	
03/12 - 03/13	
Units	61,077
Tenants	56,589
Ratio	92.62%

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Total Units	Occ Units	Ratio	Total Units	Occ Units	Ratio												
Hawaii	621	533	85.83%	621	536	86.31%	621	541	87.12%	620	534	86.13%	620	546	88.06%			
Kauai	319	272	85.27%	318	277	87.11%	318	274	86.16%	318	275	86.46%	318	274	86.16%			
Maui	196	152	77.55%	196	156	79.59%	196	158	80.61%	196	169	86.22%	196	172	87.76%			
Oahu	3,554	3,343	94.06%	3,553	3,338	93.95%	3,553	3,343	94.09%	3,553	3,354	94.40%	3,553	3,344	94.12%			
<b>Total</b>	<b>4,690</b>	<b>4,300</b>	<b>91.68%</b>	<b>4,688</b>	<b>4,307</b>	<b>91.87%</b>	<b>4,688</b>	<b>4,316</b>	<b>92.06%</b>	<b>4,687</b>	<b>4,332</b>	<b>92.43%</b>	<b>4,687</b>	<b>4,336</b>	<b>92.51%</b>			

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Total Units	Occ Units	Ratio																		
Hawaii	620	551	88.87%	619	564	91.11%	620	571	92.10%	627	576	91.87%	627	577	92.03%	627	587	93.62%	627	584	93.14%
Kauai	315	272	86.35%	315	274	86.98%	321	281	87.54%	321	278	86.60%	321	276	86.00%	321	281	87.54%	321	290	90.34%
Maui	196	176	89.80%	196	175	89.29%	196	172	87.76%	196	170	86.73%	196	167	85.20%	196	165	84.18%	196	162	82.65%
Oahu	3,553	3,337	93.92%	3,553	3,337	93.92%	3,574	3,348	93.66%	3,573	3,360	94.04%	3,574	3,365	94.15%	3,574	3,382	94.65%	3,574	3,384	94.68%
<b>Total</b>	<b>4,684</b>	<b>4,336</b>	<b>92.57%</b>	<b>4,683</b>	<b>4,350</b>	<b>92.69%</b>	<b>4,711</b>	<b>4,372</b>	<b>92.80%</b>	<b>4,717</b>	<b>4,384</b>	<b>92.94%</b>	<b>4,718</b>	<b>4,385</b>	<b>92.94%</b>	<b>4,718</b>	<b>4,415</b>	<b>93.58%</b>	<b>4,718</b>	<b>4,420</b>	<b>93.69%</b>

Occupancy Rate



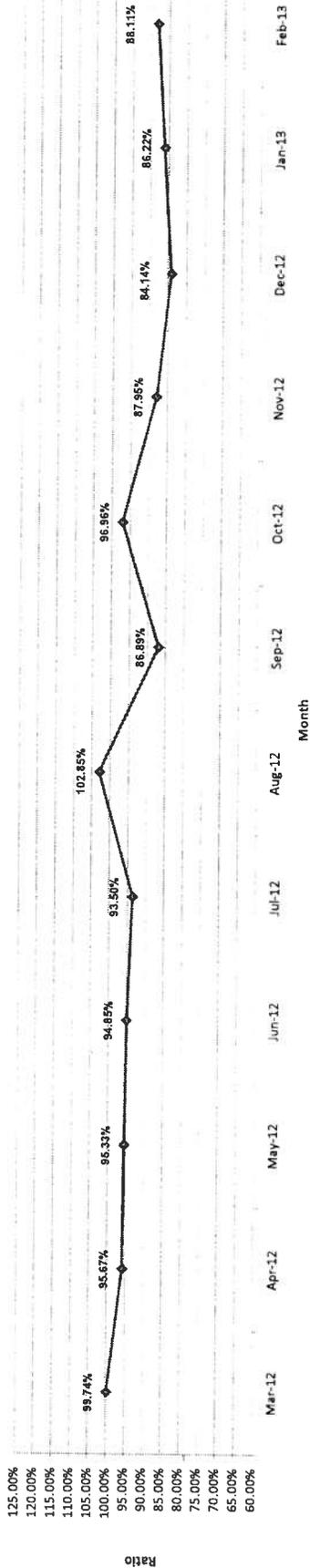
FEDERAL PUBLIC HOUSING

Rent Collection from March 2012 to March 2013

Cumulative (12 Months)	
Charges	\$ 15,056,796.29
Collections	\$ 13,910,278.03
Total	\$ (1,146,518.26)
Ratio	92.39%

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12			Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio																		
Hawaii	\$112,248.50	\$111,155.13	98.94%	\$112,335.00	\$109,297.72	97.30%	\$110,139.00	\$105,928.84	96.18%	\$101,716.68	\$97,508.52	96.86%	\$107,350.00	\$103,718.74	96.62%	\$105,021.00	\$118,324.62	112.67%	\$107,350.00	\$103,718.74	96.62%	\$105,021.00	\$118,324.62	112.67%	\$107,350.00	\$103,718.74	96.62%	\$105,021.00	\$118,324.62	112.67%	\$107,350.00	\$103,718.74	96.62%	\$105,021.00	\$118,324.62	112.67%			
Kauai	\$74,359.33	\$81,552.35	109.67%	\$74,405.02	\$77,085.39	103.73%	\$75,265.02	\$72,320.18	94.83%	\$68,375.34	\$64,430.50	94.23%	\$68,659.02	\$67,390.13	98.15%	\$68,659.02	\$68,659.02	100.00%	\$68,659.02	\$67,390.13	98.15%	\$68,659.02	\$68,659.02	100.00%	\$68,659.02	\$67,390.13	98.15%	\$68,659.02	\$68,659.02	100.00%	\$68,659.02	\$67,390.13	98.15%	\$68,659.02	\$68,659.02	100.00%			
Mauai	\$43,703.00	\$42,816.67	97.97%	\$43,463.00	\$39,083.69	89.89%	\$44,587.00	\$37,367.85	83.81%	\$30,148.70	\$22,928.55	76.05%	\$42,751.00	\$41,534.18	97.15%	\$43,521.00	\$43,913.67	100.90%	\$43,521.00	\$41,534.18	97.15%	\$43,521.00	\$43,913.67	100.90%	\$43,521.00	\$41,534.18	97.15%	\$43,521.00	\$43,913.67	100.90%	\$43,521.00	\$43,913.67	100.90%	\$43,521.00	\$43,913.67	100.90%			
Oahu	\$918,878.90	\$910,771.32	98.12%	\$933,096.95	\$898,433.44	96.27%	\$936,627.70	\$897,513.54	95.82%	\$858,399.38	\$819,285.22	95.44%	\$932,406.22	\$863,699.38	92.63%	\$920,596.61	\$933,241.75	101.37%	\$920,596.61	\$863,699.38	92.63%	\$920,596.61	\$933,241.75	101.37%	\$920,596.61	\$863,699.38	92.63%	\$920,596.61	\$933,241.75	101.37%	\$920,596.61	\$933,241.75	101.37%	\$920,596.61	\$933,241.75	101.37%			
<b>Total</b>	<b>\$ 1,149,288.73</b>	<b>\$ 1,146,295.47</b>	<b>99.74%</b>	<b>\$ 1,164,329.97</b>	<b>\$ 1,113,910.24</b>	<b>95.67%</b>	<b>\$ 1,167,618.72</b>	<b>\$ 1,113,130.41</b>	<b>95.33%</b>	<b>\$ 1,058,642.10</b>	<b>\$ 1,004,153.79</b>	<b>94.85%</b>	<b>\$ 1,151,166.24</b>	<b>\$ 1,076,342.43</b>	<b>93.50%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,170,164.17</b>	<b>102.85%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,076,342.43</b>	<b>93.50%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,170,164.17</b>	<b>102.85%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,076,342.43</b>	<b>93.50%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,170,164.17</b>	<b>102.85%</b>	<b>\$ 1,137,773.30</b>	<b>\$ 1,170,164.17</b>	<b>102.85%</b>						

Rent Collection Rate



**State LIPH  
HPHA Island Overview Report  
March 2013**

Island	Occupancy*						LIPH and Elderly Waiting List**						
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	56	48	7	85.71%	0	0	0	7	Average Income	29	0.34%	7.63	3.50
Kauai	26	22	3	84.62%	0	0	0	3	Low Income (80%)	74	0.87%	2.62	1.86
Mauai	32	26	3	81.25%	1	0	0	3	Very Low Inc. (50%)	587	6.89%	2.80	1.85
Oahu	751	729	7	97.07%	8	6	1	7	Extremely Low Inc. (30%)	7,832	91.90%	2.43	1.64
<b>Total</b>	<b>865</b>	<b>825</b>	<b>20</b>	<b>95.38%</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>20</b>		<b>8,522</b>	<b>100.00%</b>	<b>2.47</b>	<b>1.67</b>

Island	Non Vacated Delinquencies***				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	14	\$ 6,805.00	7	\$ 7,455.00	\$ 16,734.00	\$ 13,546.00	80.95%
Kauai	3	\$ 1,669.00	2	\$ 2,517.00	\$ 4,850.76	\$ 4,433.76	91.40%
Mauai	7	\$ 2,595.16	3	\$ 12,128.00	\$ 4,353.00	\$ 3,037.00	69.77%
Oahu	46	\$ 25,863.43	16	\$ 89,877.09	\$ 235,923.00	\$ 221,276.42	93.79%
<b>Total</b>	<b>70</b>	<b>\$ 36,932.59</b>	<b>28</b>	<b>\$ 111,977.09</b>	<b>\$ 261,860.76</b>	<b>\$ 242,293.18</b>	<b>92.53%</b>

\* Occupancy also counts Scheduled for Modernization Units.

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

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

**State LIPH  
HPHA Project Overview Report  
March 2013**

Project	Occupancy *							
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	Units Rent Ready
2201-Hauiki	46	45	0	97.83%	0	0	0	0
2202-Puahala Homes	128	116	4	90.63%	0	0	0	6
2204-Kawailehua	26	22	3	84.62%	0	0	0	1
2205-Kahale Mua	32	26	3	81.25%	1	0	0	3
2206-Lokahi	30	23	7	76.67%	0	0	0	0
2207-Ke Kumu Elua	26	25	0	96.15%	0	0	0	0
2401-Hale Po'ai	206	205	0	99.51%	1	1	0	0
2402-La'ioia	109	105	1	96.33%	1	2	0	1
2403-Kamalu-Ho'olulu	221	219	1	99.10%	4	1	0	0
2404-Halia Hale	41	39	1	95.12%	2	2	1	0
<b>Total</b>	<b>865</b>	<b>825</b>	<b>20</b>	<b>95.38%</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>11</b>

Project	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	12	\$ 9,092.00	4	\$ 37,377.09	\$ 19,886.60	\$ 15,842.90	79.67%
2202-Puahala Homes	26	\$ 12,828.43	11	\$ 52,719.00	\$ 42,169.00	\$ 34,001.12	80.63%
2204-Kawailehua	3	\$ 1,669.00	2	\$ 2,517.00	\$ 4,850.76	\$ 4,433.76	91.40%
2205-Kahale Mua	7	\$ 2,595.16	3	\$ 12,128.00	\$ 4,353.00	\$ 3,037.00	69.77%
2206-Lokahi	4	\$ 3,538.00	3	\$ 935.00	\$ 9,929.00	\$ 8,351.00	84.11%
2207-Ke Kumu Elua	10	\$ 3,267.00	4	\$ 6,520.00	\$ 6,805.00	\$ 5,195.00	76.34%
2401-Hale Po'ai	1	\$ 982.00	0	\$ -	\$ 62,049.00	\$ 61,179.00	98.60%
2402-La'ioia	4	\$ 1,936.00	1	\$ (219.00)	\$ 36,204.40	\$ 35,274.40	97.43%
2403-Kamalu-Ho'olulu	2	\$ 832.00	0	\$ -	\$ 64,763.00	\$ 64,224.00	99.17%
2404-Halia Hale	1	\$ 193.00	0	\$ -	\$ 10,851.00	\$ 10,755.00	99.12%
<b>Total</b>	<b>70</b>	<b>\$ 36,932.59</b>	<b>28</b>	<b>\$ 111,977.09</b>	<b>\$ 261,860.76</b>	<b>\$ 242,293.18</b>	<b>92.53%</b>

\* Occupancy also counts Scheduled for Modernization Units.

