

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

**June 16, 2016
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ESTABLISHING QUORUM

II. APPROVAL OF MINUTES

Regular Meeting Minutes, May 19, 2016
Executive Session Minutes, May 19, 2016 (not for public distribution).

Executive session minutes will be considered by the Board of Director in executive session scheduled for later in the meeting as a courtesy to the public.

III. PUBLIC TESTIMONY

Public testimony on any item relevant to this agenda shall be taken at this time. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

IV. FOR ACTION

- A. **MOTION:** To Authorize the Executive Director to Certify Duly-Elected Resident Councils Pursuant to Volume 24 Code of Federal Regulations (CFR) Part 964; to Enter into Memorandum of Agreements with Certified Resident Councils that Qualify for Federal Resident Participation Funds from the U.S. Department of Housing and Urban Development (HUD); and to Suspend Certification Status of a Resident Council that Falls into Non-Compliance
- B. **MOTION:** To Approve the Settlement Agreement in Valantin Sirom and Sasinta Seremea v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority; Hakim Ouansafi, as an individual; Lori Nakanishi, as an individual; Trofe Long, as an individual; Renee Blondin-Nip, as an individual; Earl Mente, as an individual; and William Richardson, as an individual (HCRC No. RE-O-1063; HUD No. 09-15-

1309-8) and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

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

- C. **MOTION:** (A) Rescind the Hawai'i Public Housing Authority (HPHA) Board of Directors' Approval (on 5/19/2016) of Motion to (1) Adopt Proposed Rules under the Governor's Proclamation, dated October 16, 2015, and Supplementary Proclamations, Entitled "Special Rent Supplement Program Rules" Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules (HAR), and Which Include the Rules and Requirements for HPHA's Special Rent Supplement Program, a Program Established to Provide Rent Subsidies to Qualified Homeless Person(s) or Family; and (2) to Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Special Rent Supplement Program for the Homeless, Including Promulgating the Rules Pursuant to Section 127A-25, Hawai'i Revised Statutes (HRS);

(B) Adopt a New Chapter under Hawai'i Administrative Rules as Title 17 Chapter HPHA-RS, entitled "Special Rent Supplement Program Emergency Rules", Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules, and Sets Forth the Requirements for Eligibility and Participation in HPHA's Special Rent Supplement Program Which Provides Rent Subsidies to a Qualified Homeless Person or Family, through Chapter 91, HRS, Emergency Rulemaking, to Provide Emergency Relief to Address the Homeless Emergency Declared by the Governor in his Proclamation dated October 16, 2015, and Supplementary Proclamations; and

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

The Proposed "Special Rent Supplement Program Emergency Rules" may be viewed on the internet on or about June 10, 2016 on the Lieutenant Governor's website at: <http://ltgov.hawaii.gov/the-office/administrative-rules/> or can be viewed in person at the HPHA's Offices located at HPHA's Administrative Offices, 1002 N. School Street, Honolulu

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

***Note:** The Governor's Proclamation dated October 16, 2015, and Supplementary Proclamations dated October 26, 2015, December 24, 2015, February 19, 2016, and April 22, 2016, suspended, as allowed by law, the following statutes:

- Chapter 92, Hawai'i Revised Statutes (HRS), **Public Agency Meetings and Records**, to the extent that any notice requirements or any other provisions of Chapter 92 may delay the expeditious action, decision, or approval of any agency; and
 - Chapter 91, HRS, **Administrative Procedures**, as those provisions relate to rulemaking, to the extent necessary for the purpose of providing emergency relief as necessary to address the homeless emergency contemplated in his proclamations.
- D. **MOTION:** To Adopt Resolution No. 16-05 Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2016 – 2017 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574).

V. REPORTS

- Financial Report for the Month of April 2016 and Report on HPHA's Budget for Operating and Capital Funds for FY 2016-2017. The April 2016 Financial Report is provided to the board in the monthly packet.
- The Report on Contracts Executed During May 2016 and Planned Solicitations for June 2016 are provided to the Board in the monthly packet. No formal report is planned.
- Property Management and Maintenance Services Lease up Status and Eviction Hearings for the Month of May 2016
- Construction Management Activities, including Obligation and Expenditure Status for the Federal Capital Fund Program (CFP) and the State Capital Improvement Program (CIP), Kuhio Park Terrace and Kalihi Valley Homes Construction Activity
- Section 8 Subsidy Programs Voucher Lease Up and Report on Status of HQS Inspections for the Month of May 2016. The Section 8 Report is provided to the Board in the monthly packet. No formal report is planned.
- Status of Redevelopment at Mayor Wright Homes with MWH Partners, Redevelopment of 1002 N. School Street with Retirement Housing Foundation, and the Redevelopment of Kuhio Park Terrace with the Michaels Development Company.

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

Pages 1-12 were removed because they contained confidential information.

FOR ACTION

MOTION: To Authorize the Executive Director to Certify Duly-Elected Resident Councils Pursuant to Volume 24 Code of Federal Regulations (CFR) Part 964; to Enter into Memorandum of Agreements with Certified Resident Councils that Qualify for Federal Resident Participation Funds from the U.S. Department of Housing and Urban Development (HUD); and to Suspend Certification Status of a Resident Council that Falls into Non-Compliance.

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) recognizes the importance of resident involvement in creating a positive living environment in its public housing properties statewide. The HPHA encourages the formation of resident councils as one forum to stimulate community involvement within its developments.
- B. The HPHA's federal public housing program is governed by a variety of federal, state, and agency statutes and rules, including the Code of Federal Regulations and Chapter 356D, Hawaii Revised Statutes (HRS) as attached.
- C. The establishment of resident councils in federal public housing are governed by regulations found at 24 CFR 964 as attached. Under the HUD rules, "residents have a right to organize and elect a resident council to represent their interests. As long as proper procedures are followed, the HA shall recognize the duly elected resident council to participate fully through a working relationship with the public housing authority."
- D. Resident Council requirements found at 24 CFR 964.115 state:

A resident council shall consist of persons residing in public housing and must meet each of the following requirements in order to receive official recognition from the (housing authority) HA/HUD, and be eligible to receive funds for resident council activities, and stipends for officers for their related costs for volunteer work in public housing:

- (a) *It may represent residents residing:*
 - (1) *In scattered site buildings;*
 - (2) *In areas of contiguous row houses; or*

- (3) *In one or more contiguous buildings;*
- (4) *In a development; or*
- (5) *In a combination of these buildings or developments;*

- (b) *It must adopt written procedures such as by-laws, or a constitution which provides for the election of residents to the governing board by the voting membership of the residents residing in public housing, described in paragraph (b) of this section, on a regular basis but at least once every three (3) years. The written procedures must provide for the recall of the resident board by the voting membership. These provisions shall allow for a petition or other expression of the voting membership's desire for a recall election, and set the number of percentage of voting membership ("threshold") who must be in agreement in order to hold a recall election. This threshold shall not be less than 10 percent of the voting membership.*
- (c) *It must have a democratically elected governing board that is elected by the voting membership. At a minimum, the governing board should consist of five (5) elected board members.*

The voting membership must consist of heads of households (any age) and other residents at least 18 years of age or older and whose name appears on a lease for the unit in the public housing that the resident council represents.

E. Pursuant to 24 CFR 964.125, in order to be eligible for resident council membership the following applies:

- (a) *Any member of a public housing household whose name is on the lease of a unit in the public housing development and meets the requirements of the by-laws is eligible to be a member of a resident council. The resident council may establish additional criteria that are non-discriminatory and do not infringe on rights of other residents in the development. Such criteria must be stated in the by-laws or constitution as appropriate.*
- (b) *The right to vote for resident council board shall be limited to designated heads of households (any age) and other members of the household who are 18 years or older whose name appears on the lease of a unit in the public housing development represented by the resident council.*
- (c) *Any qualified voting member of a resident council who meets the requirements described in the by-laws and is in compliance with the*

lease may seek office and serve on the resident council governing board.

- F. Resident Council election procedures and standards as established by HUD at volume 24 CFR part 964.130 state the following:

At a minimum, a resident council may use local election boards/commissions. The resident council shall use an independent third-party to oversee elections and recall procedures.

- (a) *Resident councils shall adhere to the following minimum standards regarding election procedures:*
 - (1) *All procedures must assure fair and frequent elections of resident council members—at least once every three years for each member.*
 - (2) *Staggered terms for resident council governing board members and term limits shall be discretionary with the resident council.*
 - (3) *Each resident council shall adopt and issue election and recall procedures in their by-laws.*
 - (4) *The election procedures shall include qualifications to run for office, frequency of elections, procedures for recall, and term limits if desired.*
 - (5) *All voting members of the resident community must be given sufficient notice (at least 30 days) for nomination and election. The notice should include a description of election procedures, eligibility requirements, and dates of nominations and elections.*
- (b) *If a resident council fails to satisfy HUD minimum standards for fair and frequent elections, or fails to follow its own election procedures as adopted, HUD shall require the HA to withdraw recognition of the resident council and to withhold resident services funds as well as funds provided in conjunction with services rendered for resident participation in public housing.*
- (c) *HAs shall monitor the resident council election process and shall establish a procedure to appeal any adverse decision relating to failure to satisfy HUD minimum standards. Such appeal shall be submitted to a jointly selected third-party arbitrator at the local level. If costs are incurred by using a third-party arbitrator, then such costs should be paid from the HAs resident services funds pursuant to section 24 CFR 964.150.*

III. DISCUSSION

- A. Although the terms "resident council" and "resident association" are used interchangeably by HPHA, residents, and often HUD, all official actions will require a duly elected resident council to be referred to as a "resident council".
- B. The HPHA is currently working with resident councils and loosely organized resident groups to encourage resident participation in community activities, planning and input on the Five Year and Annual Public Housing Agency Plan.
- C. The HPHA is working with several resident groups to determine that they have satisfied all of the HUD requirements related to resident councils and to proceed towards certification.
- D. The HPHA is drafting administrative rules for a resident council to appeal any adverse decision relating to failure to satisfy HUD minimum standards.

IV. RECOMMENDATION

That The Board Authorize the Executive Director to Certify Duly-Elected Resident Councils Pursuant to Volume 24 Code of Federal Regulations (CFR) Part 964; to Enter into Memorandum of Agreements with Certified Resident Councils that Qualify for Federal Resident Participation Funds from the U.S. Department of Housing and Urban Development (HUD); and to Suspend Certification Status of a Resident Council that Falls into Non-Compliance

Attachment A: Section 356D-4(b), Hawaii Revised Statutes
Attachment B: Volume 24 Code of Federal Regulations Part 964

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

Pono Shim
Chairperson

Attachment A

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

- (1) Sue and be sued;
- (2) Have a seal and alter the same at pleasure;
- (3) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers;
- (4) Adopt bylaws and rules in accordance with chapter 91 for its organization, internal management, and to carry into effect its purposes, powers, and programs;
- (5) Sell, lease, rent, hold, maintain, use, and operate any property, real, personal, or mixed, tangible or intangible, in support of its purposes, powers, and programs; provided that the sale of real property shall be subject to legislative approval;
- (6) Receive by gift, grant, devise, bequest, or otherwise from any source, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income thereof, for the benefit only of the residents assisted by its programs; provided that no gift to the authority that has an estimated value of \$1,000 or more shall be accepted unless approved or confirmed by the board; and
- (7) Engage the services of volunteers as deemed appropriate by the authority without regard to chapter 76, 89, 90, 103, or 103D.

(b) In addition to other powers conferred upon it, the authority may do all things necessary and convenient to carry out the powers expressly provided in this chapter. [L 2006, c 180, pt of §2; am L 2013, c 148, §1]

Asst. Secy., for Public and Indian Housing, HUD

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A resident-owned business is not eligible to participate in the alternative procurement process provided by this part if the resident-owned business has received under this process one or more contracts with a total combined dollar value of \$1,000,000.

[57 FR 20189, May 11, 1992, as amended at 59 FR 33895, June 30, 1994]

§ 963.12 Alternative procurement process.

(a) *Method of procurement.* In contracting with resident-owned businesses, the PHA shall follow the applicable method of procurement as set forth in 24 CFR 85.36(d), with solicitation limited to resident-owned businesses. Additionally, the PHA shall ensure that the method of procurement conforms to the procurement standards set forth in 24 CFR 85.36(b).

(b) *Contract awards.* Contracts awarded under this part shall be made only to resident-owned businesses that meet the requirements of §963.10, and that comply with such other requirements as may be required of a contractor under the particular procurement and the Department's regulations. An award shall not be made to the resident-owned business if the contract award exceeds the independent cost estimate required by 24 CFR 85.36(f), and the price normally paid for comparable supplies, services, or construction in the project area.

(c) *Contract requirements.* Any contract entered into between a PHA and a resident-owned business under this part shall comply with: the contract provisions of 24 CFR 85.36(i); the provisions of 24 CFR 85.36(h), 24 CFR 968.240(d) or 24 CFR 968.335(c)(1) governing bonding requirements, where applicable; and such other contract terms that may be applicable to the particular procurement under the Department's regulations. In addition to the recordkeeping requirements imposed by 24 CFR 85.36(i), the PHA also shall maintain records sufficient to detail the significant history of the procurement made under this part. These records will include, but are not necessarily limited to the following: The independent cost estimate and comparable price analysis as required by paragraph (b) of this section; the basis

for contractor selection, including documentation concerning the eligibility of the selected resident-owned business under §963.10; and the basis for determining the reasonableness of the proposed contract price.