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

STATE PUBLIC HOUSING

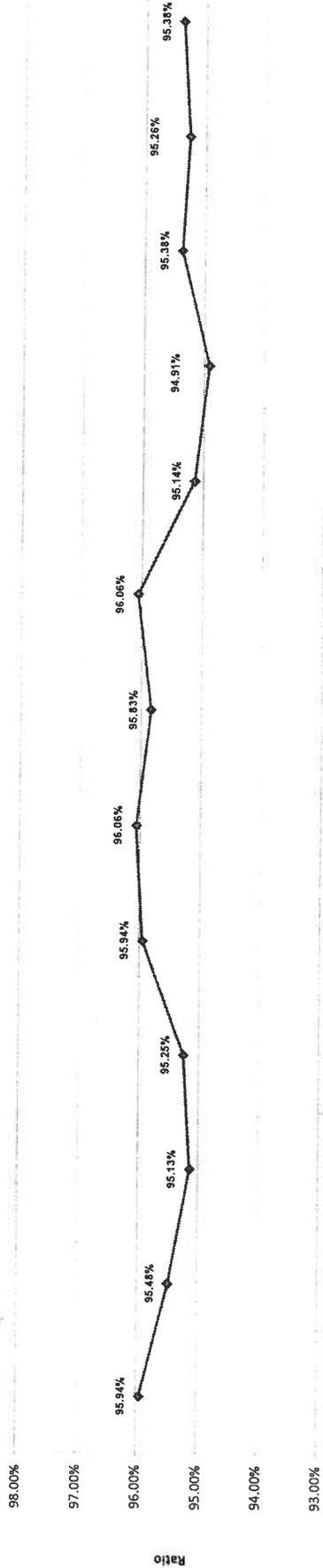
Occupancy from March 2012 to March 2013

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Total Units	Occ Units	Ratio															
Hawaii	56	46	82.14%	56	42	75.00%	56	43	76.79%	56	44	78.57%	56	46	82.14%	56	48	85.71%
Kauai	26	23	88.46%	26	24	92.31%	26	24	92.31%	26	24	92.31%	26	24	92.31%	26	24	92.31%
Mauai	32	26	81.25%	32	28	87.50%	32	29	90.63%	32	29	90.63%	32	29	90.63%	32	29	90.63%
Oahu	749	733	97.86%	749	730	97.46%	749	725	96.80%	749	725	96.80%	749	729	97.33%	749	728	97.20%
<b>Total</b>	<b>863</b>	<b>828</b>	<b>95.94%</b>	<b>863</b>	<b>824</b>	<b>95.48%</b>	<b>863</b>	<b>821</b>	<b>95.13%</b>	<b>863</b>	<b>822</b>	<b>95.25%</b>	<b>863</b>	<b>828</b>	<b>95.94%</b>	<b>863</b>	<b>829</b>	<b>96.06%</b>

Cumulative (12 Months)	
Units	11,229
Tenants	10,726
Ratio	95.52%

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Total Units	Occ Units	Ratio																		
Hawaii	56	48	85.71%	56	46	82.14%	56	47	83.93%	56	48	85.71%	56	49	87.50%	56	49	87.50%	56	48	85.71%
Kauai	26	24	92.31%	26	24	92.31%	26	25	96.15%	26	24	92.31%	26	22	84.62%	26	22	84.62%	26	22	84.62%
Mauai	32	29	90.63%	32	29	90.63%	32	26	81.25%	32	25	78.13%	32	25	78.13%	32	25	78.13%	32	26	81.25%
Oahu	749	726	96.93%	749	730	97.46%	749	725	96.54%	749	724	96.40%	749	729	97.07%	749	728	97.07%	749	729	97.07%
<b>Total</b>	<b>863</b>	<b>827</b>	<b>95.83%</b>	<b>863</b>	<b>828</b>	<b>96.06%</b>	<b>863</b>	<b>823</b>	<b>95.14%</b>	<b>863</b>	<b>821</b>	<b>94.91%</b>	<b>863</b>	<b>825</b>	<b>95.83%</b>	<b>863</b>	<b>824</b>	<b>95.26%</b>	<b>863</b>	<b>825</b>	<b>95.38%</b>

Occupancy Rate



STATE PUBLIC HOUSING

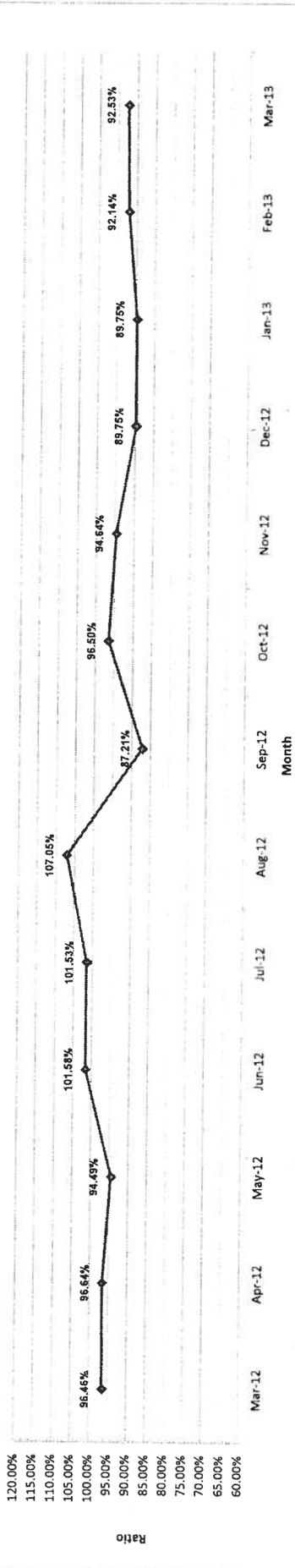
Rent Collection from March 2012 to March 2013

Cumulative (12 Months)	
03/12 - 03/13	
Charges	\$ 3,398,618.88
Collections	\$ 3,155,827.09
Total	\$ (152,566.79)
Ratio	95.38%

	Mar-12			Apr-12			May-12			Jun-12			Jul-12			Aug-12		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio									
Hawaii	\$ 17,154.00	\$ 15,435.00	89.98%	\$ 15,823.00	\$ 14,365.00	90.79%	\$ 14,147.00	\$ 11,955.00	84.51%	\$ 14,040.00	\$ 11,505.00	81.94%	\$ 8,970.00	\$ 6,435.00	71.74%	\$ 15,525.00	\$ 14,148.00	91.14%
Kauai	\$ 5,085.00	\$ 6,946.00	136.67%	\$ 5,085.00	\$ 3,850.00	75.70%	\$ 5,182.00	\$ 3,826.00	73.82%	\$ 5,182.00	\$ 4,157.00	80.22%	\$ 3,132.00	\$ 2,107.00	67.27%	\$ 5,264.00	\$ 5,465.00	103.84%
Maui	\$ 5,095.00	\$ 6,577.00	129.06%	\$ 5,632.00	\$ 5,373.00	95.40%	\$ 5,748.00	\$ 5,387.00	93.71%	\$ 5,375.00	\$ 5,440.00	101.19%	\$ 5,504.00	\$ 5,568.00	101.16%	\$ 5,446.00	\$ 4,851.00	89.37%
Oahu	\$ 227,314.00	\$ 216,985.75	95.46%	\$ 226,343.00	\$ 220,786.72	97.55%	\$ 226,638.00	\$ 216,596.73	95.57%	\$ 225,516.00	\$ 232,969.84	103.31%	\$ 240,423.68	\$ 247,877.52	103.10%	\$ 225,880.00	\$ 245,627.74	108.74%
<b>Total</b>	<b>\$ 254,650.00</b>	<b>\$ 245,843.75</b>	<b>96.46%</b>	<b>\$ 252,884.00</b>	<b>\$ 244,375.72</b>	<b>96.64%</b>	<b>\$ 251,715.00</b>	<b>\$ 237,844.73</b>	<b>94.49%</b>	<b>\$ 250,114.00</b>	<b>\$ 254,071.84</b>	<b>101.56%</b>	<b>\$ 258,028.68</b>	<b>\$ 261,587.52</b>	<b>101.33%</b>	<b>\$ 252,127.00</b>	<b>\$ 269,893.74</b>	<b>107.05%</b>

	Sep-12			Oct-12			Nov-12			Dec-12			Jan-13			Feb-13			Mar-13		
	Charges	Collected	Ratio																		
Hawaii	\$ 15,189.00	\$ 11,446.00	75.36%	\$ 15,384.00	\$ 12,703.00	82.57%	\$ 14,094.00	\$ 11,083.00	78.64%	\$ 10,349.50	\$ 6,435.00	65.14%	\$ 15,888.00	\$ 10,349.50	65.14%	\$ 15,888.00	\$ 13,565.50	79.96%	\$ 16,734.00	\$ 13,546.00	80.95%
Kauai	\$ 5,264.00	\$ 4,662.00	88.55%	\$ 5,276.00	\$ 5,097.74	96.62%	\$ 5,076.19	\$ 3,815.19	75.18%	\$ 4,475.00	\$ 3,197.00	76.04%	\$ 5,886.00	\$ 4,476.00	76.04%	\$ 4,728.81	\$ 4,240.81	89.68%	\$ 4,850.76	\$ 4,433.76	91.49%
Maui	\$ 5,339.00	\$ 4,693.00	87.90%	\$ 4,975.00	\$ 4,186.00	84.34%	\$ 5,514.00	\$ 3,457.00	62.69%	\$ 4,782.00	\$ 3,197.00	66.85%	\$ 4,782.00	\$ 3,197.00	66.85%	\$ 4,744.00	\$ 3,803.00	80.16%	\$ 4,353.00	\$ 3,037.00	69.77%
Oahu	\$ 225,553.00	\$ 198,408.18	87.97%	\$ 224,465.00	\$ 219,337.37	97.72%	\$ 223,737.00	\$ 216,686.24	96.85%	\$ 231,450.52	\$ 213,525.93	92.26%	\$ 231,450.52	\$ 213,525.93	92.26%	\$ 234,885.90	\$ 218,180.72	93.31%	\$ 235,923.00	\$ 221,276.42	93.79%
<b>Total</b>	<b>\$ 251,345.00</b>	<b>\$ 219,209.18</b>	<b>87.21%</b>	<b>\$ 250,100.00</b>	<b>\$ 241,334.11</b>	<b>96.50%</b>	<b>\$ 248,421.19</b>	<b>\$ 235,101.43</b>	<b>94.64%</b>	<b>\$ 258,006.52</b>	<b>\$ 231,548.43</b>	<b>89.75%</b>	<b>\$ 258,006.52</b>	<b>\$ 231,548.43</b>	<b>89.75%</b>	<b>\$ 261,586.21</b>	<b>\$ 240,810.03</b>	<b>92.14%</b>	<b>\$ 261,680.76</b>	<b>\$ 242,283.18</b>	<b>92.53%</b>

Rent Collection Rate



Section 8 Subsidy Programs Branch Monthly Report  
 HUD's Voucher Management System Data Collection Report