PART 964—TENANT PARTICIPATION AND TENANT OPPORTUNITIES IN PUBLIC HOUSING

Subpart A—General Provisions

- Sec.
- 964.1 Purpose.
- 964.3 Applicability and scope.
- 964.7 Definitions.
- 964.11 HUD policy on tenant participation.
- 964.12 HUD policy on the Tenant Opportunities Program (TOF).
- 964.14 HUD policy on partnerships.
- 964.15 HUD policy on resident management.
- 964.16 HUD role in activities under this part.
- 964.18 HA role in activities under subparts B & C.
- 964.24 HUD policy on FIC Program.
- 964.30 Other Program requirements.

Subpart B—Tenant Participation

- 964.100 Role of resident council.
- 964.105 Role of the jurisdiction-wide resident council.
- 964.115 Resident council requirements.
- 964.117 Resident council partnerships.
- 964.120 Resident management corporation requirements.
- 964.125 Eligibility for resident council membership.
- 964.130 Election procedures and standards.
- 964.135 Resident involvement in HA management operations.
- 964.140 Resident training.
- 964.145 Conflict of interest.
- 964.150 Funding tenant participation.

Subpart C—Tenant Opportunities Program

- 964.200 General.
- 964.205 Eligibility.
- 964.210 Notice of funding availability.
- 964.215 Grant agreement.
- 964.220 Technical assistance.
- 964.225 Resident management requirements.
- 964.230 Audit and administrative requirements.

Subpart D—Family Investment Centers (FIC) Program

- 964.300 General.
- 964.305 Eligibility.
- 964.308 Supportive services requirements.
- 964.310 Audit/compliance requirements.

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- 964.315 HA's role in activities under this part.
- 964.320 HUD Policy on training, employment, contracting and subcontracting of public housing residents.
- 964.325 Notice of funding availability.
- 964.330 Grant set-aside assistance.
- 964.335 Grant agreement.
- 964.340 Resident compensation.
- 964.345 Treatment of income.
- 964.350 Administrative requirements.

Subpart E—Resident Board Members

- 964.400 Purpose.
- 964.405 Applicability.
- 964.410 Additional definitions.
- 964.415 Resident board members.
- 964.420 Resident board member may be elected.
- 964.425 Small public housing agencies.
- 964.430 Nondiscrimination.

AUTHORITY: 42 U.S.C. 1437d, 1437g, 1437r, 3535(d).

SOURCE: 59 FR 43636, Aug. 24, 1994, unless otherwise noted.

Subpart A—General Provisions

§ 964.1 Purpose.

The purpose of this part is to recognize the importance of resident involvement in creating a positive living environment and in actively participating in the overall mission of public housing.

§ 964.3 Applicability and scope.

(a) The policies and procedures contained in this part apply to any PHA that has a Public Housing Annual Contributions Contract (ACC) with HUD. This part, except for subpart E, does not apply to PHAs with housing assistance payments contracts with HUD under section 8 of the U.S. Housing Act of 1937.

(b) Subpart B of this part contains HUD policies, procedures, and requirements for the participation of residents in public housing operations. These policies, procedures, and requirements apply to all residents participating under this part.

(c)(1) Subpart C of this part contains HUD policies, procedures, and requirements for residents participating in the Tenant Opportunities Program (TOP) (replaces the Resident Management Program under Section 20 of the United States Housing Act of 1937). Resident

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management in public housing is viable and remains an option under TOP.

(2) Subpart C of this part is not intended to negate any pre-existing arrangements for resident management in public housing between a PHA and a resident management corporation. On or after September 23, 1994, any new, renewed or renegotiated contracts must meet the requirements of this part, the ACC and all applicable laws and regulations.

(d) Subpart D of this part includes requirements for the Family Investment Centers (FIC) Program which was established by Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) to provide families living in public housing and Indian housing with better access to educational and employment opportunities.

(e) Subpart E of this part implements section 2(b) of the United States Housing Act of 1937 (42 U.S.C. 1437), which provides for resident membership on the board of directors or similar governing body of a PHA. Subpart E applies to any public housing agency that has a public housing annual contributions contract with HUD or administers tenant-based rental under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(f) The term "resident," as used throughout this part, is interchangeable with the term "tenant," to reflect the fact that local resident organizations have differing preferences for the terms. Terms such as "resident council" and "tenant council" and "resident management" and "tenant management" are interchangeable. Hereafter, for ease of discussion, the rule will use the terms resident, resident council and resident management corporation, as appropriate.

[57 FR 43636, Aug. 24, 1994, as amended at 64 FR 56879, Oct. 21, 1999]

§ 964.7 Definitions.

Annual Contributions Contract (ACC). A contract (in the form prescribed by HUD) under which HUD agrees to provide financial assistance, and the HA agrees to comply with HUD requirements for the development and operation of the public housing project.

Eligible residents for FIC. A participating resident of a participating HA.

If the HA is combining FIC with the Family Self-Sufficiency (FSS) program, the term also means Public Housing FSS and Section 8 families participating in the FSS program. Although Section 8 FSS families are eligible residents for FIC, they do not qualify for income exclusions that are provided for public housing residents participating in employment and supportive service programs.

Family Investment Centers (FIC). A facility on or near public housing which provides families living in public housing with better access to educational and employment opportunities to achieve self-sufficiency and independence.

FIC service coordinator. Any person who is responsible for:

- (1) Determining the eligibility and assessing needs of families to be served by the FIC;
- (2) Assessing training and service needs of eligible residents;
- (3) Working with service providers to coordinate the provision of services on a HA-wide or less than HA-wide basis, and to tailor the services to the needs and characteristics of eligible residents;
- (4) Mobilizing public and private resources to ensure that the supportive services identified can be funded over the five-year period, at least, following the initial receipt of funding.
- (5) Monitoring and evaluating the delivery, impact, and effectiveness of any supportive service funded with capital or operating assistance under the FIC program;
- (6) Coordinating the development and implementation of the FIC program with other self-sufficiency programs, and other education and employment programs; and
- (7) Performing other duties and functions that are appropriate for providing eligible residents with better access to educational and employment opportunities.

HA means the same as *Public Housing Agency (PHA)*.

Management. All activities for which the HA is responsible to HUD under the ACC, within the definition of "operation" under the Act and the ACC, including the development of resident programs and services.

Management contract. A written agreement between a resident management corporation and a HA, as provided by subpart C.

Public Housing Agency (PHA) is defined in 24 CFR part 5.

Public housing development (Development). The term "development" has the same meaning as that provided for "low-income housing project" as that term is defined Section 3(b)(1) of the Act.

Resident management. The performance of one or more management activities for one or more projects by a resident management corporation under a management contract with the HA.

Resident management corporation. An entity that proposes to enter into, or enters into, a contract to manage one or more management activities of a HA.

Resident-owned business. Any business concern which is owned and controlled by public housing residents. (The term "resident-owned business" includes sole proprietorships.) For purposes of this part, "owned and controlled" means a business:

- (1) Which is at least 51 percent owned by one or more public housing residents; and
- (2) Whose management and daily business operations are controlled by one or more such individuals.

Supportive services for FIC. New or significantly expanded services that are essential to providing families living with children in public housing with better access to educational and employment opportunities to achieve self-sufficiency and independence.

Tenant Opportunities Program (TOP). The TOP program is designed to prepare residents to experience the dignity of meaningful work, to own and operate resident businesses, to move toward financial independence, and to enable them to choose where they want to live and engage in meaningful participation in the management of housing developments in which they live. Financial assistance in the form of technical assistance grants is available to RCs/RMCs to prepare to manage activities in their public housing developments.

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Vacant unit under FIC. A dwelling unit that is not under an effective lease to an eligible family. An effective lease is a lease under which an eligible family has a right to possession of the unit and is being charged rent, even if the amount of any utility allowance equals or exceeds the amount of a total resident payment that is based on income and, as a result, the amount paid by the family to the HA is zero.

[59 FR 43636, Aug. 24, 1994, as amended at 61 FR 5215, Feb. 9, 1996]

§ 964.11 HUD policy on tenant participation.

HUD promotes resident participation and the active involvement of residents in all aspects of a HA's overall mission and operation. Residents have a right to organize and elect a resident council to represent their interests. As long as proper procedures are followed, the HA shall recognize the duly elected resident council to participate fully through a working relationship with the HA. HUD encourages HAs and residents to work together to determine the most appropriate ways to foster constructive relationships, particularly through duly-elected resident councils.

§ 964.12 HUD policy on the Tenant Opportunities Program (TOP).

HUD promotes TOP programs to support activities that enable residents to improve the quality of life and resident satisfaction, and obtain other social and economic benefits for residents and their families. Tenant opportunity programs are proven to be effective in facilitating economic uplift, as well as in improving the overall conditions of the public housing communities.

§ 964.14 HUD policy on partnerships.

HUD promotes partnerships between residents and HAs which are an essential component to building, strengthening and improving public housing. Strong partnerships are critical for creating positive changes in lifestyles thus improving the quality of life for public housing residents, and the surrounding community.

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§ 964.15 HUD policy on resident management.

It is HUD's policy to encourage resident management. HUD encourages HAs, resident councils and resident management corporations to explore the various functions involved in management to identify appropriate opportunities for contracting with a resident management corporation. Potential benefits of resident-managed entities include improved quality of life, experiencing the dignity of meaningful work, enabling residents to choose where they want to live, and meaningful participation in the management of the housing development.

§ 964.16 HUD role in activities under this part.

(a) *General.* Subject to the requirements of this part and other requirements imposed on HAs by the ACC, statute or regulation, the form and extent of resident participation including resident management are local decisions to be made jointly by resident councils/resident management corporations and their HAs. HUD will promote tenant participation and tenant opportunities programs, and will provide additional guidance, as necessary and appropriate. In addition, HUD will endeavor to provide technical assistance in connection with these initiatives.

(b) *Monitoring.* HUD shall ensure that the requirements under this part are operating efficiently and effectively.

§ 964.18 HA role in activities under subparts B & C.

(a) *HAs with 250 units or more.* (1) A HA shall officially recognize a duly elected resident council as the sole representative of the residents it purports to represent, and support its tenant participation activities.

(2) When requested by residents, a HA shall provide appropriate guidance to residents to assist them in establishing and maintaining a resident council.

(3) A HA may consult with residents, or resident councils (if they exist), to determine the extent to which residents desire to participate in activities involving their community, including the management of specific functions of a public housing development that may be mutually agreeable to the HA

and the resident council/resident management corporation.

(4) A HA shall provide the residents or any resident council with current information concerning the HA's policies on tenant participation in management.

(5) If requested, a HA should provide a duly recognized resident council office space and meeting facilities, free of charge, preferably within the development it represents. If there is no community or rental space available, a request to approve a vacant unit for this non-dwelling use will be considered on a case-by-case basis.

(6) If requested, a HA shall negotiate with the duly elected resident council on all uses of community space for meetings, recreation and social services and other resident participation activities pursuant to HUD guidelines. Such agreements shall be put into a written document to be signed by the HA and the resident council. If a HA fails to negotiate with a resident council in good faith or, after negotiations, refuses to permit such usage of community space, the resident council may file an informal appeal with HUD, setting out the circumstances and providing copies of relevant materials evidencing the resident council's efforts to negotiate a written agreement. HUD shall require the HA to respond with a report stating the HA's reasons for rejecting the request or for refusing to negotiate. HUD shall require the parties (with or without direct HUD participation) to undertake or to resume negotiations on an agreement. If no resolution is achieved within 90 days from the date HUD required the parties to undertake or resume such negotiations, HUD shall serve notice on both parties that administrative remedies have been exhausted (except that, pursuant to mutual agreement of the parties, the time for negotiations may be extended by no more than an additional 30 days).

(7) In no event shall HUD or a HA recognize a competing resident council once a duly elected resident council has been established. Any funding of resident activities and resident input into decisions concerning public housing operations shall be made only

through the officially recognized resident council.

(8) The HA shall ensure open communication and frequent meetings between HA management and resident councils and shall encourage the formation of joint HA management-resident committees to work on issues and planning.

(9) The resident council shall hold frequent meetings with the residents to ensure that residents have input, and are aware and actively involved in HA management-resident council decisions and activities.

(10) The HA and resident council shall put in writing in the form of a Memorandum of Understanding the elements of their partnership agreement and it shall be updated at least once every three (3) years.

(11) The HA, in collaboration with the resident councils, shall assume the lead role for assuring maximum opportunities for skills training for public housing residents. To the extent possible, the training resources should be local to ensure maximum benefit and on-going access.

(b) *HAs with fewer than 250 units.* (1) HAs with fewer than 250 units of public housing have the option of participating in programs under this part.

(2) HAs shall not deny residents the opportunity to organize. If the residents decide to organize and form a resident council, the HA shall comply with the following:

(i) A HA shall officially recognize a duly elected resident council as the sole representative of the residents it purports to represent, and support its tenant participation activities.

(ii) When requested by residents, a HA shall provide appropriate guidance to residents to assist them in establishing and maintaining a resident council.

(iii) A HA shall provide the residents or any resident council with current information concerning the HA's policies on tenant participation in management.

(iv) In no event shall HUD or a HA officially recognize a competing resident council once a duly elected resident council has been established. If a duly elected resident council has been

formed, any input into changes concerning public housing operations shall be made only through the officially recognized resident council.

§ 964.24 HUD policy on FIC Program.

HUD promotes Family Investment Centers which provide better access to educational and employment opportunities for residents living in public housing. HUD encourages resident involvement in the FIC Program and promotes resident-HA partnerships to achieve mutual goals.

§ 964.30 Other Program requirements.