From	10/1/2012				
To	2/1/2013				
As of	3/15/2013				
PHA Code	HI901				
PHA Name	Hawaii Public Housing Authority				
	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>
Homeownership	11	11	11	11	11
Homeownership HAP	\$11,702	\$11,567	\$11,584	\$11,624	\$11,624
2008 and 2009 Non-Elderly Disabled	164	161	163	157	156
2008 and 2009 Non-Elderly Disabled HAP	\$141,671	\$139,304	\$137,529	\$135,288	\$134,891
Portable Vouchers Paid	27	25	25	24	24
Portable Voucher HAP	\$20,615	\$19,169	\$18,808	\$17,231	\$16,638
Tenant Protection	147	146	144	144	143
HAP Tenant Protection	\$268,541	\$267,606	\$264,723	\$264,770	\$260,685
Veteran's Affair Supported Housing (VASH) Voucher	189	194	197	200	201
Veteran's Affair Supported Housing (VASH) HAP	\$139,597	\$143,628	\$145,788	\$147,571	\$148,488
All Other Vouchers	1,404	1,420	1,416	1,431	1,427
HAP All Other Vouchers	\$1,367,495	\$1,378,253	\$1,374,719	\$1,393,734	\$1,397,169
FSS Escrow Deposits	\$6,969	\$7,299	\$5,995	\$6,367	\$5,383
All Voucher HAP Expenses After the First of Month	\$17,368	\$29,328	\$33,953	\$15,459	\$4,663
Total Vouchers	1,942	1,957	1,956	1,967	1,978
HAP Total	\$1,973,958	\$1,989,286	\$1,987,104	\$1,970,218	\$1,969,495
Number of Vouchers Under Leased (HAP Contract) on the last day of the Month	1,955	1,975	1,967	1,970	1,981
New vouchers issued but not under HAP contracts as of the last day of the month	14	40	33	32	45
Portability - In	4	9	12	14	16
Portability - In	\$6,660	\$12,537	\$17,379	\$20,723	\$22,886
Number of Vouchers Covered by Project-Based AHAPs and HAPs	455	455	455	455	455
Fraud Recovery - Amount Booked this Month	\$384	\$184	\$345	\$123	\$173
Interest or other income earned this month from the investment of HAP funds and Net Restricted Assets	\$16	\$7	\$14	\$18	\$16
FSS Escrow Forfeitures			\$3,168	\$0	\$0
Number of Hard-to-House Families Leased	24	32	19	14	15
FSS Coordinator	\$5,252	\$5,252	\$5,252	\$5,252	\$5,252
FSS Coordinator Expenses Not Covered by FSS Grant	\$21,044	\$14,748	\$12,344	\$12,748	\$12,748
Administrative Expense	\$189,729	\$142,416	\$208,066	\$136,662	\$135,780
Audit	\$5,226	\$5,226	\$5,226	\$5,226	\$5,226
Net Restricted Assets (NRA) as of the Last Day of the Month	\$1,241,635	\$1,402,419	\$1,569,466	\$1,780,392	\$1,952,449
Unrestricted Net Assets (UNA) as of the Last Day of the Month	\$2,151,107	\$2,138,179	\$2,068,257	\$2,059,786	\$1,972,883
Cash/Investment as of the Last Day of the Month - Voucher Program Only	\$2,464,576	\$2,394,871	\$2,282,067	\$2,389,176	\$2,335,818
Date	10/1/2012	11/1/2012	12/1/2012	1/1/2013	2/1/2013

**HEARINGS OFFICE-STATEWIDE FEDERAL EVICTION REFERRALS-March 31, 2013**

MONTH	REFERRALS			RESULT OF EVICTION REFERRAL					Completed
	Total	REASON FOR REFERRAL		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	
		Rent	Other						
FY 2009	232	194	38	94	63	5	11	59	173
FY 2010	263	223	40	109	83	4	6	61	202
FY 2011	178	140	38	68	54	5	5	46	132
FY 2012	106	84	22	40	32	1	3	30	76
FY 2013	125	99	26	59	26	3	3	33	92

**January 2012 - March 2013**

MONTH	REFERRALS			RESULT OF EVICTION REFERRAL					Completed
	Total	REASON FOR REFERRAL		Evict	Evict with Cond	10-day Cure	Dismiss	Continued	
		Rent	Other						
Jan 12	7	5	2	3	2	0	1	1	6
Feb 12	14	11	3	4	5	0	0	5	9
Mar 12	10	10	0	5	1	0	0	4	6
Apr 12	9	6	3	5	3	0	1	0	9
May 12	10	10	0	2	3	1	0	4	6
June 12	5	2	3	3	1	0	0	1	4
July 12	16	15	1	6	6	0	0	4	12
Aug 12	17	10	7	12	1	0	0	4	13
Sept 12	12	9	3	6	2	0	1	3	9
Oct 12	10	9	1	4	0	0	0	6	4
Nov 12	14	14	0	1	3	0	2	8	6
Dec 12	10	8	2	5	3	0	0	2	8
Jan 13	9	7	2	4	1	1	0	3	6
Feb 13	20	13	7	11	7	0	0	2	18
Mar 13	17	14	3	10	3	2	1	1	16
<b>TOTALS</b>	<b>180</b>	<b>143</b>	<b>37</b>	<b>81</b>	<b>41</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>122</b>

**Total # of Cases Heard for the Month of March 2013: 17  
(Oahu & Neighbor Islands)**

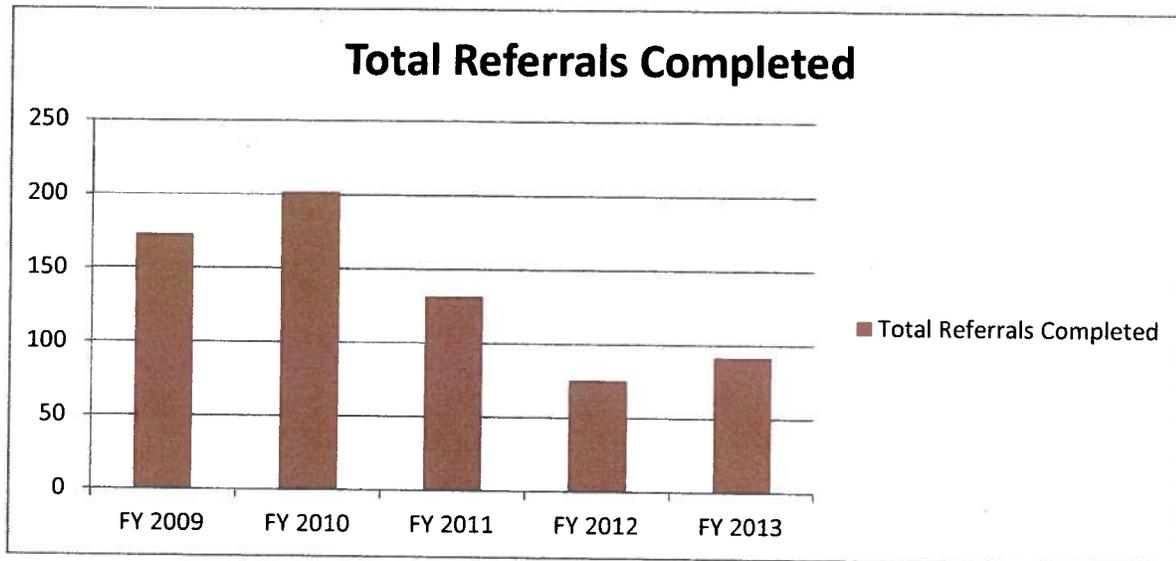
Decisions Rendered:	Rent Violations	Other Violations
Eviction	7	3
Evict w/cond	3	0
10-day cure	2	0
Dismissal	1	0
Continued	1	0
<b>Total</b>	<b>14</b>	<b>3</b>

Delinquent balances for rent cases ordered evicted for month of March 2013:

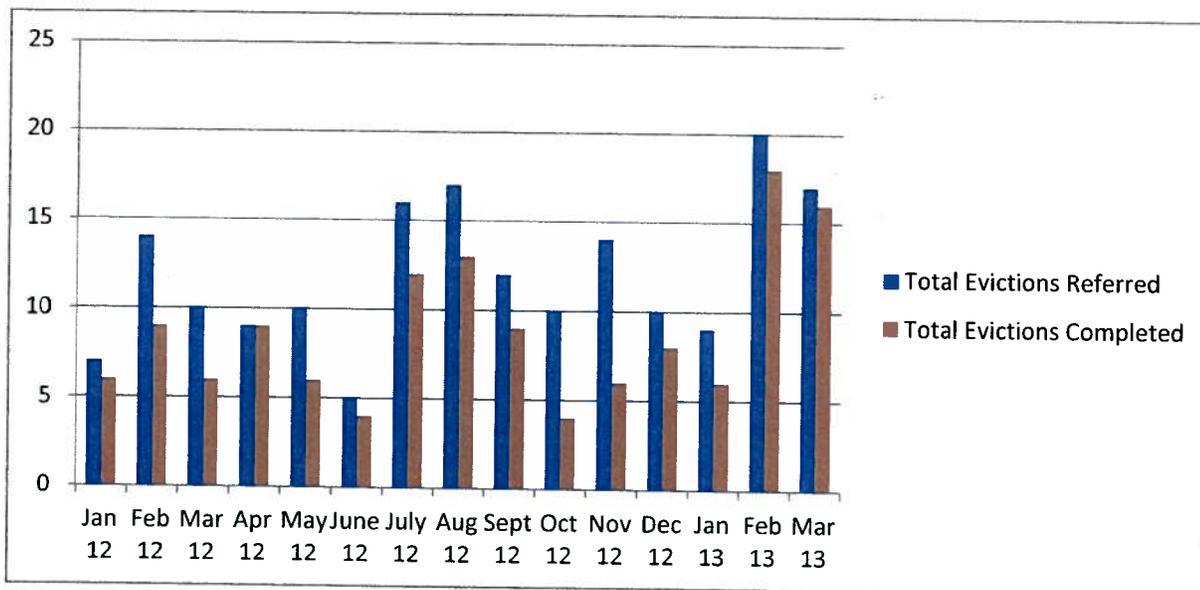
AMP 35	Kalaniihuia	\$2,509
AMP 38	Kauai	\$10,579
AMP 39	Maui	\$6,113
AMP 45	EastOahu	\$4,057

**Total Delinquencies= \$**

**Fiscal Years 2009-2013**



**January 2012 - March 2013**



**Prepared and Reviewed by Renee Blondin-Nip on March 31, 2013**

## Planning and Evaluation Office Report

### **Information Office Activities (Media Inquiries)**

- Received numerous emails and letters regarding the new “No Smoking” policy. Currently working on draft responses from the public, as well as for the Governor’s Office.
- Created and submitted an article for the Department of Human Services newsletter regarding the Hawaii Public Housing Authority’s “No Smoking” policy.

### **Legislative**

- When the Board meeting date arrives, the Legislative Timetable will have passed the “Third Reading” phase for bills that have “Crossed Over” and will be in the tail end of the “Conference Period”. Seven (7) out of nine (9) Administration Bills are still alive, and they are listed below.

### **Administration Bills**

**Senate Bill 1112** - Authorizes the Hawaii Public Housing Authority to delete delinquent accounts receivable records for state low-income public housing projects that have been delinquent at least ninety days and also authorizes the Hawaii Public Housing Authority to assign delinquent accounts to a collection agency.

**House Bill 514** - Moves the State income tax and obligations exemption for public housing agencies from the laws governing the Hawaii Housing Finance and Development Corporation to the laws governing the Hawaii Public Housing Authority.

**Senate Bill 88** - Prohibits possessing or keeping, while on any sidewalk or common area within a public housing project, any bottle, can, or other receptacle containing any intoxicating liquor which has been opened, has a broken seal, or the contents of which have been partially removed. Also adds "state low-income housing project" to the definition of a public housing project for purposes of liquor control.

**House Bill 888** – Provides the process by which the Hawaii Public Housing Authority may dispose of abandoned or seized property that it has acquired on state public housing projects.



SB305  
Chun  
Oakland

Development of Public Housing Authorizes the Hawaii public housing authority to develop public housing projects. Authorizes the Hawaii public housing authority to develop commercial and industrial properties in connection with the development of public housing dwelling units.

- Senator Glenn Wakai KPT tour was scheduled for March 22, 2013 at 1 pm, but had to be canceled due to a conflict with a House Judiciary Hearing. Will discuss with the Executive Director to coordinate a new tour date.

# HAWAII PUBLIC HOUSING AUTHORITY

## Board Report – February 2013

**AGENCY TOTAL** – Variance Analysis based on any increase or (decrease) of 10% with the month of February 2013 being the basis for the variances.

### INCOME STATEMENT

#### A. REVENUES:

##### **HUD Operating Subsidies:**

(While the variance for the HUD operating subsidies do not exceed the 10% requiring variance analysis, the Continuing Resolution and Sequestration continues to have a decreasing effect on Subsidy to the Federal Low Rent Program and the Project Based Contract Administration versus the Budget. These factors were not known at the time the budget was created. The Year to date subsidy is in line with prior year but will slowly decline as the full impact of the Sequestration takes effect.)