In addition to the requirements set forth in 24 CFR part 5, the following Federal requirements apply to this program:

(a) *Affirmative Outreach.* (1) The Affirmative Fair Housing Marketing Program requirements of 24 CFR part 200, subpart M and the implementing regulations at 24 CFR part 108; and

(2) The fair housing advertising and poster guidelines at 24 CFR parts 109 and 110.

(b) Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131) and implementing regulations at 28 CFR part 35.

[61 FR 5216, Feb. 9, 1996]

Subpart B—Tenant Participation

§ 964.100 Role of resident council.

The role of a resident council is to improve the quality of life and resident satisfaction and participate in self-help initiatives to enable residents to create a positive living environment for families living in public housing. Resident councils may actively participate through a working partnership with the HA to advise and assist in all aspects of public housing operations.

§ 964.105 Role of the jurisdiction-wide resident council.

(a) *Jurisdiction-wide resident council.* Resident councils may come together to form an organization which can represent the interest of residents residing in units under a HA's jurisdiction. This can be accomplished by the presidents of duly elected resident councils forming an organization, by resident coun-

cils electing a representative to the organization, or through jurisdiction-wide elections. If duly elected resident councils form such an organization, the HA shall recognize it as the voice of authority-wide residents for input into housing authority policy making.

(b) *Function.* The jurisdiction-wide council may advise the Board of Commissioners and executive director in all areas of HA operations, including but not limited to occupancy, general management, maintenance, security, resident training, resident employment, social services and modernization priorities.

(c) *Cooperation with other groups.* There shall be regularly scheduled meetings between the HA and the local duly elected resident council, and the jurisdiction-wide resident council to discuss problems, plan activities and review progress.

§ 964.115 Resident council requirements.

A resident council shall consist of persons residing in public housing and must meet each of the following requirements in order to receive official recognition from the HA/HUD, and be eligible to receive funds for resident council activities, and stipends for officers for their related costs for volunteer work in public housing:

(a) It may represent residents residing:

- (1) In scattered site buildings;
- (2) In areas of contiguous row houses;

or

- (3) In one or more contiguous buildings;
- (4) In a development; or
- (5) In a combination of these buildings or developments;

(b) It must adopt written procedures such as by-laws, or a constitution which provides for the election of residents to the governing board by the voting membership of the residents residing in public housing, described in paragraph (b) of this section, on a regular basis but at least once every three (3) years. The written procedures must provide for the recall of the resident board by the voting membership. These provisions shall allow for a petition or other expression of the voting membership's desire for a recall election, and

set the number of percentage of voting membership ("threshold") who must be in agreement in order to hold a recall election. This threshold shall not be less than 10 percent of the voting membership.

(c) It must have a democratically elected governing board that is elected by the voting membership. At a minimum, the governing board should consist of five (5) elected board members.

The voting membership must consist of heads of households (any age) and other residents at least 18 years of age or older and whose name appears on a lease for the unit in the public housing that the resident council represents.

§ 964.117 Resident council partnerships.

A resident council may form partnerships with outside organizations, provided that such relationships are complementary to the resident council in its duty to represent the residents, and provided that such outside organizations do not become the governing entity of the resident council.

§ 964.120 Resident management corporation requirements.

A resident management corporation must consist of residents residing in public housing and have each of the following characteristics in order to receive official recognition by the HA and HUD:

(a) It shall be a non-profit organization that is validly incorporated under the laws of the State in which it is located;

(b) It may be established by more than one resident council, so long as each such council:

(1) Approves the establishment of the corporation; and

(2) Has representation on the Board of Directors of the corporation;

(c) It shall have an elected Board of Directors, and elections must be held at least once every three (3) years;

(d) Its by-laws shall require the Board of Directors to include resident representatives of each resident council involved in establishing the corporation; include qualifications to run for office, frequency of elections, procedures for recall, and term limits if desired.

(e) Its voting members shall be heads of households (any age) and other residents at least 18 years of age and whose name appears on the lease of a unit in the public housing represented by the resident management corporation;

(f) Where a resident council already exists for the development, or a portion of the development, the resident management corporation shall be approved by the resident council board and a majority of the residents. If there is no resident council, a majority of the residents of the public housing development it will represent must approve the establishment of such a corporation for the purposes of managing the project; and

(g) It may serve as both the resident management corporation and the resident council, so long as the corporation meets the requirements of this part for a resident council.

§ 964.125 Eligibility for resident council membership.

(a) Any member of a public housing household whose name is on the lease of a unit in the public housing development and meets the requirements of the by-laws is eligible to be a member of a resident council. The resident council may establish additional criteria that are non-discriminatory and do not infringe on rights of other residents in the development. Such criteria must be stated in the by-laws or constitution as appropriate.

(b) The right to vote for resident council board shall be limited to designated heads of households (any age) and other members of the household who are 18 years or older whose name appears on the lease of a unit in the public housing development represented by the resident council.

(c) Any qualified voting member of a resident council who meets the requirements described in the by-laws and is in compliance with the lease may seek office and serve on the resident council governing board.

§ 964.130 Election procedures and standards.

At a minimum, a resident council may use local election boards/commissions. The resident council shall use an

independent third-party to oversee elections and recall procedures.

(a) Resident councils shall adhere to the following minimum standards regarding election procedures:

(1) All procedures must assure fair and frequent elections of resident council members—at least once every three years for each member.

(2) Staggered terms for resident council governing board members and term limits shall be discretionary with the resident council.

(3) Each resident council shall adopt and issue election and recall procedures in their by-laws.

(4) The election procedures shall include qualifications to run for office, frequency of elections, procedures for recall, and term limits if desired.

(5) All voting members of the resident community must be given sufficient notice (at least 30 days) for nomination and election. The notice should include a description of election procedures, eligibility requirements, and dates of nominations and elections.

(b) If a resident council fails to satisfy HUD minimum standards for fair and frequent elections, or fails to follow its own election procedures as adopted, HUD shall require the HA to withdraw recognition of the resident council and to withhold resident services funds as well as funds provided in conjunction with services rendered for resident participation in public housing.

(c) HAs shall monitor the resident council election process and shall establish a procedure to appeal any adverse decision relating to failure to satisfy HUD minimum standards. Such appeal shall be submitted to a jointly selected third-party arbitrator at the local level. If costs are incurred by using a third-party arbitrator, then such costs should be paid from the HAs resident services funds pursuant to § 964.150.

§ 964.135 Resident involvement in HA management operations.

Residents shall be involved and participate in the overall policy development and direction of Public Housing operations.

(a) Resident management corporations (RMCs) may contract with HAs

to perform one or more management functions provided the resident entity has received sufficient training and/or has staff with the necessary expertise to perform the management functions and provided the RMC meets bonding and licensing requirements.

(b) Residents shall be actively involved in a HA's decision-making process and give advice on matters such as modernization, security, maintenance, resident screening and selection, and recreation.

(c) While a HA has responsibility for management operations, it shall ensure strong resident participation in all issues and facets of its operations through the duly elected resident councils at public housing developments, and with jurisdiction-wide resident councils.

(d) A HA shall work in partnership with the duly elected resident councils.

(e) HAs, upon request from the duly elected resident council, shall ensure that the duly elected resident council officers as defined in subpart B of this part, and other residents in the development are fully trained and involved in developing and implementing Federal programs including but not limited to Comprehensive Improvement Assistance Program (CIAP), Comprehensive Grant Program, Urban Revitalization Demonstration, Drug Elimination, and FIC.

(f) HAs shall involve resident council officers and other interested residents at the development through education and direct participation in all phases of the budgetary process.

(g) Resident council officers shall be encouraged to become involved in the resident screening and selection process for prospective residents at the development. Those selected to perform resident screening and selection functions must be trained by the HA in resident screening and selection and must sign a legal document committing to confidentiality.

§ 964.140 Resident training.

(a) *Resident training opportunities.* HUD encourages a partnership between the residents, the HA and HUD, as well as with the public and non-profit sectors to provide training opportunities

for public housing residents. The categories in which training could occur include, but are not limited to:

- (1) Community organization and leadership training;
- (2) Organizational development training for Resident Management Corporations and duly elected Resident Councils;
- (3) Public housing policies, programs, rights and responsibilities training; and
- (4) Business entrepreneurial training, planning and job skills.

(b) *Local training resources.* HUD encourages the use of local training resources to ensure the ongoing accessibility and availability of persons to provide training and technical assistance. Possible training resources may include:

- (1) Resident organizations;
- (2) Housing authorities;
- (3) Local community colleges, vocational schools; and
- (4) HUD and other Federal agencies and other local public, private and non-profit organizations.

§964.145 Conflict of interest.

Resident council officers can not serve as contractors or employees if they are in policy making or supervisory positions at the HA.

§964.150 Funding tenant participation.

(a) *Funding duly elected resident councils and jurisdiction wide resident councils.* (1) The HA shall provide funds it receives for this purpose to the duly elected resident council at each development and/or those jurisdiction-wide councils eligible to receive the resident portion of the tenant services account to use for resident participation activities. This shall be an addition to the Performance Funding System (PFS), as provided by 24 CFR part 990, to permit HAs to fund \$25 per unit per year for units represented by duly elected resident councils for resident services, subject to the availability of appropriations. Of this amount, \$15 per unit per year would be provided to fund tenant participation activities under subpart B of this part for duly elected resident councils and/or jurisdiction-wide councils and \$10 per unit per year would be

used by the HA to pay for costs incurred in carrying out tenant participation activities under subpart B of this part, including the expenses for conducting elections, recalls or arbitration required under §964.130 in subpart B. This will guarantee the resources necessary to create a bona fide partnership among the duly elected resident councils, the HA and HUD. Where both local and jurisdiction-wide councils exist, the distribution will be agreed upon by the HA and the respective councils.

(2) If funds are available through appropriations, the HA must provide tenant services funding to the duly elected resident councils regardless of the HA's financial status. The resident council funds shall not be impacted or restricted by the HA financial status and all said funds must be used for the purpose set forth in subparts B and C of this part.

(3) The HA and the duly elected resident council at each development and/or those jurisdiction-wide councils shall collaborate on how the funds will be distributed for tenant participation activities. If disputes regarding funding decisions arise between the parties, the matter shall be referred to the Field Office for intervention. HUD Field Office shall require the parties to undertake further negotiations to resolve the dispute. If no resolution is achieved within 90 days from the date of the Field Office intervention, the Field Office shall refer the matter to HUD Headquarters for final resolution.

(b) *Stipends.* (1) HUD encourages HAs to provide stipends to resident council officers who serve as volunteers in their public housing developments. The amount of the stipend, up to \$200 per month/per officer, shall be decided locally by the resident council and the HA. Subject to appropriations, the stipends will be funded from the resident council's portion of the operating subsidy funding for resident council expenses (\$15.00 per unit per year).

(2) Pursuant to §913.106, stipends are not to be construed as salaries and should not be included as income for calculation of rents, and are not subject to conflict of interest requirements.

(3) Funding provided by a HA to a duly elected resident council may be made only under a written agreement between the HA and a resident council, which includes a resident council budget and assurance that all resident council expenditures will not contravene provisions of law and will promote serviceability, efficiency, economy and stability in the operation of the local development. The agreement must require the local resident council to account to the HA for the use of the funds and permit the HA to inspect and audit the resident council's financial records related to the agreement.

Subpart C—Tenant Opportunities Program

§964.200 General.

(a) The Tenant Opportunities Program (TOP) provides technical assistance for various activities, including but not limited to resident management, for resident councils/resident management corporations as authorized by Section 20 of the U.S. Housing Act of 1937. The TOP provides opportunities for resident organizations to improve living conditions and resident satisfaction in public housing communities.

(b) This subpart establishes the policies, procedures and requirements for participating in the TOP with respect to applications for funding for programs identified in this subpart.

(c) This subpart contains the policies, procedures and requirements for the resident management program as authorized by section 20 of the U.S. Housing Act of 1937.

§964.205 Eligibility.

(a) *Resident councils/resident management corporations.* Any eligible resident council/resident management corporation as defined in subpart B of this part is eligible to participate in a program administered under this subpart.

(b) *Activities.* Activities to be funded and carried out by an eligible resident council or resident management corporation, as defined in subpart B of this part, must improve the living conditions and public housing operations and may include any combination of, but are not limited to, the following:

(1) *Resident capacity building.* (i) Training Board members in community organizing, Board development, and leadership training;

(ii) Determining the feasibility of resident management enablement for a specific project or projects; and

(iii) Assisting in the actual creation of an RMC, such as consulting and legal assistance to incorporate, preparing by-laws and drafting a corporate charter.

(2) *Resident management.* (i) Training residents, as potential employees of an RMC, in skills directly related to the operation, management, maintenance and financial systems of a project;

(ii) Training of residents with respect to fair housing requirements; and

(iii) Gaining assistance in negotiating management contracts, and designing a long-range planning system.

(3) *Resident management business development.* (i) Training related to resident-owned business development and technical assistance for job training and placement in RMC developments;

(ii) Technical assistance and training in resident managed business development through:

(A) Feasibility and market studies;

(B) Development of business plans;

(C) Outreach activities; and

(D) Innovative financing methods including revolving loan funds; and

(iii) Legal advice in establishing a resident managed business entity.

(4) *Social support needs (such as self-sufficiency and youth initiatives).* (i) Feasibility studies to determine training and social services needs;

(ii) Training in management-related trade skills, computer skills, etc;

(iii) Management-related employment training and counseling;

(iv) Coordination of support services;

(v) Training for programs such as child care, early childhood development, parent involvement, volunteer services, parenting skills, before and after school programs;

(vi) Training programs on health, nutrition and safety;

(vii) Workshops for youth services, child abuse and neglect prevention, tutorial services, in partnership with community-based organizations such as local Boys and Girls Clubs, YMCA/YWCA, Boy/Girl Scouts, Campfire and

Big Brother/Big Sisters, etc. Other HUD programs such as the Youth Sports Program and the Public Housing Drug Elimination Programs also provide funding in these areas;

(viii) Training in the development of strategies to successfully implement a youth program. For example, assessing the needs and problems of the youth, improving youth initiatives that are currently active, and training youth, housing authority staff, resident management corporations and resident councils on youth initiatives and program activities; and

(5) *Homeownership Opportunity*. Determining feasibility for homeownership by residents, including assessing the feasibility of other housing (including HUD owned or held single or multi-family) affordable for purchase by residents.

(6) *General*. (i) Required training on HUD regulations and policies governing the operation of low-income public housing including contracting/procurement regulations, financial management, capacity building to develop the necessary skills to assume management responsibilities at the project and property management;

(ii) Purchasing hardware, i.e., computers and software, office furnishings and supplies, in connection with business development. Every effort must be made to acquire donated or discounted hardware;

(iii) Training in accessing other funding sources; and

(iv) Hiring trainers or other experts (RCs/RMCs must ensure that this training is provided by a qualified housing management specialist, a community organizer, the HA, or other sources knowledgeable about the program).

§ 964.210 Notice of funding availability.

A Notice of Funding Availability shall be published periodically in the FEDERAL REGISTER containing the amounts of funds available, funding criteria, where to obtain and submit applications, and the deadline for submissions.

§ 964.215 Grant agreement.

(a) *General*. HUD shall enter into a grant agreement with the recipient of a technical assistance grant which defines the legal framework for the relationship between HUD and a resident council or resident management corporation for the proposed funding.

(b) *Term of grant agreement*. A grant shall be for a term of three to five years (3-5 years), and renewable at the expiration of the term.

§ 964.220 Technical assistance.

(a) *Financial assistance*. HUD will provide financial assistance, to the extent available, to resident councils or resident management corporations for technical assistance and training to further the activities under this subpart.

(b) *Requirements for a management specialist*. If a resident council or resident management corporation seeks to manage a development, it must select, in consultation with the HA, a qualified housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training and other duties in connection with the daily operations of the project.

§ 964.225 Resident management requirements.

The following requirements apply when a HA and its residents are interested in providing for resident performance of several management functions in one or more projects.

(a) *Resident management corporation responsibilities*. Resident councils interested in contracting with a HA must establish a resident management corporation that meets the requirements for such a corporation, as specified in subpart B. The RMC and its employees must demonstrate their ability and skill to perform in the particular areas of management pursuant to the management contract.

(b) *HA responsibilities*. HAs shall give full and serious consideration to resident management corporations seeking to enter into a management contract with the HA. A HA shall enter into

good-faith negotiations with a corporation seeking to contract to provide management services.

(c) *Duty to bargain in good faith.* If a HA refuses to negotiate with a resident management corporation in good faith or, after negotiations, refuses to enter into a contract, the corporation may file an informal appeal with HUD, setting out the circumstances and providing copies of relevant materials evidencing the corporation's efforts to negotiate a contract. HUD shall require the HA to respond with a report stating the HA's reasons for rejecting the corporation's contract offer or for refusing to negotiate. Thereafter, HUD shall require the parties (with or without direct HUD participation) to undertake or to resume negotiations on a contract providing for resident management, and shall take such other actions as are necessary to resolve the conflicts between the parties. If no resolution is achieved within 90 days from the date HUD required the parties to undertake or resume such negotiations, HUD shall serve notice on both parties that administrative remedies have been exhausted (except that, pursuant to mutual agreement of the parties, the time for negotiations may be extended by no more than an additional 30 days).

(d) *Management contract.* A management contract between the HA and a resident management corporation is required for property management. The HA and the resident management corporation may agree to the performance by the corporation of any or all management functions for which the HA is responsible to HUD under the ACC and any other functions not inconsistent with the ACC and applicable state and local laws, regulations and licensing requirements.

(e) *Procurement requirements.* The management contract shall be treated as a contracting out of services, and must be subject to any provision of a collective bargaining agreement regarding the contracting out of services to which the HA is subject. Provisions on competitive bidding and requirements of prior written HUD approval of contracts contained in the ACC do not apply to the decision of a HA to contract with a RMC.

(f) *Rights of families; operation of project.* If a resident management corporation is approved by the tenant organization representing one or more buildings or an area of row houses that are part of a public housing project for purposes of part 941 of this chapter, the resident management program may not, as determined by the HA, interfere with the rights of other residents of such project or harm the efficient operation of such project.

(g) *Comprehensive improvement assistance with RMCs.* (1) The HA may enter into a contract with the RMC to provide comprehensive improvement assistance under part 968 of this chapter to modernize a project managed by the RMC.

(2) The HA shall not retain, for any administrative or other reason, any portion of the comprehensive improvement assistance provided, unless the PHA and the RMC provide otherwise by contract.

(3) In assessing the modernization needs of its projects under 24 CFR part 968, or other grant mechanisms established by the Housing and Community Development Act of 1987, the HAs must consult with the tenant management corporation regarding any project managed by the corporation, in order to determine the modernization needs and preferences of resident-managed projects. Evidence of this required consultation must be included with a HA's initial submission to HUD.

(h) *Direct provision of operating and capital assistance to RMC—(1) Direct provision of assistance to RMC.* The ACC shall provide for the direct provision of operating and capital assistance by HUD to an RMC if:

(i) The RMC petitions HUD for the release of funds;

(ii) The contract provides for the RMC to assume the primary management responsibilities of the PHA;

(iii) The RMC has been designated as at least a "standard performer" under the Public Housing Assessment System (PHAS) (see 24 CFR part 902); and

(iv) The RMC is not in violation of any financial, accounting, procurement, civil rights, fair housing or other program requirements that HUD determines call into question the capability

of the RMC to effectively discharge its responsibilities under the contract.

(2) *Use of assistance.* Any direct capital or operating assistance provided to the RMC must be used for purposes of performing eligible activities with respect to public housing as may be provided under the contract.

(3) *Responsibilities of PHA.* If HUD provides direct funding to a RMC under paragraph (h)(1) of this section, the PHA is not responsible for the actions of the RMC.

(1) *Prohibited activities.* A HA may not contract for assumption by the resident management corporation of the HA's underlying responsibilities to HUD under the ACC.

(j) *Bonding, insurance, and licensing—*

(1) *Bonding and insurance.* Before assuming any management responsibility under its contract, the RMC must provide fidelity bonding and insurance, or equivalent protection that is adequate (as determined by HUD and the PHA) to protect HUD and the PHA against loss, theft, embezzlement, or fraudulent acts on the part of the RMC or its employees.

(2) *Licensing and other local requirements.* An RMC must be in compliance with any local licensing, or other local requirement, governing the qualifications or operations of a property manager.

(k) *Waiver of HUD requirements.* Upon the joint request of a resident management corporation and the HA, HUD may waive any requirement that HUD has established and that is not required by law, if HUD determines, after consultation with the resident management corporation and the HA, that the requirement unnecessarily increases the costs to the project or restricts the income of the project; and that the waiver would be consistent with the management contract and any applicable collective bargaining agreement. Any waiver granted to a resident management corporation under this section will apply as well to the HA to the extent the waiver affects the HA's remaining responsibilities relating to the resident management corporation's project.

(1) *Monitoring of RMC performance.* The HA must review periodically (but

not less than annually) the management corporation's performance to ensure that it complies with all applicable requirements and meets agreed-upon standards of performance. (The method of review and criteria used to judge performance should be specified in the management contract.)

[59 FR 43636, Aug. 24, 1994, as amended at 65 FR 42515, July 10, 2000]

§ 964.230 Audit and administrative requirements.

(a) *TOP grant recipients.* The HUD Inspector General, the Comptroller General of the United States, or any duly authorized representative shall have access to all records required to be retained by this subpart or by any agreement with HUD for the purpose of audit or other examinations.

(1) Grant recipients must comply with the requirements of OMB Circulars A-110 and A-122, as applicable.

(2) A final audit shall be required of the financial statements made pursuant to this subpart by a Certified Public Accountant (CPA), in accordance with generally accepted government audit standards. A written report of the audit must be forwarded to HUD within 60 days of issuance.

(b) *Resident management corporations.* Resident management corporations who have entered into a contract with a HA with respect to management of a development(s) must comply with the requirements of OMB Circulars A-110 and A-122, as applicable. Resident management corporations managing a development(s) must be audited annually by a licensed certified public accountant, designated by the corporation, in accordance with generally accepted government audit standards. A written report of each audit must be forwarded to HUD and the HA within 30 days of issuance. These requirements are in addition to any other Federal law or other requirement that would apply to the availability and audit of books and records of resident management corporations under this part.

Subpart D—Family Investment Centers (FIC) Program

§ 964.300 General.

The Family Investment Centers Program provides families living in public housing with better access to educational and employment opportunities by:

- (a) Developing facilities in or near public housing for training and support services;
- (b) Mobilizing public and private resources to expand and improve the delivery of such services;
- (c) Providing funding for such essential training and support services that cannot otherwise be funded; and
- (d) Improving the capacity of management to assess the training and service needs of families, coordinate the provision of training and services that meet such needs, and ensure the long-term provision of such training and services. FIC provides funding to HAs to access educational, housing, or other social service programs to assist public housing residents toward self-sufficiency.

§ 964.305 Eligibility.

(a) *Public Housing Authorities.* HAs may apply to establish one or more FICs for more than one public housing development.

(b) *FIC Activities.* Activities that may be funded and carried out by eligible HAs, as defined in § 964.305(a) and § 964.310(a) may include:

- (1) The renovation, conversion, or combination of vacant dwelling units in a HA development to create common areas to accommodate the provision of supportive services;
- (2) The renovation of existing common areas in a HA development to accommodate the provision of supportive services;
- (3) The acquisition, construction or renovation of facilities located near the premises of one or more HA developments to accommodate the provision of supportive services;
- (4) The provision of not more than 15 percent of the total cost of supportive services (which may be provided directly to eligible residents by the HA or by contract or lease through other

appropriate agencies or providers), but only if the HA demonstrates that:

- (1) The supportive services are appropriate to improve the access of eligible residents to employment and educational opportunities; and
- (1) The HA has made diligent efforts to use or obtain other available resources to fund or provide such services; and
- (5) The employment of service coordinators.

(c) *Follow up.* A HA must demonstrate a firm commitment of assistance from one or more sources ensuring that supportive services will be provided for not less than one year following the completion of activities.

(d) *Environmental Review.* Any environmental impact regarding eligible activities will be addressed through an environmental review of that activity as required by 24 CFR part 50, including the applicable related laws and authorities under § 50.4, to be completed by HUD, to ensure that any environmental impact will be addressed before assistance is provided to the HA. Grantees will be expected to adhere to all assurances applicable to environmental concerns.

§ 964.308 Supportive services requirements.

HAs shall provide new or significantly expanded services essential to providing families in public housing with better access to educational and employment opportunities to achieve self-sufficiency and independence. HAs applying for funds to provide supportive services must demonstrate that the services will be provided at a higher level than currently provided. Supportive services may include:

- (a) Child care, of a type that provides sufficient hours of operation and serves appropriate ages as needed to facilitate parental access to education and job opportunities;
- (b) Employment training and counseling (e.g., job training, preparation and counseling, job development and placement, and follow-up assistance after job placement);
- (c) Computer skills training;
- (d) Education (e.g., remedial education, literacy training, completion of secondary or post-secondary education,

and assistance in the attainment of certificates of high school equivalency);

(e) Business entrepreneurial training and counseling;

(f) Transportation, as necessary to enable any participating family member to receive available services or to commute to his or her place of employment;

(g) Personal welfare (e.g., substance/alcohol abuse treatment and counseling, self-development counseling, etc.);

(h) Supportive Health Care Services (e.g., outreach and referral services); and

(i) Any other services and resources, including case management, that are determined to be appropriate in assisting eligible residents.

§964.310 Audit/compliance requirements.

HAs cannot have serious unaddressed, outstanding Inspector General audit findings or fair housing and equal opportunity monitoring review findings or Field Office management review findings. In addition, the HA must be in compliance with civil rights laws and equal opportunity requirements. A HA will be considered to be in compliance if:

(a) As a result of formal administrative proceedings, there are no outstanding findings of noncompliance with civil rights laws unless the HA is operating in compliance with a HUD-approved compliance agreement designed to correct the area(s) of non-compliance;

(b) There is no adjudication of a civil rights violation in a civil action brought against it by a private individual, unless the HA demonstrates that it is operating in compliance with a court order, or implementing a HUD-approved resident selection and assignment plan or compliance agreement, designed to correct the area(s) of non-compliance;

(c) There is no deferral of Federal funding based upon civil rights violations;

(d) HUD has not deferred application processing by HUD under Title VI of the Civil Rights Act of 1964, the Attorney General's Guidelines (28 CFR 50.3)

and HUD's Title VI regulations (24 CFR 1.8) and procedures (HUD Handbook 8040.1) [HAs only] or under Section 504 of the Rehabilitation Act of 1973 and HUD regulations (24 CFR 8.57) [HAs and IHAs];

(e) There is no pending civil rights suit brought against the HA by the Department of Justice; and

(f) There is no unresolved charge of discrimination against the HA issued by the Secretary under Section 810(g) of the Fair Housing Act, as implemented by 24 CFR 103.400.

§964.315 HAs role in activities under this part.