##### **COCC Fee Income:**

The COCC fee Income increased due to the inclusion of Capital Fund management/administrative fees that were charged to the Federal grants. These funds are normally drawn down to address cash flow needs.

##### **Other Income:**

Primarily State CIP Administrative Funds budgeted for will be processed, now that funds were released. In addition, due to software system issues additional revenue generated by the Central Maintenance Section and Special teams has not been charged as budgeted.

#### B. EXPENSES:

##### **Administrative:**

The current year to date and month of February decreases from budget in Administrative Expenses result primarily from budgeted positions not filled. All hiring process. The increase in cost from prior year reflects positions filled since the 2013 Fiscal Year began.

**Maintenance:**

Decrease in all maintenance expenses largely due to a hold on all expenditures for equipment due to the sequestration. Additionally, some renovation work that qualifies for capital repairs were transferred to the capital budget from the operating budget.

**Protective Services:**

The variance in the protective services expense was due to an increase in the contract cost over the original budgeted amount. The increase was due to additional services added to the new protective services contract.

**General Expenses:**

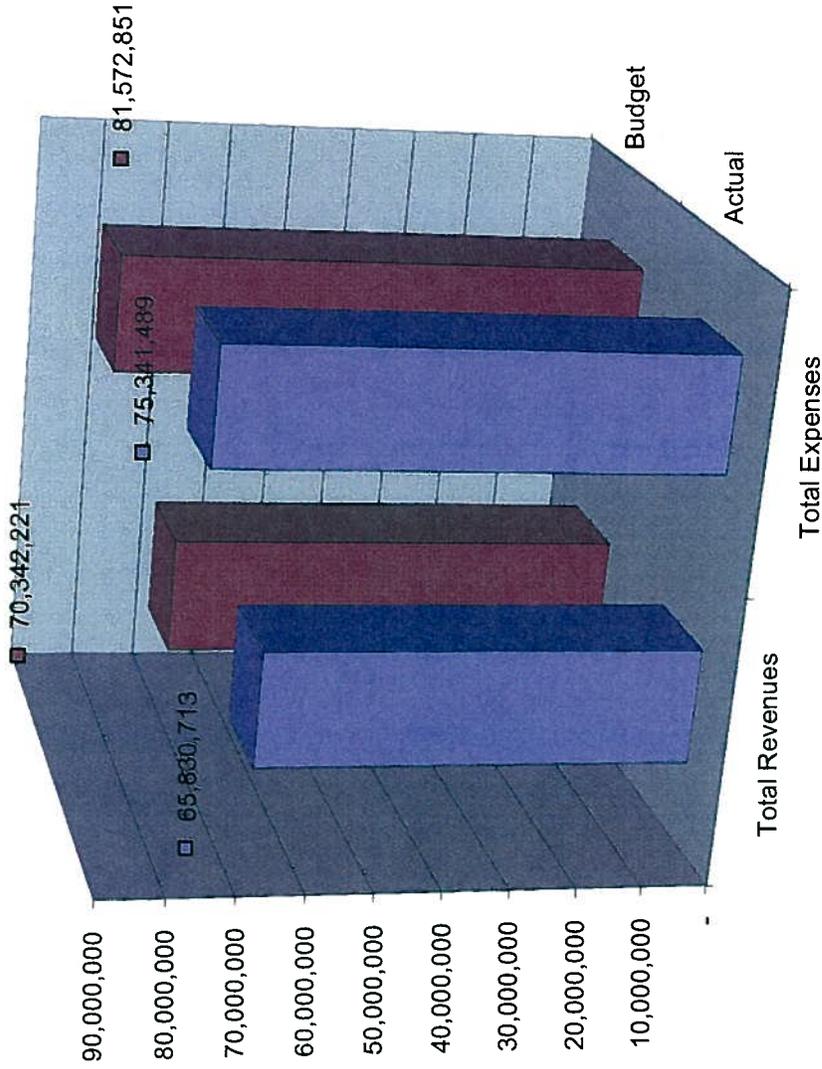
Primarily depreciation resulting from amounts capitalized from Construction-in-Progress at year's end and was not included in the Budget.

**OVERVIEW – Current Fiscal Year:**

Due to the Federal Sequestration, HUD has notified Hawaii Public Housing Authority (HPHA) of substantial cuts to its Section 8 and Public Housing Operating subsidies which will have significant impact to HPHA Operating Budget. Currently the Executive Director and staff are reviewing the severe impact of the cuts as anticipated and developing a strategy to cope with the impact.

HPHA is also awaiting the approval of the Construction in Progress administrative revenue offset which if approved will provide revenues in offsetting the subsidy cuts.

**HPHA FEBRUARY 28, 2012 Actual VS Budget**



	Total Revenues	Total Expenses
Actual	65,830,713	75,341,489
Budget	70,342,221	81,572,851







**STATE RENT SUPPLEMENT PROGRAM  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2013				
	Actual	Budget	Variance Amount	%	Actual	Budget	Variance Amount	%
<b>REVENUES</b>								
Dwelling Rental Income	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
HUD Operating Subsidies	-	-	-	0%	-	-	-	0%
COCC Fee Income	-	-	-	0%	-	-	-	0%
General Fund	6,000	69,525	(63,525)	-91%	44,358	556,200	(511,842)	-92%
Grant Income	78,305	-	78,305	0%	631,451	-	631,451	0%
Other Income	-	2,500	(2,500)	-100%	-	20,000	(20,000)	-100%
<b>Total Revenues</b>	<b>84,305</b>	<b>72,025</b>	<b>12,280</b>	<b>17%</b>	<b>675,808</b>	<b>576,200</b>	<b>99,608</b>	<b>17%</b>
<b>EXPENSES</b>								
Administrative	6,588	8,082	1,494	18%	56,342	64,656	8,314	13%
Asset Management Fees	-	-	-	0%	-	-	-	0%
Management Fees	639	800	161	20%	5,322	6,400	1,078	17%
Bookkeeping Fees	400	500	100	20%	3,335	4,000	665	17%
Housing Assistance Payments	42,604	54,000	11,396	21%	354,682	432,000	77,318	18%
Tenant Services	-	-	-	0%	-	-	-	0%
Utilities	637	735	98	13%	6,155	5,880	(275)	-5%
Maintenance	-	-	-	0%	-	-	-	0%
Protective Services	-	-	-	0%	-	-	-	0%
Insurance	22	24	2	7%	179	192	13	7%
General Expenses	-	-	-	0%	(821)	-	821	0%
<b>Total Expenses</b>	<b>50,891</b>	<b>64,141</b>	<b>13,250</b>	<b>21%</b>	<b>425,194</b>	<b>513,128</b>	<b>87,934</b>	<b>17%</b>
<b>Net Income(Loss)</b>	<b>\$ 33,414</b>	<b>\$ 7,884</b>	<b>\$ 25,530</b>	<b>324%</b>	<b>\$ 250,615</b>	<b>\$ 63,072</b>	<b>\$ 187,543</b>	<b>297%</b>

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

<b>\$ 33,414</b>	<b>\$ 7,884</b>	<b>\$ 25,530</b>	<b>324%</b>
-	-	-	0%
-	-	-	0%
<b>\$ 33,414</b>	<b>\$ 7,884</b>	<b>\$ 25,530</b>	<b>324%</b>

State Rent Operating Subsidies is funded on a Quarterly Basis.

<b>\$ 250,615</b>	<b>\$ 63,072</b>	<b>\$ 187,543</b>	<b>297%</b>
<b>\$ 250,615</b>	<b>\$ 63,072</b>	<b>\$ 187,543</b>	<b>297%</b>
<b>\$ 250,615</b>	<b>\$ 63,072</b>	<b>\$ 187,543</b>	<b>297%</b>

**TOTAL CASH BASIS**  
**\$ 250,615**   **\$ 63,072**   **\$ 187,543**   **297%**  
**\$ 250,615**   **\$ 63,072**   **\$ 187,543**   **297%**  
**\$ 250,615**   **\$ 63,072**   **\$ 187,543**   **297%**

**PROJECT BASED CONTRACT ADMINISTRATION  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)**

MONTH OF FEBRUARY, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2013							
	Actual	Budget	Variance Amount	%	Actual	Budget	Variance Amount	%	Prior Year	Variance Amount	%
<b>REVENUES</b>											
Dwelling Rental Income	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
HUD Operating Subsidies	1,987,837	2,200,000	(212,163)	-10%	16,351,866	17,600,000	(1,248,134)	-7%	17,013,312	(661,447)	-4%
Management Fees	-	-	-	0%	-	-	-	0%	-	-	0%
Bookkeeping Fees	-	-	-	0%	-	-	-	0%	-	-	0%
Asset Management Fees	-	-	-	0%	-	-	-	0%	-	-	0%
Capital Fund Admin Fee	-	-	-	0%	-	-	-	0%	-	-	0%
CMSS Front Line Service Fee	-	-	-	0%	-	-	-	0%	-	-	0%
ARRA Funds Admin Fee	-	-	-	0%	-	-	-	0%	-	-	0%
COCC Fee Income	-	-	-	0%	-	-	-	0%	-	-	0%
General Fund	-	-	-	0%	-	-	-	0%	-	-	0%
Grant Income	-	-	-	0%	-	-	-	0%	-	-	0%
Other Income	97,788	112,680	(14,892)	-13%	780,376	901,440	(121,064)	-13%	917,892	(137,515)	-15%
<b>Total Revenues</b>	<b>2,085,625</b>	<b>2,312,680</b>	<b>(227,055)</b>	<b>-10%</b>	<b>17,132,242</b>	<b>18,501,440</b>	<b>(1,369,198)</b>	<b>-7%</b>	<b>17,931,204</b>	<b>(798,962)</b>	<b>-4%</b>

<b>EXPENSES</b>											
Administrative	3,553	17,260	13,707	79%	53,159	138,080	84,921	62%	51,342	(1,817)	-4%
Asset Management Fees	-	-	-	0%	-	-	-	0%	-	-	0%
Management Fees	-	-	-	0%	-	-	-	0%	-	-	0%
Bookkeeping Fees	-	-	-	0%	-	-	-	0%	-	-	0%
Housing Assistance Payments	1,987,837	2,133,960	146,123	7%	16,351,866	17,071,680	719,814	4%	17,013,312	661,447	4%
Tenant Services	77,783	87,600	9,817	11%	623,934	700,800	76,866	11%	581,575	(42,359)	-7%
Utilities	-	-	-	0%	-	-	-	0%	-	-	0%
Maintenance	-	-	-	0%	-	-	-	0%	-	-	0%
Protective Services	-	-	-	0%	-	-	-	0%	-	-	0%
Insurance	-	-	-	0%	-	-	-	0%	-	-	0%
General Expenses	665	710	45	6%	5,551	5,680	129	2%	5,252	(299)	-6%
<b>Total Expenses</b>	<b>2,069,839</b>	<b>2,239,530</b>	<b>169,691</b>	<b>8%</b>	<b>17,034,510</b>	<b>17,916,240</b>	<b>881,730</b>	<b>5%</b>	<b>17,651,482</b>	<b>616,972</b>	<b>3%</b>
<b>Net Income(Loss)</b>	<b>\$ 15,786</b>	<b>\$ 73,150</b>	<b>\$ (57,364)</b>	<b>-78%</b>	<b>\$ 97,732</b>	<b>\$ 585,200</b>	<b>\$ (487,468)</b>	<b>-83%</b>	<b>\$ 279,722</b>	<b>\$ (181,990)</b>	<b>-65%</b>