The HAs shall develop a process that assures that RC/RMC representatives and residents are fully briefed and have an opportunity to comment on the proposed content of the HA's application for funding. The HA shall give full and fair consideration to the comments and concerns of the residents. The process shall include:

(a) Informing residents of the selected developments regarding the preparation of the application, and providing for residents to assist in the development of the application.

(b) Once a draft application has been prepared, the HA shall make a copy available for reading in the management office; provide copies of the draft to any resident organization representing the residents of the development(s) involved; and provide adequate opportunity for comment by the residents of the development and their representative organizations prior to making the application final.

(c) After HUD approval of a grant, notify the duly elected resident organization and if none exists, notify the residents of the development of the approval of the grant; provide notification of the availability of the HUD-approved implementation schedule in the management office for reading; and develop a system to facilitate a regular resident role in all aspects of program implementation.

§ 964.320

§ 964.320 HUD Policy on training, employment, contracting and subcontracting of public housing residents.

In accordance with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135, HAs, their contractors and subcontractors shall make best efforts, consistent with existing Federal, State, and local laws and regulations, to give low and very low-income persons the training and employment opportunities generated by Section 3 covered assistance (as this term is defined in 24 CFR 135.7) and to give Section 3 business concerns the contracting opportunities generated by Section 3 covered assistance. Training, employment and contracting opportunities connected with programs funded under the FIC and TOP are covered by Section 3.

§ 964.325 Notice of funding availability.

A Notice of Funding Availability will be published periodically in the FEDERAL REGISTER containing the amounts of funds available, funding criteria, where to obtain and submit applications, the deadline for the submissions, and further explanation of the selection criteria.

§ 964.330 Grant set-aside assistance.

The Department may make available five percent (5%) of any amounts available in each fiscal year (subsequent to the first funding cycle) available to eligible HAs to supplement grants previously awarded under this program. These supplemental grants would be awarded if the HA demonstrates that the funds cannot otherwise be obtained and are needed to maintain adequate levels of services to residents.

§ 964.335 Grant agreement.

(a) *General.* HUD will enter into a grant agreement with the recipients of a Family Investment Centers grant which defines the legal framework for the relationship between HUD and a HA.

(b) *Term of grant agreement.* A grant will be for a term of three to five years depending upon the tasks undertaken, as defined under this subpart.

24 CFR Ch. IX (4-1-11 Edition)

§ 964.340 Resident compensation.

Residents employed to provide services or renovation or conversion work funded under this program shall be paid at a rate not less than the highest of:

(a) The minimum wage that would be applicable to the employees under the Fair Labor Standards Act of 1938 (FLSA), if section 6(a)(1) of the FLSA applied to the resident and if the resident were not exempt under section 13 of the FLSA;

(b) The State or local minimum wage for the most nearly comparable covered employment; or

(c) The prevailing rate of pay for persons employed in similar public occupations by the same employer.

§ 964.345 Treatment of income.

Program participation shall begin on the first day the resident enters training or begins to receive services. Furthermore, the earnings of and benefits to any HA resident resulting from participation in the FIC program shall not be considered as income in computing the resident's total annual income that is used to determine the resident rental payment during:

(a) The period that the resident participates in the program; and

(b) The period that begins with the commencement of employment of the resident in the first job acquired by the resident after completion of the program that is not funded by assistance under the 1937 Act, and ends on the earlier of:

(1) The date the resident ceases to continue employment without good cause; or

(2) The expiration of the 18-month period beginning on the date of commencement of employment in the first job not funded by assistance under this program. (See § 913.106, Annual Income.) This provision does not apply to residents participating in the Family Self-Sufficiency Program who are utilizing the escrow account.

§ 964.350 Administrative requirements.

The HUD Inspector General, the Comptroller General of the United States, or any duly authorized representative shall have access to all records required to be retained by this

subpart or by any agreements with HUD for the purpose of audit or other examinations.

(a) Each HA receiving a grant shall submit to HUD an annual progress report, participant evaluation and assessment data and other information, as needed, regarding the effectiveness of FIC in achieving self-sufficiency.

(b) The policies, guidelines, and requirements of OMB Circular Nos. A-110 and A-122 are applicable with respect to the acceptance and use of assistance by private nonprofit organizations.

Subpart E—Resident Board Members

SOURCE: 64 FR 56379, Oct. 21, 1999, unless otherwise noted.

§ 964.400 Purpose.

The purpose of this subpart is to implement section 2(b) of the United States Housing Act of 1937 (42 U.S.C. 1437).

§ 964.405 Applicability.

(a) *General.* Except as described in paragraph (b) of this section, this subpart applies to any public housing agency that has a public housing annual contributions contract with HUD or administers tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(b) *Exceptions.* The requirements of this subpart do not apply to a public housing agency that is:

(1) Located in a State that requires the members of a governing board to be salaried and to serve on a full-time basis; or

(2) Not governed by a governing board.

§ 964.410 Additional definitions.

The following additional definitions apply to this subpart only:

Directly assisted. Directly assisted means a public housing resident or a recipient of housing assistance in the tenant-based section 8 program. Direct assistance does not include any State financed housing assistance or Section 8 project-based assistance.

Eligible resident. An eligible resident is a person:

(1) Who is directly assisted by a public housing agency;

(2) Whose name appears on the lease; and

(3) Is eighteen years of age or older.

Governing board. Governing board means the board of directors or similar governing body of a public housing agency.

Resident board member. A resident board member is a member of the governing board who is directly assisted by that public housing agency.

§ 964.415 Resident board members.

(a) *General.* Except as provided in §§ 964.405(b) and 964.425, the membership of the governing board of each public housing agency must contain not less than one eligible resident board member.

(b) *Resident board member no longer directly assisted.* (1) A resident board member who ceases to be directly assisted by the public housing agency is no longer an "eligible resident" as defined in § 964.410.

(2) Such a board member may be removed from the PHA board for that cause, where such action is permitted under State or local law.

(3) Alternatively, the board member may be allowed to complete his/her current term as a member of the governing board. However, the board member may not be re-appointed (or re-elected) to the governing board for purposes of serving as the statutorily required resident board member.

(c) *Minimum qualifications for board membership.* Any generally applicable qualifications for board membership also apply to residents, unless the application of the requirements would result in the governing board not containing at least one eligible resident as a member. Further, PHAs and localities may not establish eligibility requirements for board membership that are solely applicable to residents.

§ 964.420 Resident board member may be elected.

(a) *General.* Residents directly assisted by a public housing agency may elect a resident board member if provided for in the public housing agency

plan, adopted in accordance with 24 CFR part 903.

(b) *Notice to residents.* The public housing agency must provide residents with at least 30 days advance notice for nominations and elections. The notice should include a description of the election procedures, eligibility requirements, and dates of nominations and elections. Any election procedures devised by the public housing agency must facilitate fair elections.

§ 964.425 Small public housing agencies.

(a) *General.* The requirements of this subpart do not apply to any public housing agency that:

(1) Has less than 300 public housing units (or has no public housing units);

(2) Has provided reasonable notice to the resident advisory board of the opportunity for residents to serve on the governing board;

(3) Has not been notified of the intention of any resident to participate on the governing board within a reasonable time (which shall not be less than 30 days) of the resident advisory board receiving the notice described in paragraph (a)(3) of this section; and

(4) Repeats the requirements of paragraphs (a)(2) and (a)(3) of this section at least once every year.

(b) *Public housing agencies that only administer Section 8 assistance.* A public housing agency that has no public housing units, but administers Section 8 tenant-based assistance, is eligible for the exception described in paragraph (a) of this section, regardless of the number of Section 8 vouchers it administers.

(c) *Failure to meet requirements for exception.* A public housing agency that is otherwise eligible for the exception described in paragraphs (a) and (b) of this section, but does not meet the three conditions described in paragraphs (a)(2) through (a)(4) of this section, must comply with the requirements of this subpart.

§ 964.430 Nondiscrimination.

(a) *Membership status—(1) General.* A resident board member is a full member of the governing board.

(2) *Resident participation must include matters regarding Federal public housing*

and Section 8 tenant-based assistance. A resident board member must be allowed to take part in decisions related to the administration, operation, and management of Federal public housing programs and Section 8 tenant-based rental assistance programs. This rule does not extend to matters that:

(1) Exclusively relate to other types of housing assistance (such as State financed housing assistance); or

(1) Do not involve housing assistance (as may occur where the city or county governing body also serves as the PHA board).

(3) *Public housing agency may expand scope of resident participation.* A public housing agency may choose to expand the scope of resident member involvement to matters not required under paragraph (a)(2) of this section.

(b) *Residence status.* A governing board may not prohibit any person from serving on the governing board because that person is a resident of a public housing project or is assisted under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(c) *Conflict of interest.* A governing board may not exclude any resident board member from participating in any matter before the governing board on the grounds that the resident board member's lease with the public housing agency, or the resident board member's status as a public housing resident or recipient of Section 8 tenant-based assistance, either results or may result in a conflict of interest, unless the matter is clearly applicable to the resident board member only in a personal capacity and applies uniquely to that member and not generally to residents or to a subcategory of residents.

PART 965—PHA-OWNED OR LEASED PROJECTS—GENERAL PROVISIONS

Subpart A—Preemption of State Prevailing Wage Requirements

Sec. 965.101 Preemption of State prevailing wage requirements.

Subpart B—Required Insurance Coverage

965.201 Purpose and applicability.



FOR ACTION

MOTION: To Approve the Settlement Agreement in Valantin Sirom and Sasinta Seremea v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority; Hakim Ouansafi, as an individual; Lori Nakanishi, as an individual; Trofe Long, as an individual; Renee Blondin-Nip, as an individual; Earl Mente, as an individual; and William Richardson, as an individual (HCRC No. RE-O-1063; HUD No. 09-15-1309-8) and to Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

I. FACTS

- A. On July 24, 2015, named Complainants Valantin Sirom and Sasinta Seremea, residents at the Spencer House housing project, filed a complaint for discrimination with the Hawaii Civil Rights Commission (HCRC) and United States Department of Housing and Urban Development (HUD) alleging discriminatory housing practices based on their race and ancestry/national origin in violation of the Fair Housing Act and Chapter 515, Hawaii Revised Statutes.

II. DISCUSSION

- A. An internal HPHA investigation determined that there was no systemic intent to discriminate nor did HPHA engage in discriminatory practices based on race or ancestry/national origin, and the HPHA vigorously defended against this complaint.
- B. However, in the interest of all parties to resolve these matters and to avoid further costs, expense, and time as a result of continued litigation, and, without admitting a violation of the Fair Housing Act or Chapters 368 or 515 of the Hawaii Revised Statutes, the parties have agreed to enter into a Settlement Agreement.
- C. This Settlement Agreement is by and between Complainant, HCRC, and HPHA, and releases the Complainants' charges or complaints of alleged discrimination. The Settlement Agreement also acknowledges that the HCRC did not accept the filing of the complaint against the individual Respondents, and that Complainants agree to dismiss or withdraw their pending claims against these Respondents.

- D. The Settlement Agreement is attached as Attachment A.
- E. Staff recommends that the Board consider the matter in executive session in order to consult with the Board's attorneys.

III. RECOMMENDATION

That the Board of Directors Approve the Settlement Agreement with Valantin Sirom and Sasinta Seremea v. State of Hawaii, Department of Human Services, Hawaii Public Housing Authority; Hakim Ouansafi, as an individual; Lori Nakanishi, as an individual; Trofe Long, as an individual; Renee Blondin-Nip, as an individual; Earl Mente, as an individual; and William Richardson, as an individual and Authorize the Executive Director to Take All Actions Necessary to Carry Out the Agreement

Attachment A: CONFIDENTIAL Settlement Agreement

Prepared by: Dylan Gen Fujitani, Compliance Office 

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

Pono Shim
Chairperson

Attachment A

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

FOR ACTION

MOTION to:

(A) Rescind the Hawai'i Public Housing Authority (HPHA) Board of Directors' Approval (on 5/19/2016) of Motion to (1) Adopt Proposed Rules under the Governor's Proclamation, dated October 16, 2015, and Supplementary Proclamations, Entitled "Special Rent Supplement Program Rules" Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules (HAR), and Which Include the Rules and Requirements for HPHA's Special Rent Supplement Program, a Program Established to Provide Rent Subsidies to Qualified Homeless Person(s) or Family; and (2) to Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Special Rent Supplement Program for the Homeless, Including Promulgating the Rules Pursuant to Section 127A-25, Hawai'i Revised Statutes (HRS);

(B) Adopt a New Chapter under Hawai'i Administrative Rules as Title 17 Chapter HPHA-RS, entitled "Special Rent Supplement Program Emergency Rules", Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules, and Sets Forth the Requirements for Eligibility and Participation in HPHA's Special Rent Supplement Program Which Provides Rent Subsidies to a Qualified Homeless Person or Family, through Chapter 91, HRS, Emergency Rulemaking, to Provide Emergency Relief to Address the Homeless Emergency Declared by the Governor in his Proclamation dated October 16, 2015, and Supplementary Proclamations; and

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

I. FACTS

- A. The Hawaii Public Housing Authority's (HPHA) Rent Supplement Program is governed by a variety of state and agency statutes and rules, such as Chapter 356D, Hawaii Revised Statutes (HRS), and Chapter 15-184, Hawai'i Administrative Rules (HAR).
- B. On May 19, 2016, the HPHA Board of Directors adopted rules for HPHA's Special Rent Supplement Program which would provide rent subsidies to qualified homeless individuals and families, pursuant to Chapter 127A, HRS, and the Governor's Proclamation and Supplementary Proclamations relating to the homeless emergency. Specifically, the HPHA Board

approved the "Motion to (1) Adopt Proposed Rules under the Governor's Proclamation, dated October 16, 2015, and Supplementary Proclamations, Entitled "Special Rent Supplement Program Rules" Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules (HAR), and Which Include the Rules and Requirements for HPHA's Special Rent Supplement Program, a Program Established to Provide Rent Subsidies to Qualified Homeless Person(s) or Family; and (2) to Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Special Rent Supplement Program for the Homeless, Including Promulgating the Rules Pursuant to Section 127A-25, Hawai'i Revised Statutes (HRS)" ("May 19 Rules"). Adopting and promulgating the May 19 Rules pursuant to Chapter 127A, HRS, involves certain procedural steps, in addition to the Board's adoption of the rules.