<b>CASH BASIS:</b>											
Net Income(loss) per Above	\$ 15,786	\$ 73,150	\$ (57,364)	-78%	\$ 97,732	\$ 585,200	\$ (487,468)	-83%	\$ 279,722	\$ (181,990)	-65%
Add back non cash items:	-	-	-	0%	-	-	-	0%	-	-	0%
Depreciation Expense	-	-	-	0%	-	-	-	0%	-	-	0%
Bad Debt Expense	-	-	-	0%	-	-	-	0%	-	-	0%
<b>TOTAL CASH BASIS</b>	<b>\$ 15,786</b>	<b>\$ 73,150</b>	<b>\$ (57,364)</b>	<b>-78%</b>	<b>\$ 97,732</b>	<b>\$ 585,200</b>	<b>\$ (487,468)</b>	<b>-83%</b>	<b>\$ 279,722</b>	<b>\$ (181,990)</b>	<b>-65%</b>





STATE LOW RENT  
ACTUAL VS BUDGET COMPARISON  
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
(Amounts in Full Dollars)

MONTH OF FEBRUARY, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2013			
Actual	Budget	Variance Amount	%	Actual	Budget	Variance Amount	%
<b>REVENUES</b>							
69,616	96,410	\$ (26,794)	-28%	638,235	771,280	\$ (133,045)	-17%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
15,220	840	14,380	1712%	133,663	6,720	126,943	1889%
<b>84,836</b>	<b>97,250</b>	<b>(12,414)</b>	<b>-13%</b>	<b>771,898</b>	<b>778,000</b>	<b>(6,102)</b>	<b>-1%</b>

<b>EXPENSES</b>							
25,538	15,223	(10,315)	-68%	201,384	131,197	(70,187)	-53%
-	548	548	100%	-	4,384	4,384	100%
14,909	14,000	(909)	-6%	119,791	112,000	(7,791)	-7%
-	-	-	0%	-	-	-	0%
-	-	-	0%	-	-	-	0%
-	106	106	100%	-	848	848	100%
64,816	76,483	11,667	15%	506,290	611,864	105,574	17%
52,610	54,239	1,629	3%	423,866	439,665	15,799	4%
-	-	-	0%	-	-	-	0%
2,526	2,453	(73)	-3%	24,663	19,625	(5,038)	-26%
68,957	27,674	(41,283)	-149%	555,100	221,398	(333,702)	-151%
<b>229,355</b>	<b>190,726</b>	<b>(38,629)</b>	<b>-20%</b>	<b>1,831,094</b>	<b>1,540,981</b>	<b>(290,113)</b>	<b>-19%</b>
<b>\$ (144,519)</b>	<b>\$ (93,476)</b>	<b>\$ (51,043)</b>	<b>-55%</b>	<b>\$ (1,059,196)</b>	<b>\$ (762,981)</b>	<b>\$ (296,215)</b>	<b>-39%</b>

<b>Net Income(Loss)</b>							
<b>\$ (144,519)</b>	<b>\$ (93,476)</b>	<b>\$ (51,043)</b>	<b>-55%</b>	<b>\$ (1,059,196)</b>	<b>\$ (762,981)</b>	<b>\$ (296,215)</b>	<b>-39%</b>
65,616	26,929	38,687	144%	535,619	215,438	320,181	149%
50	100	50	50%	15,175	800	14,375	1797%
<b>\$ (78,854)</b>	<b>\$ (66,447)</b>	<b>\$ (12,307)</b>	<b>-19%</b>	<b>\$ (508,402)</b>	<b>\$ (546,743)</b>	<b>\$ 38,342</b>	<b>7%</b>
<b>CASH BASIS:</b>							
Net Income(loss) per Above							
Add back non cash items:							
Depreciation Expense							
Bad Debt Expense							
<b>\$ (78,854)</b>	<b>\$ (66,447)</b>	<b>\$ (12,307)</b>	<b>-19%</b>	<b>\$ (508,402)</b>	<b>\$ (546,743)</b>	<b>\$ 38,342</b>	<b>7%</b>
				<b>\$ (215,038)</b>	<b>\$ (723,439)</b>	<b>\$ (942,256)</b>	<b>-806%</b>
				<b>\$ (215,038)</b>	<b>\$ (723,439)</b>	<b>\$ (942,256)</b>	<b>-806%</b>





HAWAII PUBLIC HOUSING AUTHORITY  
 FEDERAL LOW RENT PROGRAM BY AMPS  
 ACTUAL VS BUDGET COMPARISON  
 FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
 (Amounts in Full Dollars)

	MONTH OF FEBRUARY, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2013			
	Actual	Budget	Variance		Actual	Budget	Variance	
			Amount	%			Amount	%
	\$ 313,510	\$ 302,542	\$ 10,968	4%	\$ 2,310,914	\$ 2,420,356	\$ (109,442)	-5%
	283,604	297,096	(13,492)	-5%	2,191,274	2,376,768	(185,494)	-8%
	329,592	306,605	22,987	7%	2,577,166	2,452,540	124,626	5%
	226,946	251,409	(24,463)	-10%	1,845,452	2,011,272	(165,820)	-8%
	354,993	351,817	3,176	1%	2,771,212	2,814,536	(43,324)	-2%
	382,985	345,946	37,039	11%	3,009,604	2,767,568	242,036	9%
	139,831	149,025	(9,194)	-6%	1,123,690	1,192,200	(68,510)	-6%
	171,457	191,147	(19,690)	-10%	1,400,217	1,529,175	(128,958)	-8%
	119,992	116,078	3,914	3%	957,403	928,624	28,779	3%
	95,265	193,749	(98,484)	-51%	1,355,967	1,549,992	(194,025)	-13%
	115,965	124,642	(8,677)	-7%	923,316	997,136	(73,820)	-7%
	162,161	172,681	(10,520)	-6%	1,322,968	1,381,448	(58,480)	-4%
	132,904	152,417	(19,513)	-13%	1,067,700	1,219,336	(151,636)	-12%
	52,931	61,225	(8,294)	-14%	444,327	489,800	(45,473)	-9%
	90,008	84,230	5,778	7%	670,831	673,840	(3,009)	0%
	81,960	92,024	(10,064)	-11%	679,791	736,192	(56,401)	-8%
	\$ 3,054,104	\$ 3,192,633	\$ (138,529)	-4%	\$ 24,651,833	\$ 25,540,783	\$ (888,950)	-3%

	YEAR TO DATE ENDING FEBRUARY 28, 2013				YEAR TO DATE ENDING FEBRUARY 28, 2012			
	Actual	Budget	Variance		Actual	Budget	Variance	
			Amount	%			Amount	%
	\$ 862,328	(1,213,204)	\$ 350,876	29%	(918,476)	\$ 56,148	6%	
	(826,868)	(826,833)	(35)	0%	(877,371)	50,503	6%	
	154,442	(215,295)	369,737	172%	581,651	(427,209)	-73%	
	(189,011)	(554,861)	365,850	66%	47,427	(236,438)	-499%	
	240,000	(227,269)	467,269	206%	503,860	(263,861)	-52%	
	41,526	(534,199)	575,725	108%	252,280	(210,754)	-84%	
	(1,296,957)	(1,271,632)	(25,324)	-2%	(1,053,413)	(243,543)	-23%	
	17,812	(113,222)	131,034	116%	166,914	(149,102)	-89%	
	(445,765)	(399,100)	(46,665)	-12%	(64,292)	(381,473)	-593%	
	5,358	(53,334)	58,692	110%	(90,404)	95,762	106%	
	(515,566)	(156,386)	(359,180)	-230%	(301,080)	(214,486)	-71%	
	(304,253)	(616,476)	312,223	51%	(237,506)	(66,747)	-28%	
	(327,181)	(476,435)	149,254	31%	(185,189)	(141,992)	-77%	
	(285,100)	(251,920)	(33,180)	-13%	(165,070)	(120,030)	-73%	
	(344,000)	(491,057)	147,057	30%	(272,734)	(71,266)	-26%	
	190,840	19,271	171,569	890%	200,167	(9,326)	-5%	
	\$ (4,747,050)	\$ (7,381,952)	\$ 2,634,902	36%	\$ (2,413,236)	\$ (2,333,814)	-97%	

HAWAII PUBLIC HOUSING AUTHORITY  
 FEDERAL LOW RENT PROGRAM BY AMPS  
 ACTUAL VS BUDGET COMPARISON

FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2013  
 (Amounts in Full Dollars)

MONTH OF FEBRUARY, 2013

YEAR TO DATE ENDING FEBRUARY 28, 2013

CASH BASIS

	Variance		Actual	Budget	Variance		Actual	Budget	Variance						
	Amount	%			Amount	%			Amount	%					
\$ 313,510	\$	302,542	\$	10,968	4%	\$ 2,310,914	\$	2,420,356	\$	(109,442)	-5%	\$ 2,186,663	\$	124,250	6%
283,604		297,096		(13,492)	-5%	2,191,274		2,376,768		(185,494)	-8%	2,027,280		163,994	8%
329,592		306,605		22,987	7%	2,577,166		2,452,540		124,626	5%	2,412,161		165,006	7%
226,946		251,409		(24,463)	-10%	1,845,452		2,011,272		(165,820)	-8%	1,882,610		(37,158)	-2%
354,993		351,817		3,176	1%	2,771,212		2,814,536		(43,324)	-2%	2,731,795		39,416	1%
382,985		345,946		37,039	11%	3,009,604		2,767,568		242,036	9%	2,806,298		203,306	7%
139,831		149,025		(9,194)	-6%	1,123,690		1,192,200		(68,510)	-6%	1,178,331		(54,641)	-5%
171,457		191,147		(19,690)	-10%	1,400,217		1,529,175		(128,958)	-8%	1,489,068		(88,851)	-6%
119,992		116,078		3,914	3%	957,403		928,624		28,779	3%	921,891		35,512	4%
95,265		193,749		(98,484)	-51%	1,355,967		1,549,992		(194,025)	-13%	1,358,209		(2,242)	0%
115,965		124,642		(8,677)	-7%	923,316		997,136		(73,820)	-7%	919,091		4,225	0%
162,161		172,681		(10,520)	-6%	1,322,968		1,381,448		(58,480)	-4%	1,295,689		27,279	2%
132,904		152,417		(19,513)	-13%	1,067,700		1,219,336		(151,636)	-12%	1,077,722		(10,022)	-1%
52,931		61,225		(8,294)	-14%	444,327		489,800		(45,473)	-9%	425,577		18,750	4%
90,008		84,230		5,778	7%	670,831		673,840		(3,009)	0%	636,226		34,606	5%
81,960		92,024		(10,064)	-11%	679,791		736,192		(56,401)	-8%	658,143		21,648	3%
<b>\$ 3,054,104</b>	<b>\$</b>	<b>3,192,633</b>	<b>\$</b>	<b>(138,529)</b>	<b>-4%</b>	<b>\$ 24,651,833</b>	<b>\$</b>	<b>25,540,783</b>	<b>\$</b>	<b>(888,950)</b>	<b>-3%</b>	<b>\$ 24,006,756</b>	<b>\$</b>	<b>645,077</b>	<b>3%</b>

NET INCOME(LOSS)

6,360		(34,071)	\$	40,431	119%	(39,677)		(283,380)	\$	243,703	86%	(55,122)	\$	15,445	28%
44,221		49,658		(5,437)	-11%	456,814		386,405		70,409	18%	352,357		104,458	30%
28,713		18,201		10,512	58%	283,612		(103,431)		387,043	374%	700,410		(416,798)	-60%
27,183		8,666		18,517	214%	318,303		(136,669)		454,972	333%	484,360		(166,057)	-34%
87,682		6,937		80,745	1164%	556,273		58,979		497,294	843%	791,746		(235,473)	-30%
98,006		(25,344)		123,350	487%	610,274		(213,479)		823,753	386%	601,044		9,230	2%
(5,818)		(34,122)		28,304	83%	(30,650)		(283,968)		253,318	89%	(36,028)		5,377	15%
26,034		9,537		16,497	173%	255,257		65,646		189,611	289%	372,105		(116,848)	-31%
25,704		(29,878)		55,582	186%	(23,122)		(314,636)		291,514	93%	48,427		(71,550)	-148%
(50,732)		(4,643)		(46,089)	-993%	5,455		(47,550)		53,005	111%	(85,808)		91,263	106%
(663)		25,215		(25,878)	-103%	64,561		191,470		(126,909)	-66%	63,684		877	1%
38,513		18,180		20,333	112%	393,858		133,732		260,126	195%	501,597		(107,739)	-21%
24,658		6,107		18,551	304%	186,306		38,589		147,717	383%	337,222		(150,916)	-45%
(846)		(8,769)		7,923	90%	21,702		(70,152)		91,854	131%	62,730		(41,028)	-65%
(3,739)		(14,686)		10,947	75%	(17,909)		(126,961)		109,052	86%	52,428		(70,337)	-134%
19,673		4,808		14,865	309%	200,585		28,527		172,058	603%	209,069		(8,483)	-4%
<b>\$ 364,949</b>	<b>\$</b>	<b>(4,204)</b>	<b>\$</b>	<b>369,153</b>	<b>8781%</b>	<b>\$ 3,241,643</b>	<b>\$</b>	<b>(676,878)</b>	<b>\$</b>	<b>3,918,521</b>	<b>579%</b>	<b>\$ 4,400,222</b>	<b>\$</b>	<b>(1,158,579)</b>	<b>-26%</b>

**Contract & Procurement Office  
Monthly Status Report for March 2013**

Solicitations Issued in March 2013:

<b>Solicitation No.</b>	<b>Title</b>	<b>Due Date</b>
IFB CMS-2013-01	Site & Dwelling Improvements to Hale Nana Kai O Kea on the Island of Kauai	April 16, 2013
	Site & Dwelling Improvements to Kalaheo Homes on the Island of Kauai	April 17, 2013
	Site & Dwelling Improvements to Hale Hoolulu on the Island of Kauai	April 18, 2013
IFB PMB-2013-05	Furnish Laundry Concession Services for Asset Management Project 43 and Asset Management Project 46 on the Island of Hawaii	April 24, 2013

Contracts Executed in March 2013:

<b>Contract No.</b>	<b>Contractor &amp; Description</b>	<b>Supp. Amount</b>	<b>Total Amount</b>
CMS 13-05	<b>The Limtiaco Consulting Group</b> Provide Design and Consultant Services for Sewer Improvements and Electrical Upgrade at Kapaa (AMP 38) on the Island of Kauai End Date: March 18, 2015		\$179,293.14
CMS 13-04	<b>Helber Hastert &amp; Fee Planners, Inc.</b> Prepare the 2013 Physical Needs Assessment Reports and Energy Audits for Federal Low Income Public Housing Properties Statewide End Date: June 28, 2014		\$2,047,865.00
CMS 09-18-SC03	<b>Architects Hawaii, Ltd.</b> Provide Additional Design and Consultant Services for Re-Roof, Exterior Repairs & ADA Accessibility Compliance at Kalakaua Homes (AMP 34) on the Island of Oahu End Date: November 25, 2013	\$97,229.41	\$653,791.41

Contract No.	Contractor & Description	Supp. Amount	Total Amount
CMS 11-15-CO03	<p><b>Society Contracting, LLC</b>            Provide Additional Labor, Materials and Equipment and No-Cost Extension of Time of 23 Calendar Days to to Renovate 4 Vacant Units at KauioKalani (AMP 44), 3 Vacant Units at Waimaha-Sunflower (AMP 44), 2 Vacant Units at Maili II (AMP 44), 4 Vacant Units at Nanakuli Homes (AMP 44), 2 Vacant Units at Kupuna Home O Waialua (AMP 49) and 17 Vacant Units at Wahiawa Terrace (AMP 49) on the Island of Oahu            Completion Date: May 4, 2013</p>	n/a	\$1,946,021.81

## CONSTRUCTION MANAGEMENT BRANCH

### Status Report Vacant Units Type C March 28, 2013

#### Completed Activities

- **Puuwai Momi 2 units (8C, 8D)**
- **Wahiawa Terrace 2 units (3-7, 5-8)**
- **Hale Laulima 2 units (8B, 8D)**

#### Planned Activities

- **Puuwai Momi – 7 units**
  - **(7 Units)** Units 6I, 18G, 18H, 18L, 18J, 18K, 18L. Building 6 and 18 have roof leaks. CMB is working on specifications to put out on HePS for repair, estimated post date 6/1/13. After the roof is repaired, either HPHA Special Teams or the AMP will work on the interiors.
- **Group C Vacant Units on Oahu - 10 units**
  - Waipahu I - 1 unit (5)
  - Kuhio Homes - 1 unit (13A)
  - Kuhio Park Terrace Lowrise – 2 units (1538D, 1540D)
  - Nanakuli Homes – 2 units (5, 8)
  - Maili II – 2 units (9, 13)
  - Waimaha Sunflower – 2 units (308, G301)
  - Each unit is being scoped and will be put on HePS individually.
- **Kalihi Valley Homes - 34 units**
  - 9 Units (24A through J) – Contractor Rainforest G trying to finish work. Contractor is having cash flow problems, subcontractors are not being paid. Estimated completion date May 2013.
  - 25 Units (20D, E, G, J, 21F, 30J, 32C, 34E, 36C, D, E, 37C, 39A, 41C, D, E, 42J, 43D, E, G, H, J, 44F, G, J) – Various units vacant due to leaking roofs. HPHA CMB did site investigations and determined that the roofs cannot be temporarily repaired, it must be removed which will include abatement. Project Engineer is working to reorganize consultant scope and phasing to tackle the roofs first in the next phase of the modernization.
- **Group B Vacant Units on Oahu – 32 units**
  - Kauioakalani - 4 units (101, 201, 301, 303)
  - Waimaha Sunflower – 3 units (B128, B220, B320)
  - Maili – 2 units (19, 24)
  - Nanakuli Homes - 4 units (01, 02, 06, 34)
  - Kupuna Home O Waialua – 2 units (17, 18)
  - Wahiawa Terrace – 17 units (1-1, 1-2, 1-8, 2-1, 2-2, 3-3, 4-4, 4-5, 5-5, 6-4, 6-5, 6-6, 6-7, 7-1, 7-2, 8-5, 8-7)
  - 60% complete @ leeward units.
  - Estimated completion May 2013 for Nanakuli Homes and Maili II.
- **Wahiawa Terrace – 3 units (3-1, 5-1, 7-6)**
  - DAGS proposals under HPHA review.

- **Kauaiokalani - 2 units (304, 604)**
  - Unit 304: Repairs for fire damage to the exterior of Unit 304 is currently in design phase. CMB is incorporating the interior renovation into the modernization.
  - Unit 604: Unit has been determined to be Type C. Inspector to scope out the unit with the AMP to provide the scope of work to be put out on HePS.
- **Palolo Valley Homes Major Modernization – 44 units (rolling relocation)**
  - Building 20 – Units A through H (8 units)
    - Construction started 11/13/12, estimated completion June 2013.
  - Building 16 and 17 (12 units)
    - Construction started January 2013, estimated completion August 2013.
  - This major modernization includes 44 units.
  - Building 18 and 19 will be in the next phase.
- **Ho'okipa Kahalu'u, Kauhale O'hana Accessibility Modernization – 3 units**
  - ADA design consultant selected, contract being negotiated
  - Ho'okipa Kahalu'u - 2 units (G-102, G202)
  - Kauhale O'hana – 1 unit (201)
- **Kahale Mua – 2 units (17, 24A)**
  - Part of a major modernization that is in design, tentative bid date August 2013.
- **Vacant Units on Maui - 5 units**
  - David Malo Circle – 2 units (725C, 745A) To be part of the major modernization.
  - Piilani Homes – 1 unit (1028-F5) To be part of the major modernization.
  - Makani Kai Hale – 2 units (24, 34) Construction Management Branch is including these units in the consultant contract major modernization scope for David Malo.
  - Construction Management Branch negotiating with the consultants' proposals for major modernization at David Malo Circle and Piilani Homes.
- **Hale Hoolulu, Kalaheo Homes, Hale Nana Kai O Kea Modernization & ADA Compliance - 4 units**
  - Invitation for Bids were posted 3/22/13.
  - Hale Ho'olulu – 1 unit (B1). Bid opening scheduled for 4/18/13.
  - Kalaheo – 3 units (1B, 4A, 4B). Bid opening scheduled for 4/17/13.
- **Hale Ho'onanea Modernization and ADA - 2 units (9L, 14R)**
  - ADA project in design, 60% complete.
  - Estimated bid date 6/15/13.
- **Kapaa - 3 units (3R, 14L, 17L)**
  - Bid opening was 2/22/13. Construction Management Branch internal approval process to award contractor began 3/18/13.
- **Lanakila Homes – 46 units (Building 55 – 75, 106 – 115)**
  - Scheduled for renovation, HPHA to un-demo with HUD.
- **Lanakila Homes – 6 units (59 L/R, 61 L/R, 62 L/R)**
  - Part of overall modernization with the 46 units that need to be un-demoed with HUD.

- **Pomaikai, Pahala, Hale Aloha O Puna – 14 units**
  - Design in process.
  - Estimated bid date 9/1/2013.
  
- **Ke Kumu Ekolu – 1 unit (B2202)**
  - Specifications by CMB, work to be done by AMP.
  - Estimate completion June 7, 2013.

**Issues/Concerns:**

- **DAGS MOU ends May 10, 2013. DAGS provided proposal for completion dates and expected hours for each unit and it is being reviewed by HPHA. Concern is that there may not be enough time for DAGS to finish before expiration of MOU.**

VACANT UNITS TYPE C STATEWIDE 03/28/13

Island	AMP	HPHA No.	Project	No. of Units	Unit Numbers	Category	Estimated Consultant Contract Award	Estimated Bid Date	Estimated Construction Contract Award	Estimated Completion of Construction	HUD Letter Sent	HUD Approval	Status/Comments	PE
Oahu	30	1026	Puuwai Momi	7	6i, 18G, 18H, 18I, 18J, 18K, 18L	Design	NA	6/1/2013	6/30/13	12/31/2013 est.			Building 6 & 18 have leaking roofs. After roofs are repaired, AMP to repair the majority of the interior of the units.	C. Abara
Oahu	30	1038	Waipahu I	1	5	Design	NA	6/1/2013	6/30/13	6/30/2014 est.			Design consultant selected, IOM to be routed for approval to start negotiations.	C. Abara
Oahu	31	1005	Kalihi Valley Homes	9	24-227A, B, C, D, E, F, G, H, J	Mod.	8/1/2008		8/18/09	5/31/2013 est.	3/6/12	No	GYA Architects, General Contractor: Rainforest G - RFG behind schedule.	L. Izumi
Oahu	31	1005	Kalihi Valley Homes	6	30J, 32C, 34E, 37C, 39A, 42J	Design	NA	4/1/2013 est.	6/1/2013 est.	12/31/2013 est.	N/A	N/A	Contract in negotiation to be part of Phase IVB Modernization.	L. Izumi
Oahu	31	1005	Kalihi Valley Homes	19	20D, E, G, J, 21F, 36C, 36D, 36E, 41C, 41D, 41E, 43D, 43E, 43G, 43H, 43J, 44F, 44G, 44J	Design			5/2014 est.	5/2015 est.	N/A	N/A	Contract in negotiation to be part of Phase IVB Modernization.	L. Izumi
Oahu	40	1007	Kuhio Homes	1	13A	Design	NA	6/1/2013	6/30/13	12/31/2013 est.			Design consultant selected, IOM to be routed for approval to start negotiations.	C. Abara
Oahu	40	1010	Kuhio Park Terrace	4	1518D, 1520D, 1530D, 1532D	Demo	NA	NA	NA	--			Demo (Vacant HUD approved Demo DISPO)	
Oahu	40	1010	Kuhio Park Terrace	2	1538D, 1540D	Design	NA	6/1/2013	6/30/13	5/1/2014 est.			Design consultant selected, IOM to be routed for approval to start negotiations.	C. Abara S. Krekel
Oahu	44	1035	Nanakuli Homes	2	5, 8	Design	NA	NA	NA	12/31/2014 est.			Design consultant selected, IOM to be routed for approval to start negotiations.	M. Kawamura
Oahu	44	1035	Nanakuli Homes	4	01, 02, 06, 34	Grp B	11/1/2010	6/22/2011	9/12/11	May 2013 est.	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion May 2013.	C. Abara
Oahu	44	1057	Waimaha-Sunflower	3	B128, B220, B320	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est.	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013.	C. Abara
Oahu	44	1057	Waimaha-Sunflower	2	308, G301	Design	NA	NA	NA	12/31/2014 est.			Design consultant selected, IOM to be routed for approval to start negotiations.	M. Kawamura
Oahu	44	1091	Kauioikalani	1	304	Design	1/31/2014	6/30/2014	1/31/2015	12/31/2015 est.	n/a	No	Fire damaged unit. Interior to be worked on after exterior/roof is completed. Work on interior of vacant unit. To be combined with the modernization.	M. Kawamura
Oahu	44	1091	Kauioikalani	4	101, 201, 303, 301	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est.	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013.	C. Abara
Oahu	44	1091	Kauioikalani	1	604	Design							HPHA to verify if Type C unit.	M. Kawamura
Oahu	44	1108	Mali II	2	9, 13	Design	NA	NA	NA	12/31/2014 est.			Design consultant selected, IOM to be routed for approval to start negotiations.	M. Kawamura