- C. By Proclamation dated October 16, 2015, the Governor of the State of Hawai'i determined, designated and proclaimed that the homeless situation in the State of Hawai'i was an emergency contemplated by section 127A-14, HRS. By Supplementary Proclamation dated October 26, 2015, Second Supplementary Proclamation dated December 24, 2015, Third Supplementary Proclamation dated February 19, 2016, and Fourth Supplementary Proclamation dated April 22, 2016, the Governor determined, designated and proclaimed that the homeless emergency continues.
- D. Section 127A-2, HRS, defines "emergency" as "any occurrence, or imminent threat thereof, which results or may likely result in substantial injury or harm to the population or substantial damage to or loss of property."
- E. Specifically, by Proclamation dated October 16, 2015, the Governor:
 - 1. Determined, designated and proclaimed that:
 - a. "[T]he 2015 Statewide Point-in-Time Count, which is a statewide unduplicated count of homeless individuals and families throughout Hawai'i, estimates the total number of homeless individuals statewide is 7,620;" and
 - b. "[T]he lack of secure, safe, and sanitary shelter, and adequate health and social services, for this large number of people without homes is endangering the health, safety, and welfare of the people, including families and children, and poses a threat to the environment, and demands emergency action to prevent or mitigate suffering, injury, loss, or damage;"
 - 2. Suspended, as allowed by law, per Sections 127A-13 and 127A-12, HRS, the following statutes: Chapter 103D, HRS, **Hawaii Public Procurement Code**, and Chapter 92, **Public Agency Meetings and Records**, to the extent that any notice requirements or any other

provisions of Chapter 92 may delay the expeditious action, decision, or approval of any agency;

3. Directed all state agencies and officers to cooperate with and extend their services, materials, and facilities as may be required to assist in all efforts to address the objectives of this Proclamation in addressing the homeless situation, to provide emergency relief consistent with the intent of his Proclamation, per Section 127A-12(b), HRS,
- F. By Supplementary Proclamation dated October 26, 2015, the Governor determined that “it has become clear that it will require additional efforts and assistance to properly ease the homeless emergency that exists in the State of Hawai’i beyond the establishment of an additional temporary transitional shelter and facilitating contracting with private providers of homeless services[.]” In this supplementary proclamation, the Governor provided further emergency relief by:
1. “Expanding the purpose of [his] October 16, 2015 Proclamation to include all efforts necessary to respond to the current homeless emergency in the State of Hawai’i . . . provided further that to the greatest extent practicable and where possible, state agencies will endeavor to include a coordinated response among participating state, county, and private agencies that include: . . . Assisting with providing services, training, and opportunities to the homeless population; and . . . Employing relocation efforts.”
 2. “[S]uspending, as allowed by law, the following statutes and regulations to the extent necessary for the purpose of providing emergency relief as necessary to address the homeless emergency contemplated in [his] October 16, Proclamation and this Supplementary Proclamation: . . . Chapter 91, Hawai’i Revised Statutes, Administrative Procedure, as those provisions relate to rulemaking.”
- G. By Second Supplementary Proclamation dated December 24, 2015, and Third Supplementary Proclamation dated February 19, 2016, the Governor expanded the purpose of his prior proclamations to include homeless emergency response efforts at the county level to respond to the current homeless emergency, as the counties were establishing shelters, long-term temporary housing, and permanent housing to serve homeless individuals or families, as well as repairing and maintaining existing county shelters.
- H. By Fourth Supplementary Proclamation dated April 22, 2016, the Governor continued and extended his prior proclamation and supplementary proclamations relating to the homeless emergency in order

to provide emergency relief and declared that all provisions of these proclamations shall remain in full force and effect and included in the provisions of this Fourth Supplementary Proclamation, and that the disaster emergency relief shall continue until terminated sixty days after April 23, 2016 or by separate proclamation whichever occurred first. The Governor's proclamations remain in effect at this time, but will expire on June 22, 2016 unless further extended.

- I. Chapter 91, HRS, allows emergency administrative rules to be adopted by an agency and be in effect for a period of not longer than 120 days, without a public hearing and notice, provided that the following requirements are met:
 1. Per section 91-3(b), HRS, the agency must find "that an imminent peril to the public health, safety, or morals, . . . or to natural resources requires adoption . . . of a rule upon less than thirty days' notice of hearing, and states in writing its reasons for such finding, it may proceed without prior notice or hearing or upon such abbreviated notice and hearing, including posting the abbreviated notice and hearing on the Internet as provided in section 91-2.6, as it finds practicable to adopt an emergency rule to be effective for a period of not longer than one hundred twenty days without renewal";
 2. Per section 91-4(b), HRS, the agency must find that "immediate adoption of the rule is necessary because of imminent peril to the public health, safety, or morals, or to natural resources. The agency's finding and brief statement of the reasons therefore shall be incorporated in the rule as filed." The agency must make the emergency rules known to persons who will be affected by it by publication at least once in a newspaper of general circulation in the State for state agencies; and
 3. Per section 91-3(b), HRS, the Governor approves the rules.

II. DISCUSSION

- A. Following the HPHA Board's adoption of the May 19 Rules, a more efficient, alternative course of action to adopt these rules was identified. The alternative course is to adopt the rules as emergency administrative rules pursuant to sections 91-3(b) and 91-4(b)(2), HRS ("Chapter 91 Emergency Rulemaking").
- B. Should the HPHA Board agree to proceed with Chapter 91 Emergency Rulemaking, then the Board would need to:
 1. Rescind its prior approval of the May 19 Rules;

2. Adopt the draft "Special Rent Supplement Program Emergency Rules" in Attachment A, as a new chapter under Hawai'i Administrative Rules as Chapter HPHA-RS under Title 17;
3. Find that an imminent peril to public health, safety, or morals, or to natural resources requires immediate adoption of the "Special Rent Supplement Program Emergency Rules," and include this finding and reasons for this finding in these rules. Proposed findings and reasons for same are set forth in Section HPHA-RS-1.0 of the draft "Special Rent Supplement Program Emergency Rules." See Attachment A; and
4. Authorize the Executive Director to undertake all actions necessary to implement the adopted "Special Rent Supplement Program Emergency Rules", including but not limited to contracting with third-parties to administer, in whole or part, this special program.

III. RECOMMENDATION

That the Board

(A) Rescind the Hawai'i Public Housing Authority (HPHA) Board of Directors' Approval (on 5/19/2016) of Motion to (1) Adopt Proposed Rules under the Governor's Proclamation, dated October 16, 2015, and Supplementary Proclamations, Entitled "Special Rent Supplement Program Rules" Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules (HAR), and Which Include the Rules and Requirements for HPHA's Special Rent Supplement Program, a Program Established to Provide Rent Subsidies to Qualified Homeless Person(s) or Family; and (2) to Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Special Rent Supplement Program for the Homeless, Including Promulgating the Rules Pursuant to Section 127A-25, Hawai'i Revised Statutes (HRS);

(B) Adopt a New Chapter under Hawai'i Administrative Rules as Title 17 Chapter HPHA-RS, entitled "Special Rent Supplement Program Emergency Rules", Which is Substantially Based on Chapter 15-184, Hawai'i Administrative Rules, and Sets Forth the Requirements for Eligibility and Participation in HPHA's Special Rent Supplement Program Which Provides Rent Subsidies to a Qualified Homeless Person or Family, through Chapter 91, HRS, Emergency Rulemaking, to Provide Emergency Relief to Address the Homeless Emergency Declared by the Governor in his Proclamation dated October 16, 2015, and Supplementary Proclamations; and

(C) Authorize the Executive Director to Undertake All Actions Necessary to Implement the "Special Rent Supplement Program Emergency Rules"

Including But Not Limited to Contracting with Third-Parties to Administer, in Whole or Part, This Special Program.

Attachment A: Draft Special Rent Supplement Emergency Rules
Attachment B: Proclamation by the Governor of the State of Hawai'i dated October 16, 2015, Supplementary Proclamation dated October 26, 2015, Second Supplementary Proclamation dated December 24, 2015, Third Supplementary Proclamation dated February 19, 2016, and Fourth Supplementary Proclamation dated April 22, 2016

Prepared by: Barbara E. Arashiro, 

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

Pono Shim
Chairperson

Attachment A

DEPARTMENT OF HUMAN SERVICES

Adoption of Chapter HPHA-RS
Hawai'i Administrative Rules

SUMMARY

Chapter HPHA-RS, Hawai'i Administrative Rules, entitled "Special Rent Supplement Program Emergency Rules", is adopted.

HAWAI'I ADMINISTRATIVE RULES

TITLE 17

DEPARTMENT OF HUMAN SERVICES

SUBTITLE 5

HAWAII PUBLIC HOUSING AUTHORITY

Chapter HPHA-RS

SPECIAL RENT SUPPLEMENT PROGRAM EMERGENCY RULES

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HPHA-RS-1.1	Purpose
HPHA-RS-1.2	Applicability
HPHA-RS-2	Definitions
HPHA-RS-3	Income limits
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HPHA-RS-5	Asset transfer
HPHA-RS-6	Occupancy guidelines
HPHA-RS-7	Program Administration
HPHA-RS-8	Qualifying standards for provider agencies
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SUBCHAPTER 3 Tenant Selection

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SUBCHAPTER 4 Rent

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SUBCHAPTER 5 Rent Supplement Agreements

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SUBCHAPTER 6 Qualified Housing Dwelling Unit

HPHA-RS-51 Eligibility for shared housing
HPHA-RS-52 Eligible dwelling units
HPHA-RS-53 Allocable share of rent
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SUBCHAPTER 7 Miscellaneous Provisions

HPHA-RS-61 Severability
HPHA-RS-62 Number
HPHA-RS-63 Force and effect of law

SUBCHAPTER 1

GENERAL PROVISIONS

HPHA-RS-1.0 Findings. The authority finds that:

(a) The Governor of the State of Hawai'i has determined and proclaimed that the homeless situation in the State of Hawai'i is an emergency contemplated by section 127A-14, Hawai'i Revised Statutes ("HRS"), and that this homeless emergency continues, as evidenced by his Proclamation dated October 16, 2015, and Supplementary Proclamations dated October 26, 2015, December 24, 2015, February 19, 2016, and April 22, 2016 ("Emergency Proclamations");

(b) Section 127A-2, HRS, defines "emergency" as "any occurrence, or imminent threat thereof, which results or may likely result in substantial injury or harm to the population or substantial damage to or loss of property";

(c) The authority agrees with Governor's determination in his Proclamation dated October 16, 2015, that "the lack of secure, safe, and sanitary shelter, and adequate health and social services, for this large number of people without homes is endangering the health, safety, and welfare of the people, including families and children, and poses a threat to the environment, and demands emergency action to prevent or mitigate suffering, injury, loss, or damage";

(d) There is an imminent peril to the public health, safety, or morals, or to natural resources as the Governor has declared a homeless emergency in the State of Hawai'i through his Emergency Proclamations;

(e) By Proclamation dated October 16, 2015, the Governor directed all state agencies and officers to cooperate with and extend their services, materials, and facilities as may be required to assist in all efforts to address the objectives of his proclamation in addressing the homeless situation;

(f) By Supplementary Proclamation dated October 26, 2015, the Governor expanded the purpose of his original Proclamation to include all efforts necessary

to respond to the current homeless emergency and that state agencies endeavor to include a coordinated response among participating state, county, and private agencies that includes assisting with providing services, training, and opportunities to the homeless population and employing relocation efforts;

(g) The Emergency Proclamations evidence that the homeless situation causes an imminent peril to the public health, safety, or morals, or to natural resources;

(h) There is an ongoing need for long-term housing and permanent housing to serve homeless individuals and families as evidenced by the Second Supplementary Proclamation dated December 24, 2015, and Third Supplementary Proclamation dated February 19, 2016;

(i) Homeless emergency shelters and homeless transitional shelters provide only temporary shelter for those who are homeless and do not constitute permanent housing;

(j) Individuals and families residing in homeless emergency shelters or homeless transitional shelters need to relocate and have access to permanent housing;

(k) These emergency rules assist eligible homeless individuals and families by providing them a special rental subsidy so that they may transition to and secure permanent housing;

(l) These emergency rules are necessary to provide emergency relief and implement the Governor's emergency homeless initiatives set forth in the Emergency Proclamations; and

(m) Based on the above, there is an imminent peril to the public health, safety or morals, or to natural resources caused by the homeless situation requiring immediate adoption of these emergency rules upon less than thirty days' notice of hearing.

HPHA-RS-1.1 Purpose. These emergency rules are adopted based on the findings in section HPHA-RS-1.0, and set forth the requirements for participation by eligible applicants and housing owners in this special

rent supplement program administered by the authority under Chapter 356D, Part VIII, Hawai'i Revised Statutes, to address the homelessness emergency ("Special Rent Supplement Program").

HPHA-RS-1.2 Applicability. Notwithstanding Chapter 15-184, Hawai'i Administrative Rules ("HAR"), Rent Supplement Program, and any subsequent repeal and adoption of new administrative rules to replace Chapter 15-184, HAR (collectively, "RSP HARs"), these rules shall apply only to applicants and participants of this Special Rent Supplement Program; provided that upon placement of not more than 100 applicants into dwelling units, or upon expiration of these emergency rules, whichever occurs first, these rules shall terminate, and the RSP HARs shall apply to all participants of this Special Rent Supplement Program. Notwithstanding the termination of these rules, any rent supplement agreement executed pursuant to this Special Rent Supplement Program and these rules, shall continue and be in effect for a period not to exceed 12 months.

HPHA-RS-2 Definitions. As used in this chapter:

"Applicant" means an individual or family who resides in a homeless emergency shelter or homeless transitional shelter and who submits an application to participate in the program but is not yet a participant in the program.

"Assets" means total cash, securities, real and personal property less any outstanding liabilities secured by the assets. Assets do not include necessary personal property such as clothing, household furniture and automobiles.

"Authority" means the Hawaii public housing authority.

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

"Displaced" means a family or elderly individual

who is without housing, about to be without housing or was without housing within three years prior to applying for housing assistance and was displaced by some public or governmental action.

"Drug" means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. §802) as it existed on December 18, 2014.

"Drug-related criminal activity" means the illegal possession, manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use, of a controlled substance as defined in Section 102 of the Controlled Substances Act (21 U.S.C. §802).

"Dwelling unit" means a house, apartment or group of rooms, intended for residential occupancy as separate living quarters with each unit having direct access from either the outside of the building or through a common hall with each unit being equipped with complete kitchen and bathroom facilities for the exclusive use of the occupants, and is located in Hawaii. Dwelling units that present a serious health or safety hazard shall not be acceptable for use by participants of the program.

"Elderly" means a family whose head, spouse, or sole member or spouse has attained the age of sixty-two.

"Executive Director" means the executive director of the Hawaii Public Housing Authority.

"Family" means:

- (1) One or more persons who live or intend to occupy a dwelling unit and whose income and resources are available to meet the family's need and who may, but need not be, related by blood, marriage, or operation of law, including foster children and hanai children and whose head of household has reached the age of majority, or is otherwise legally emancipated;
- (2) A person who is pregnant or in the process of securing legal custody of a minor child or children, and who has reached the age of majority or is otherwise emancipated.

"Foster children" means a person or persons,

under eighteen years of age, who may not be related to the foster parent by blood, marriage, or adoption and who is in need of parenting care.

"Foster parent" means any adult person who gives parenting care and maintenance to a foster child pursuant to placement by an authorized agency.

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

"Hanai children" means a person or persons, under eighteen years of age, for whom a tenant provides food, nourishment and support for a minimum period of at least a year and who is acknowledged as the tenant's child among friends, relatives, and the community.

"Homeless emergency shelter" means a homeless facility designed to provide temporary shelter and appropriate and available services to homeless families or individuals for up to six weeks. Emergency shelters are characterized by their short-term, walk-in nature, with the option for participants to enter into a case plan upon entry and community living quarters.

"Homeless transitional shelter" means a homeless facility designed to provide temporary shelter and appropriate and available social services to homeless families or individuals for up to twenty-four months.

"Household" includes "family", "elderly", and "displaced".

"Household income" means all income from any source before deductions or exemptions, anticipated to be received during the twelve month period following admission or redetermination of household income, as the case may be, by all persons occupying, or who are to occupy the dwelling, and by a household head temporarily separated from the household. Household income does not include the employment income of a minor or amounts specifically paid to the household for or in reimbursement of the cost of medical expenses for any household member.

"Housing owner" means the same as defined in section 356D-152, HRS, and may include an agent of an owner.

"HRS" means the Hawaii revised statutes.

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

"Minor" means a person less than eighteen years of age. An unborn child may not be counted as a minor.

"Participant" means the same as tenant.

"Program" means the Special Rent Supplement Program administered by the authority.

"Provider agency" means the organization meeting the qualifying standards under HPHA-RS-8 that is selected and contracted by the authority to administer this program, in whole or part, and provide rent supplement payments on behalf of participants under this program.

"Rent" means the monthly charge to a tenant for the use of a dwelling unit.

"Security deposit" means a monetary deposit required by a landlord prior to occupancy of the dwelling unit.

"Staff" means the employees or agents of the authority.

"Shared housing" means a dwelling unit with two or more bedrooms that is occupied by more than one person or household which share the housing cost for the dwelling.

"Standard unit" means the same as "dwelling unit".

"Tenant" means a qualified person or family that is participating in the program.

"Unassisted household" means a person or family who is not participating in the program.

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

"Very low income" means 50 per cent of the median household income for the area as determined by the U.S. Department of Housing and Urban Development.

"Violent criminal activity" means any criminal activity that includes the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious

bodily injury or property damage.

HPHA-RS-3 Income limits. To be eligible to participate or continue participation in the program, an applicant's or tenant's adjusted household income shall not exceed the very low income limits most recently determined by the U.S. Department of Housing and Urban Development.

HPHA-RS-4 Asset limits. (a) An elderly family having assets valued at more than twice its applicable income limit is ineligible to participate in the program.

(b) A non-elderly family having assets which are valued at more than one and one half times its applicable income limit is ineligible to participate in the program.

HPHA-RS-5 Asset transfer. All assets transferred or assigned to another party, within a twenty-four month period prior to submitting an application or for the purpose of continuing to qualify for participation in the program, shall be included in determining a household's assets.

HPHA-RS-6 Occupancy guidelines. Eligible applicants and tenants shall abide by the occupancy standards for admission and continued occupancy in this program as prescribed in exhibit A, entitled "Occupancy Standards", located at the end of this chapter.

HPHA-RS-7 Program administration. (a) The authority may enter into contract with provider agencies to administer this program in whole or in part.

(b) Notwithstanding that services to administer this program may be contracted with provider agencies,

the authority reserves the right to approve participation for eligible applicants.

(c) The provider agency shall administer this program in compliance with these emergency rules (Chapter HPHA-RS) until the termination of these rules as set forth in HPHA-RS-1.2. Upon termination of these rules, the provider agency shall administer this program pursuant to Chapter 15-184, HAR, Rent Supplement Program, or any adoption of new administrative rules to replace Chapter 15-184, HAR.

HPHA-RS-8 Qualifying standards for provider agencies. (a) Any provider agency contracted to administer this special rent supplement program shall meet the following requirements:

- (1) (A) Be a for-profit organization incorporated under the laws of the State; or
- (b) Be a nonprofit organization determined by the internal revenue services to be exempt from federal income tax with a governing board whose members have no material conflict of interest and serve without compensation;
- (2) Have at least one year's experience working with homeless families; provided that the authority may grant an exception where the organization has otherwise demonstrated the necessary experience or capacity to manage the contract in this program area; and
- (3) Have no outstanding balances owed to the authority, except that the executive director may grant exceptions for debts recently acquired that are under an approved payment plan.

(b) The authority may require provider agencies to submit information, including but not limited to, information on the agency's background, position descriptions and staff resume, program plan and design, and certification that the provider agency has a functioning accounting system that is operated in accordance with generally accepted accounting

principles. The authority may accept verification by the department of human services in lieu of documentation listed above.

(c) Upon the commencement and completion of a contract, the authority shall require a provider agency to submit a valid tax clearance certificate from the state department of taxation and the internal revenue service.

(d) Upon commencement of a contract, the authority shall require a provider to submit a certificate of compliance from the department of labor and industrial relations and a certificate of good standing from the department of commerce and consumer affairs. Alternatively, a provider agency may submit a certificate of compliance from the hawaii compliance express to demonstrate compliance with the department of taxation, internal revenue service, department of labor and industrial relations, and department of commerce and consumer affairs.

(e) The authority may contract with a provider agency that is a religious or faith-based organization provided that the provider agency agrees to administer and implement all eligible activities under this program in a manner that is free from religious influence and in accordance with the following:

- (1) Provider agency will provide services and rent supplement assistance in a manner free from discrimination and will not limit services or give preference to persons on the basis of religion;
- (2) Provider agency will not exert religious influence, such as requiring prayer or attendance in religious services, as a condition of participation.

HPHA-RS-8 Payments to provider agencies. (a) The authority may make or contract to make payments to a provider agency qualified under section HPHA-RS-7.

(b) Funds received shall be used for rent supplement payments under HPHA-RS-31. The authority may reserve an amount of funds for the administration

of the program by the authority or provider agencies.

(c) Payments to provider agencies may be made in advance by the authority on a monthly basis to ensure timely payments on behalf of program participants.

(d) Requests for payments shall be in the form prescribed by the authority. The request for payment shall, at a minimum, include a list of program participants, pending applicants, and computation of the amount requested.

HPHA-RS-9 Applicant and participant files. (a) All applicant and participant files and personal information given or made available to the authority or a provider agency in the course of administration of this program shall be treated as confidential and maintained in secured equipment or rooms.

(b) All applicant and participant information shall be made available and accessible to the authority for the purposes of monitoring, quality control, audit or other program purposes.

(c) All applicant and participant information and files shall be turned over to the authority within 5 business days at the completion of this program or termination of the provider agency contract.

SUBCHAPTER 2

ELIGIBILITY

HPHA-RS-11 Application. (a) A person seeking to participate in the program shall submit a completed application form, provided by the authority. The form shall include, but not be limited to, information relating to household income, household composition, social security number or a certification that the member does not have a social security number for each household member, evidence of citizenship or eligible immigrant status as provided under 24 C.F.R. §5.508, as it existed on April 7, 2016, for each household member, financial condition, and other program

information necessary to determine eligibility and program demographics.

(b) The applicant shall be placed on a special statewide waiting list upon submission of a completed application form. Placement on the special statewide waiting list shall not be deemed a determination of eligibility or admission.

(c) An applicant who has misrepresented material information or has willfully withheld important information on the application form submitted to the authority shall not be eligible to file an application with the authority for placement on the regular waiting list under RSP HARs for twelve months from the date of written notification from the authority.

HPHA-RS-12 Verification. Applicants and tenants in the program shall provide, prior to admission or as the authority may require, documentation setting forth information concerning household income, household composition, social security number or a certification that the member does not have a social security number for each household member, evidence of citizenship or eligible immigrant status as provided under 24 C.F.R. §5.508, as it existed on April 7, 2016, for each household member, financial condition or other information as may be requested.

HPHA-RS-13 Eligibility for participation. (a) To be eligible to participate or continue participation in the program, the applicant and applicant's household members or tenant and tenant's household members shall:

- (1) Qualify as a household;
- (2) Have an adjusted household income which does not exceed the applicable income limit;
- (3) Have assets which do not exceed the applicable asset limit;
- (4) Have earning capabilities or whose financial situation gives reasonable assurance of meeting the rental payments on time as they become due;

- (5) Not own, in whole or a majority interest in, a dwelling unit in the state of Hawaii;
- (6) Not have an outstanding debt owed to the authority;
- (7) Be eligible for a monthly rent supplement payment of a minimum of \$25 and not more than \$1,000;
- (8) Provide a social security number for all family members or certify that the person does not have a social security number;
- (9) Meet all requirements of part VIII, chapter 356D, HRS;
- (10) Have their primary place of residence in Hawai'i or intends to make Hawai'i their primary place of residence;
- (11) Not have engaged in criminal activity involving crimes against persons or property that is a threat to the health, safety, or property of others, for three years prior to admission;
- (12) Not have been evicted from any of the authority's housing programs for drug related criminal activity for three years prior to admission. For purposes of this subsection, in determining eligibility, the authority may consider whether the evicted applicant or household member has successfully completed a rehabilitation program approved by the authority, or whether the circumstances leading to eviction no longer exist;
- (13) Not engage in any drug related or violent criminal activity;
- (14) Not engage in the illegal use of a drug or give the authority or its provider agency reasonable cause to believe that the illegal use of a drug, pattern of illegal use, abuse of alcohol, or pattern of abuse of alcohol may interfere with the health and safety of the residents, or the right to peaceful enjoyment of the premises by other residents;
 - (A) For the purposes of this subsection

"reasonable cause to believe" means by the preponderance of the evidence;

- (B) For the purposes of this subsection, in determining whether to deny eligibility based on a pattern of use of a drug or a pattern of abuse of alcohol, the authority may consider rehabilitation as provided for under 42 U.S.C. §13661(b)(2)(A)-(C) effective October 1, 1999;
- (15) Except for a newborn child, a person shall not be permitted to join or rejoin the household until it is verified that the person meets the eligibility requirements set forth in this section;
- (16) Not engage in or threaten abusive or violent behavior toward the authority's or the provider agency's staff. For purposes of this subsection, "threaten" means an oral or written threat or physical gestures that communicate intent to abuse or commit violence. Abusive or violent behavior may be verbal or physical and include racial epithets, or other language, written or oral, that is customarily used to intimidate;
- (17) Not cause any harm or damage to the authority, its staff, agents, representatives, or programs;
- (18) Furnish evidence of citizenship or eligible immigrant status as provided for in 24 C.F.R. §5.508, as it existed on April 7, 2016; and
- (19) Be referred from a homeless shelter, outreach, grant, or supportive service provider who has assisted the applicant in completion of an application for rent supplement, in locating a qualified dwelling unit and who agrees to provide case management follow-up services for no less than six months after applicant placement in this Special Rent Supplement Program.
- (b) The provider agency shall make the initial

determination that the applicant and applicant's household members are eligible to participate in the program, or that the tenant and tenant's household members are eligible to continue to participate in this program, as set forth in subsection (a), and forward its determination of eligibility and supporting documentation to the authority for final approval.