Island	AMP	HPHA No.	Project	No. of Units	Unit Numbers	Category	Estimated Consultant Contract Award	Estimated Bid Date	Estimated Construction Contract Award	Estimated Completion of Construction	HUD Letter Sent	HUD Approval	Status/Comments	PE
Oahu	44	1108	Mallii II	2	19, 24	Grp B	11/1/2010	6/22/2011	9/12/11	May 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion May 2013.	C. Abara
Oahu	45	1072	Ho'okipa - Kahalu'u	2	G-102, G-202	Design	3/29/2013	3/28/2014	7/25/14	7/31/15 est			ADA design contract being negotiated.	S. Krekel
Oahu	45	1090	Kaunale O'hana	1	201	Design	3/29/2013	3/28/2014	7/25/14	7/31/15 est			Consultant selected, negotiating consultant proposal. This unit is part of accessibility modernization.	S. Krekel
Oahu	49	1015	Wahiawa Terrace	17	1-1, 1-2, 1-8, 2-1, 2-2, 3-3, 4-4, 4-5, 5-5, 6-4, 6-5, 6-6, 6-7, 7-1, 7-2, 8-5, 8-7	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est	2/9/12	Yes*	*HUD approval for all units except 4-5 and 6-7. Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013	C. Abara
Oahu	49	1015	Wahiawa Terrace	3	3-1, 5-1, 7-6	DAGS	NA	NA		12/31/2013 est	11/27/12	Yes	DAGS to provide completion timeframe from scope of work provided by HPHA.	M. Kawamura
Oahu	49	1050	Kupuna Home O Waiialua	2	17, 18	Grp B	11/1/2010	6/22/2011	9/12/11	August 2013 est	2/9/12	No	Consultant: GYA Architects, General Contractor: Society Contracting. Estimated completion August 2013.	C. Abara
Oahu	50	1008	Palo Alto Valley Homes	3	14F, 15D, 18A	Mod	6/3/2010	4/16/2012	6/5/12	March 2014 est	12/28/12	Yes	Construction started 11/13/12 for major modernization of Building 14-20. First phase is Building 20. Second phase is Building 16 & 17. These units are currently vacant and will not be occupied until the modernization is complete. Estimated completion March 2014.	L. Izumi
Oahu	50	1008	Palo Alto Valley Homes	12	16A-F, 17A-F	Mod	6/3/2010	4/16/2012	6/5/12	August 2013 est	12/28/12	Yes	Start of construction for Buildings 16 & 17 - Jan. 2013. Estimated completion August 2013.	L. Izumi
Oahu	50	1008	Palo Alto Valley Homes	8	20A-H	Mod	6/3/2010	4/16/2012	6/5/12	June 2013 est	12/21/12	Yes	Start of construction for Building 20 - Nov. 2012. Estimated completion June 2013.	L. Izumi

Island	AMP	HPHA No.	Project	No. of Units	Unit Numbers	Category	Estimated Consultant Contract Award	Estimated Bid Date	Estimated Construction Contract Award	Estimated Completion of Construction	HUD Letter Sent	HUD Approval	Status/Comments	PE
Molokai	39	1088	Kahale Mui	2	17, 24A	Consult Contr	5/2/2011	8/15/2013	10/15/13	10/15/2014 est		Yes	Reke, Sunnland, Kono Architects working on bid documents, tentative bid August 2013.	L. Goldman
Maui	39	1016	David Malo Circle	2	725C, 745A	Design	3/31/2013	1/31/2014	5/20/14 est	3/2015 est		725C - No	Consultant selected, negotiating contract.	L. Izumi
Maui	39	1044	Piliani Homes	1	1028-F5	Design	6/30/2013	4/30/2014	10/20/14 est	10/2015 est			Part of Piliani modernization.	L. Izumi
Maui	39	1092	Makani Kai Hale	2	24, 34	Design	3/31/2013	1/31/2014	5/20/14 est	3/2015 est			To be included in David Malo Modernization project.	L. Izumi
Kauai	38	1018	Kapaa	3	3R, 14L, 17L	Design	NA	1/10/2013	5/10/13	8/21/2013 est			Bid opened 2/22/13.	S. Krekel
Kauai	38	1019	Hale Ho'olulu	1	B1	Consult Contr	6/24/2010	3/22/2013	6/28/13	1/27/2014 est			Invitation for Bid posted 3/22/13. Bid opening scheduled for 4/18/13.	S. Krekel
Kauai	38	1022	Kalaheo	3	1B, 4A, 4B	Consult Contr	6/24/2010	3/22/2013	6/28/13	2/7/2014 est			Invitation for Bid posted 3/22/13. Bid opening scheduled for 4/17/13.	S. Krekel
Kauai	38	1055	Hale Ho'onanea	2	9L, 14R	Consult Contr	5/12/2010	6/15/2013	9/15/13	4/2014 est			Current ADA project w/ Richard Matsunaga & Associates Architects Inc.	L. Goldman
Hawaii	37	1004	Lanakia Homes II	6	59L-R, 61L-R, 62L-R	Consult Contr	NA	3/1/2013	5/1/13	12/31/2014 est			Buildings 59, 61, & 62 un-demolished, to be part of major modernization	M. Kawamura
Hawaii	37	1004	Lanakia Homes III	36	55L, 55R - 75L, 75R 106L, 106R, 107L, 107R, 108L, 108R, 109L, 109R, 110L, 110R, 111L, 111R, 112L, 112R, 113L, 113R, 114L, 114R, 115L, 115R	Demo	NA	1/1/2014	4/1/14	12/31/2014 est			Scheduled for Renovation, need to un-demo with HUD.	M. Kawamura
Hawaii	37	1014	Lanakia Homes III	20		Demo	NA	3/1/2014	6/1/14	12/31/2014 est			Scheduled for Renovation, need to un-demo with HUD.	M. Kawamura
Hawaii	37	1029	Pomaikai	8	925D, E, F, 935A, D, E, F, H	Consult Contr	6/4/2012	9/1/2013	11/1/13	11/30/2014 est			Design in process	M. Kawamura
Hawaii	37	1045	Pahala	2	3F, 5A	Consult Contr	6/4/2012	3/1/2014	5/1/14	6/30/2015 est			Design in process	M. Kawamura
Hawaii	37	1051	Hale Aloha O Puna	4	7A, 7C, 8B, 9A	Consult Contr	6/4/2012	12/1/2013	2/1/14	3/31/2015 est		7-C No	Design in process	M. Kawamura
Hawaii	46	1087	Ke Kumu Ekolu	1	B2202	Design	NA	NA	NA	6/7/13 est			Construction Management provided specifications to AMP, work to be done by AMP.	S. Ibrahim

Total Verified Type C Vacant Units by County: 211  
 Oahu 114  
 Maui 5  
 Molokai 2  
 Kauai 9  
 Hawaii 21  
 151

Total Group B Under Construction Contract (Group B): 32  
 Total Units Under Modernization Const. Contracts (Mod): 32  
 Total Units Under Construction (Construction): 0  
 Total Units Under Construction with DAGS (DAGS): 3  
 Total Units Under Construction w/ Special Teams (HPHA ST): 0  
 Total Vacant Units Under Construction Contract: 67

Total Under Design Contracts (Consult Contr): 28  
 Total Group C design (Group C): 0  
 Total Mod awaiting Consultant Contract (Design): 56  
 Total in-house design (HPHA Design): 0  
 Total Being Added to Consultant Contract: 84

Total Form A's to be verified by CMB: 0  
 Total Missing Form A: 0  
 Total Needing to be Verified: 0

Total Units Approved for Demo: 60  
 Total Units Relocation Hold: 0

**CONSTRUCTION MANAGEMENT BRANCH**  
**Status Report**  
**Large Capacity Cesspool Conversions (LCCC) Statewide**  
April 1, 2013

**Completed Activities**

- Bid opened on 2/15/13 for "5-year Maintenance of Individual Wastewater Systems (IWS) and Underground Injection Control (UIC) Seepage Pits". All bids for AMP 37, 38 & 43 were routed for approvals on 3/13/2013 pending AG concurrence for some calculation errors. Bid for AMP 46 will be re-issued due to lack of bids.

**Planned Activities**

- HPHA is preparing for the final status report regarding the CA/FO requirements' completion to submit to EPA.
- Remaining items outstanding at Kalaheo and Hale Ho`olulu on Kaua`i (Group 1 cesspools) are the operation and maintenance manuals and the maintenance schedule recommendations from the contractor. The HPHA has reviewed and has requesting additional information from the contractor.
- On-going - The Hawai`i Housing Finance & Development Corporation (HHFDC) and Hawai`i Public Housing Authority (HPHA) will enter into a Memorandum of Agreement (MOA) to address the cost-sharing of maintenance and repair of the sewer lateral shared by the two agencies but located on the La`ilani property on the Big Island (owned by the HHFDC). The Hawaii Housing Finance and Development Corporation (HHFDC) resubmitted a revised MOA on 3/27/2013. The HPHA is reviewing.
- On-going - The Attorney General's office has been assisting in drafting the necessary documents requesting the cancellation of the Executive Orders (EO's) relating to the Hawaii Public Housing Authority's (HPHA) responsibilities of the Teacher's Cottages in Maui and Hawaii counties, issuing management and control to the Department of Education (DOE) in reference to Consent Agreement/Final Order (CA/FO) requirements of the Environmental Protection Agency (EPA). The final documents requesting transfer of the Executive Order was sent to the Department of Land and Natural Resources (DLNR) on October 9, 2012. The HPHA is waiting on updates from the DLNR after addressing inquiries from the DNLN on 3/21/2013.

**Trends/Issues**

- **Underground Injection Control (UIC) Annual Reporting** is past due on most projects with underground injection control seepage pits. The HPHA procured a consultant to provide site-specific specifications for compliance with annual reporting requirements. The bids for AMP 37, 38, and 43 are expected to be awarded in April of 2013, and the bids for AMP 46 are expected to be awarded in August of 2013. The annual reports will require 3 months of logging and preparation for submittal following the award.

**Risks**

- **Group 2** cesspools had a March 2009 deadline. The Environmental Protection Agency (EPA) was notified on 7/18/2012 that Kealakehe and on 7/3/2012 that Hale Hau`oli on the Big Island were connected to the County sewer lines and were backfilled. Though the HPHA is well beyond the March 2009 deadline, David Albright, head of the EPA regional office in San Francisco, indicated that penalizing Hawai`i Public Housing Authority (HPHA) for delays is not a top enforcement priority and that he believes that there is no need to amend the CA/FO to amend deadline dates.

**STATUS REPORT ON LARGE CAPACITY CESSPOOL CONVERSIONS, HPHA**  
(prepared 4/01/2013)

Group 2--All @ Big Island		# CPs	Status as of April 2013		CD*
1	KAIMALINO	6	IWS ATO # 42659, 42660, 42661, 42662, 42663 dated 12/16/10 on file	Out of the 6 cesspools, 5 converted to seepage pits and 1 was backfilled and abandoned. The renewal permit for the seepage pits DOH UIC Permit--UH 1706 for 5 seepage pits was issued 8/31/2011 through 8/30/2016.	10/09
	TMK 3-7-4-017-029			Connected on 7/2/2012, 17 cesspools backfilled. UIC UH-2781 closed on 9/21/2012 regarding backfill of 17 injection wells.	12/12
2	KEALAKEHE HOUSING	17	TMK 3-7-4-017-058	A MOA with HHFDC is being developed since Kealakehe's access to the County sewer line runs thru HHFDC's sewer main.	
3	LA'ILANI	66		HHFDC; Completed connection to county sewer 9/29/2011.	NA
4	HAWAII MONTESSORI	2		HHFDC; same property/information as Lailani	NA
5	JACK HALL	13		HHFDC; CAFO UIC-09-2010-005; UIC UH-2782 closed per DOH letter dated 8/10/2011.	NA
<b>Total</b>		<b>104</b>	<b>CP-- 1000+ gpd Cesspools CD*-Completion date of Contractor's Scope of Work</b> (Okahata & Associates is Consultant of Record for Hawaii projects)		

Group 1 @ Big Island		# CPs	Status as of April 2013		CD*
6	NOELANI 1	3	IWS ATO # 41011, 41013, 40114 issued 9/22/10 on file;	UIC Permit UH-2887 for wells 1 through 3 issued 12/30/2011 through 12/29/2016.	6/08
	TMK 3-6-5-009-025				
7	NOELANI II	6	IWS ATO #41996 to 42000 (5 septic tanks) dated 9/22/10.	UIC Permit UH-2888 for wells 1 through 6 issued 12/30/2011 through 12/29/2016.	6/08
	TMK 3-6-5-009-026			Backfilling permit submitted July 12, 2012 for DOH record for the 7th (less than 1000 gpd) cesspool.	
8	HALE ALOHA O PUNA (E)	6	IWS ATO# 42856, 42860 to 42865 issued 8/4/10.	UIC Permit UH-2826 (3 pits) issued 12/15/2010 through 12/14/2015.	12/09
	TMK 3-1-6-143-035				
9	HALE HOOKIPA (E)	10	IWS ATO #43221 & 43223 issued 12/22/2010 and 43220 & 43222 issued 8/20/2012;	UIC permit UH-2838 (2 seepage pits) closed on 8/15/2012; UIC ATO UH-2852 (3 pits) issued 4/15/2011 through 4/14/2016.	11/08
	TMK 3-8-1-002-049				
10	NANI OLU (E)	9	IWS ATO# 43252 to 43260 (9 systems) dated 6/23/2010 on file	UIC ATO UH-2793 for wells 1 thru 9 issued 2/28/2011 through 2/27/2016.	11/08
	TMK 3-8-002-047,048				
11	NANI O PUNA	4	HHFDC; IWS ATO # 42233 to 42236, UIC UH-2794 for 3 seepage pit issued 2/28/2011;	UIC UH-2764 issued for backfill of 4th well	11/09
	TMK 3-1-5-002-023				
12	HALAULA TC	3	IWS ATO # 37731 to 37733 issued 7/8/2009; Transferring to DOE; need to resend	HPHA letter to DLNR	
	TMK 3-5-3-010-056				
13	KA'U TC	0	IWS ATO # 38386 to 38387 issued 3/13/2009; Transferring to DOE; need to resend	HPHA letter to DLNR	01/09
	TMK 3-9-6-005-008				
14	WAIMEA TC	1	IWS ATO # 43792 issued 9/9/2010; Transferring to DOE; need to resend	HPHA letter to DLNR	01/09
	TMK 3-6-7-002-015				
15	HONOKAA TC	1	IWS ATO # 42338 to 42341; UIC ATO UH-2869 issued 8/15/2011 through 8/14/2016;	Transferring to DOE; resent request to DLNR on 10/9/2012	6/08
	TMK 3-4-5-001-011				11/08

**STATUS REPORT ON LARGE CAPACITY CESSPOOL CONVERSIONS, HPHA**  
(prepared 4/01/2013)

**43 UIC -- Underground Injection Control; IWS-- Individual Wastewater System**  
(Okahara & Associates is Consultant of Record for Hawaii projects)

<b>Group 1 @ Kauai</b>		<b># CPS</b>	<b>Status as of April 2013</b>
16	HALE HO'OLULU (E) TMK: 4-5-2-003-056	2	IWS ATO # 41589, 41590 & 41591 issued on 11/14/2011. 2 cesspools were backfilled, and DOH file UIC-UK 2774 was closed on 5/13/2011.
17	KALAHEO TMK: 4-2-3-012-030	5	IWS ATO 41585, 41586, 41587, 41588 dated 3/8/2011 on file UIC Permit UK-2737 for 4 seepage pits issued 5/29/2009 through 5/28/2014; annual report submitted 10/15/11.
18	KEKAHA HA'AHEO TMK: 4-1-3-008-020 & 026	77	IWS ATO # 41598 to 41628 dated 3/2011 for 31 septic tanks on file Backfill for 77 cesspools completed 1/18/2011; report submitted to DOH for record.
		<b>84</b>	<b>(AECOM Pacific Inc. is Consultant of Record for Kauai projects)</b>

<b>Group 1 @ Maui</b>		<b># CPS</b>	<b>Status as of April 2013</b>
19	HANA 'B' TC TMK: 2-1-4-004-003	1	IWS ATO # 40608 issued 9/1/2009; Transferring to DOE; need to resend HPHA letter to DLNR
20	WAKIU 'A - E' TC TMK: 2-1-3-004-022	2	IWS ATO # 40609 to 40611 issued 3/13/2009; Transferring to DOE; resent request to DLNR on 10/9/2012
		<b>3</b>	<b>(AECOM Pacific Inc. is Consultant of Record for Maui projects)</b>
<b>Total for Group 1</b>		<b>130</b>	

<b>Others originally not identified in CA/FO</b>		<b># CPS</b>	<b>Status as of April 2013</b>
a	Lokahi Housing TMK 3-2-4-052-020	8	16 septic tanks (IWS) total; 5 are being replaced; IWS ATO 42685-42695 (11 systems) issued 1/13/2010 & IWS ATO 45584,45601,45603-45605 (5 systems) issued 5/10/2011; UIC backfill permit UH-2863 for 4 cesspools. <b>This is not part of CA/FO; Notice to Proceed issued on 10/29/2012, and estimated completion is February 2013.</b>
b	Hale Hauoli Housing TMK 3-4-5-010-078	8	Connected to the County Sewer on July 16, 2012, 8 injection well cesspools backfilled. Cesspool Abandonment Permit & Backfill Final Completion Report UH-2843 approved by Dept. Of Health on 9/14/2012, so UH-2843 has been closed out.
c	Pahala Elderly Housing TMK 3-9-6-017-037	3	IWS ATO# 18081 to 18085 (5 tanks) issued 12/17/2009. UIC Permit UH-2657 for wells 1 through 3 issued 5/15/2008 through 5/14/2013.
		<b>19</b>	<b>(Okahara &amp; Associates is Consultant of Record for Hawaii projects)</b>

**FOR DISCUSSION**

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

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Kolio, et al v. State of Hawaii, Hawaii Public Housing Authority; Denise Wise In Her Official Capacity As Executive Director (Civil Case No. CV11-00266 and Civil No. 11-1-0795*

*(There are no handout/packet materials for this item.)*

## FOR DISCUSSION

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

### I. FACTS

- A. The Section 8 Program was authorized by Congress in 1974 and developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects.
- B. The rents of some of the residential units are subsidized by HUD under the Section 8 New Construction ("New Construction"), Substantial Rehabilitation ("Substantial Rehabilitation") and/or Loan Management Set-Aside ("LMSA") Programs. All such assistance is "project-based", i.e.; the subsidy is committed by HUD for the assisted units of a particular Mortgaged Property for a contractually determined period.
- C. HUD provides Section 8 rental subsidies to the owners of certain mortgaged properties pursuant to a HAP Contract. The entity responsible for the administration of the Section 8 assistance pursuant to a particular HAP Contract is the designated "Contract Administrator". Under the New Construction and Substantial Rehabilitation Programs, either HUD or a "Public Housing Agency" may serve as Contract Administrator.
- D. The Hawaii Public Housing Authority (HPHA) currently serves as the Contract Administrator for over 50 properties under the Section 8 Project Based Contract Administration (PBCA) program and is assisted under an intergovernmental agreement by the Bremerton Housing Authority.

### II. DISCUSSION

- A. The HPHA recently executed a short term intergovernmental agreement with Bremerton Housing Authority.

Prepared by: Stephanie Fo, Section 8 Branch Chief 

## FOR DISCUSSION

**SUBJECT:** To Seek Board Input on Proposed Revision to the Hawaii Public Housing Authority's Policy Regarding Retraction of Section 8 Housing Choice Vouchers from Families Most Recently Issued Vouchers to Retraction of Vouchers from Families Who Have Been on the Section 8 Program the Longest

### I. FACTS

- A. The Hawaii Public Housing Authority's Section 8 Housing Choice Voucher Program's Administrative Plan currently states:

***Insufficient Funding [24 CFR 982.454]***

The PHA may terminate housing assistance payments (HAP) contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

PHA Policy

The PHA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If the PHA determines there is a shortage of funding, prior to terminating any HAP contracts, the PHA will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the PHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the PHA will inform the local HUD field office. The PHA will terminate the minimum number needed in order to reduce HAP costs to a level within the PHA's annual budget authority.

If the PHA must terminate HAP contracts due to insufficient funding, the PHA will do so in accordance with the following criteria and instructions:

*Last in, first out. Under this option the PHA will terminate families according to the date of the family's admission to the program, starting with those most recently admitted.*

## I. DISCUSSION

- A. Nationwide, the methodology of "last in, first out" is being changed by leaders in the public housing industry. During a recent Help Session teleconference regarding how public housing agencies are responding to the impacts of sequestration, Nan McKay and Associates (a HUD consultant) recommended changing the way public housing agencies determine what families are terminated. Nan McKay recommends that Public Housing Agencies change their "last on, first off" policy to "first on, first off". This policy is currently used by many of the public housing agencies nationwide.
- B. By adopting this policy, families who have been on the section 8 program as long as 34 years will be removed from the program. The rationale behind the recommended approach is that the families that have been on the program the longest have had an opportunity to utilize their resources to obtain gainful employment. If HPHA has to terminate due to insufficient funding, HPHA may want to continue to assist those families that have been on the program for the lesser amount of time.
- C. Some of the public housing agencies that adopted the "first on, first off" policy excluded elderly and disabled from being terminated. Other agencies also excluded families on the Family Self Sufficiency program.
- D. The Hawaii Public Housing Authority has considered terminating HAP contracts for families that we are paying the least amount of HAP because these families will be less impacted. This would not only impact more families and owners, but directly impacts the Housing Authority's revenues. Less HAP contracts equals less in administrative fees.
- E. The staff is seeking Board input on the following options:
1. Leave the policy as is and if necessary, terminate voucher assistance to families who have joined the program last;
  2. Revise the policy to "first on, first off";
  3. Revise the policy to terminate a combination of "first on" and "last on" based on a percentage from each group;
  4. Revise the policy to terminate on the basis of a lottery, if allowed by the Section 8 program; or
  5. Any other proposed/recommended options.
- G. Any proposed revision would require an amendment to the Section 8 Administrative Plan and the HPHA's Annual PHA Plan.

Prepared by: Stephanie Fo, Section 8 Housing Subsidy Programs Branch Chief SF

## FOR DISCUSSION

**SUBJECT:** Update on the Status of Ke Kumu Ekahi

### I. FACTS

- A. The Hawaii Public Housing Authority currently operates Ke Kumu Ekahi, a multifamily project located at 68-3340 Ke Kumu Place, Waikoloa, Hawaii.
- B. During the last financial audit, it was noted in the footnotes of the HPHA's financial statements that there is "an Uncollateralized Promissory Note Receivable of \$426,100, bearing interest at 9% from a developer who had leased certain building improvements under a sublease agreement with the Authority."

### II. DISCUSSION

- A. The staff have been working with the Department of the Attorney General to resolve issues related to this issue. The Deputy Attorney General will apprise the Board of Directors of the current situation in executive session.

Prepared by: Barbara E. Arashiro, Executive Assistant 