SUBCHAPTER 3

TENANT SELECTION

HPHA-RS-21 Nondiscrimination. (a) The authority and its provider agency shall not deny any family or individual the opportunity to apply for or receive assistance under this chapter on the basis of race, color, sex, religion, marital status, creed, national or ethnic origin, age, familial status, gender identity, sexual orientation, handicap or disability or HIV infection.

(b) The authority shall comply with state and federal nondiscrimination laws and with rules and regulations governing fair housing and equal opportunity in the administration of the Program. The authority shall provide a family with the United States Department of Housing and Urban Development discrimination complaint form and information on how to file a fair housing complaint if the family claims that discrimination prevented them from finding or leasing a suitable unit under the Program.

HPHA-RS-22 Special statewide waiting list. (a) The authority shall maintain a special statewide waiting list of applicants who may be eligible to obtain a certification of rent supplement eligibility.

(b) Placement of applicants on the special statewide waiting list shall be based upon date and time of receipt of completed application.

(c) An applicant must notify the provider agency, of any change that may affect the applicant's

place on the special statewide waiting list and the provider agency's ability to contact the applicant. Changes include, but are not limited to, familial status, financial status, preference status, mailing address and current residence.

(d) The special statewide waiting list established by these rules will terminate upon placement of not more than 100 applicants into dwelling units or upon expiration of these emergency rules, whichever occurs first.

HPHA-RS-23 Preference. Notwithstanding the preference set forth in section 15-184-14, HAR, preference shall be given to applicants with a completed application and documentation verifying that the applicant has secured a qualified dwelling unit. Participation in the program shall be determined in order of submission date of proposed rental agreement or other documentation which identifies a qualified unit by an applicant on the wait list.

HPHA-RS-24 Removal from special statewide waiting list. (a) An applicant may be removed from the waiting list for one of the following reasons:

- (1) The applicant requests that the applicant's name be removed;
- (2) The applicant no longer meets the eligibility criteria set forth in section HPHA-RS-13;
- (3) The applicant fails to respond to the authority's reasonable efforts such as correspondence to the last known address to contact them;
- (4) The applicant fails without good cause to keep a scheduled interview or to provide requested information necessary to determine eligibility; or
- (5) An applicant who has misrepresented material information or has wilfully withheld important information from the authority shall be removed from the waiting list for

twelve months.

(b) The authority may consider reinstatement of an applicant on the special statewide waiting list due to extenuating circumstances. The authority may assign a new date and time to the application based on the date and time of notification of an acceptable reason for failure to respond to the authority.

(c) Reinstatement of an applicant to the special statewide waiting list must occur prior to the placement of not more than 100 applicants into dwelling units or the expiration of these emergency rules, whichever occurs first.

HPHA-RS-25 Ineligible applicant. An applicant determined to be ineligible for participation in the program shall be notified in writing of the termination and the reasons thereof by the authority or its designated representative.

HPHA-RS-26 Closing the special statewide waiting list. (a) The authority, at its discretion, may restrict or refuse acceptance of applications to the special statewide waiting list, when it determines that it is unable to assist applicants on the waiting list within a reasonable period of time.

(b) The authority shall publicly announce any closure and reopening of the application process for this special program by posting a notice on its website or in publication in a newspaper of general circulation.

SUBCHAPTER 4

RENT

HPHA-RS-31 Rent supplement payments. (a) The authority or its provider agency shall pay directly to the housing owner, or authorized representative, on behalf of a tenant, a monthly amount which is the

difference between the established monthly rent for the tenant's dwelling unit and the tenant's allocable share of rent as established in section HPHA-RS-32 below; provided that the authority or its provider agency shall not make any initial monthly payments that exceed \$1,000 on behalf of any tenant.

(b) Rent supplement payments will be made on behalf of a tenant for the period that the rental unit is occupied; except that if the tenant vacates the dwelling unit without proper notice, rent supplement payments will be continued to the time that the rental agreement could legally be terminated or to the date that the unit is re-rented, or to the last day of the month that the tenant vacated the unit and rent supplement payment was already made, whichever comes first.

(c) Initial monthly payments of up to \$1,000 shall be reduced to regular monthly payments of no more than \$500 on behalf of any tenant after six months of initial placement into a dwelling unit.

HPHA-RS-32 Rent calculation. (a) The tenant's allocable share of monthly rent shall be determined by subtracting \$100 per minor child from the household income; multiplied by thirty per cent; divided by twelve and rounded to the closest dollar amount.

Example: tenant's household income = \$15,000
number of minor children = 2
\$15,000 (household income)
- \$ 200 (less \$100 for each minor)
\$14,800
x 30%
\$ 4,440
÷ 12
\$ 370 tenant's allowable
share of monthly rent

(b) The tenant shall pay to the landlord the allocable share of monthly rent as determined in subsection (a).

HPHA-RS-33 Reexamination. (a) The authority or its provider agency shall review the household's income, household composition and any other related matter to adjust, if necessary, the tenant's allocable share of monthly rent and the authority's rent supplement payment.

(b) A non-elderly household shall be reexamined at least once every twelve months.

(c) An elderly household shall be reexamined at least once every twenty-four months.

(d) If at the time of admission or annual reexamination, a household's income cannot be reasonably determined for the next twelve months, a six month reexamination may be scheduled.

(e) The tenant's allocable share of monthly rent shall be adjusted between reexaminations when a person with income is added to the household and the adjustment shall be effective on the first day of the second month following the approved inclusion.

(f) Reexamination may be performed either in-person or via mail.

HPHA-RS-34 Security deposits. (a) No portion of the rent supplement payments shall be applied or allocated to any security deposit demanded by a housing owner. The authority shall not be responsible for nor be required to pay a housing owner for the security deposit.

(b) The tenant may be referred to grant making agencies under contract with the Department of Human Services for assistance with security deposits.

SUBCHAPTER 5

RENT SUPPLEMENT AGREEMENTS

HPHA-RS-41 Rent supplement agreement - housing owners. (a) A rent supplement agreement, used by the authority, shall be executed between the authority and housing owners who rent dwelling units to tenants of

the program. The form shall include, but not be limited to, an acknowledgment of the rental agreement between the owner and participant, the amount of rent and supplemental assistance, date that payment is due, to whom payment is to be made and the owner's and authority's responsibilities.

(b) Amendments to the rent supplement agreement shall be in writing, and approved by the authority and the housing owner.

HPHA-RS-42 Rent supplement agreement - tenants.

(a) The head(s) of household of a tenant household shall execute a rent supplement agreement, used by the authority prior to participating in the program. The form shall include, but not be limited to, an acknowledgment of an agreement between the tenant and the authority, the rent and amount of supplemental assistance and the participant's and authority, responsibilities.

(b) The rent supplement agreement between the authority and tenant shall set forth the conditions of participation in the program.

HPHA-RS-43 Authority's responsibility. Other than the agreed-to rent supplement for the monthly rent, the authority shall not be held responsible to the housing owner for any portion of the tenant's allocable share of the rent, or be held responsible to the housing owner or tenant for any damages, breakage, or losses to the dwelling unit or any portion thereof, or to the furnishings, fixtures, and appliances where the same may have been caused by the tenant, housing owner or other causes.

HPHA-RS-44 Rent supplement agreement - termination. (a) A tenant shall give the provider agency at least thirty days written notice prior to the date that the tenant will withdraw from participation in the program.

(b) The authority or its provider agency may

terminate a tenant's participation in the program when a tenant has:

- (1) Established a pattern of late rent payments or is chronically delinquent with rent payments;
- (2) Submitted false or misleading information or willfully withheld important information from the authority;
- (3) Violated any provision of the rules or chapter 356D, HRS, as related to this program;
- (4) Had the rental agreement terminated by the housing owner; or
- (5) Transferred without prior approval to a dwelling unit of same or higher rent that does not meet the authority's occupancy standards.

(c) If a tenant has submitted false or misleading information or has willfully withheld important information which reduced the tenant's allocable monthly share of rent, the tenant shall reimburse the authority for the amount of supplemental overpayment. Repayment shall be made in accordance with a repayment plan as approved by the authority.

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

- (1) Engages in violent criminal activity on or near the premises;
 - (2) Whose illegal use of a drug, or abuse of alcohol, is determined by the authority to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - (3) Engages in criminal activity that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents; or
 - (4) Engages in any drug related criminal activity on or off the premises assisted by the program.
- (e) The authority shall give a tenant thirty

days written notice prior to the date of termination of the rent supplement agreement.

(f) A housing owner shall give the authority thirty days written notice prior to the date the housing owner plans to withdraw from the program.

(g) The authority may suspend or terminate the rent supplement agreement based on the amount of funding available for the program.

SUBCHAPTER 6

QUALIFIED HOUSING DWELLING UNIT

HPHA-RS-51 Eligibility for shared housing. The following criteria shall apply for participation in shared housing:

- (1) Eligibility requirements established in section HPHA-RS-13 shall apply;
- (2) Preference provisions established in section HPHA-RS-23 shall apply;
- (3) Two or more related or unrelated families may occupy a housing unit, provided that occupancy is in compliance with exhibit A, entitled "Occupancy Standards", located at the end of this chapter;
- (4) Except for a studio and a one bedroom unit, a participant and an unassisted person or household, which may include the housing owner, may reside in a shared housing unit;
- (5) Two or more participant families may reside in a shared housing unit; and
- (6) A housing owner who resides in the shared housing unit may not be related to the participant.

HPHA-RS-52 Eligible dwelling units. (a) An acceptable dwelling unit for shared housing is the same as defined in section HPHA-RS-2 with the following exceptions:

- (1) Common space areas may be shared by all

individuals and families living in the shared housing unit;

- (2) Separate private bedrooms that are adequate in size for the participant's household size shall be available; and
- (3) Areas, traditionally not designated for sleeping purposes, including but not limited to the bathroom(s), kitchen, dining room, utility room, and patio, shall be used as common areas unless mutually deemed by occupants of the dwelling unit to be exclusive use of an individual or household.

(b) The authority shall determine the acceptability of units for shared housing taking into consideration the adequacy of space, security, and other conditions so as not to pose any threat to health and safety of the participants.

(c) The authority shall determine the number of participants in this program.

HPHA-RS-53 Allocable share of rent. The allocable share of the dwelling unit rent shall be a prorated amount that is equitable and acceptable to the authority, the owner, and the participant.

HPHA-RS-54 Shared housing addendum. An addendum to the rent supplement agreements for the housing owner and tenant, setting forth the conditions for shared housing, shall be executed by the housing owner, participant and authority.

SUBCHAPTER 7

MISCELLANEOUS PROVISIONS

HPHA-RS-61 Severability. If any part, section, sentence, clause, or phrase of this chapter, or its application to any person or transaction or other circumstances is for any reason held to be

unconstitutional or invalid, the remaining parts, sections, sentences, clauses, and phrases of this chapter, or the application of this chapter to other persons or transactions or circumstances shall not be affected.

HPHA-RS-62 Number. The use of all words used in the singular shall extend to and include the plural.

HPHA-RS-63 Force and effect of law. These emergency rules shall have the force and effect of law.

Exhibit A

OCCUPANCY STANDARDS

In determining the appropriate dwelling unit size for assistance, the following criteria shall be applied:

1. The smallest unit suitable for the household's shall be considered and each bedroom shall be occupied by at least one person.
2. The dwelling unit shall permit up to the maximum number of persons to occupy the unit in accordance with prevailing zoning, and county building, health, and fire codes.
3. Every member of the household, regardless of age, shall be counted as a person; except that a child not yet born by a pregnant household member shall not be counted as a person in determining unit size.
4. Children who are in the process of being adopted, or whose legal custody is being obtained by a household, will be included as members of the household for the purposes of determining unit size.
5. A foster child shall be included in determining unit size only if the child will remain in the unit for more than six months.
6. Persons of different generations, persons of opposite sex (other than spouses) over the age of five, and unrelated adults may be allocated separate bedrooms.
7. A live-in attendant may be provided a separate bedroom; however, no additional bedrooms will be provided for the attendant's household.
8. A person with a valid medical ailment may be allowed a separate bedroom, provided the necessity for the separate bedroom is verified by a signed statement from a medical doctor and other supporting data.

SPECIAL RENT SUPPLEMENT PROGRAM EMERGENCY RULES

Chapter HPHA-RS Special Rent Supplement Program Emergency Rules, Hawai'i Administrative Rules, on the Summary Page dated _____ were adopted on _____, 2016, by the Hawai'i Public Housing Authority Board of Directors, without prior notice or hearing, pursuant to section 91-3(b), Hawai'i Revised Statutes.

These rules shall take effect upon filing with the Office of the Lieutenant Governor for a period of not longer than 120 days unless extended in compliance with section 91-3(b), Hawai'i Revised Statutes.

PONO SHIM, Chairperson
Board of Directors
Hawaii Public Housing Authority

Pursuant to my Supplementary Proclamation of October 26, 2015, which authorizes and invokes "sections 127A-13 and 127A-12, Hawai'i Revised Statutes, by suspending, as allowed by law, the following statutes and regulations to the extent necessary for the purpose of providing emergency relief as necessary to address the homeless emergency contemplated in my October 16, Proclamation and this Supplementary Proclamation: a. Chapter 91, Hawai'i Revised Statutes, Administrative Procedure, as those provisions relate to rulemaking[,]" by signature below, I approve these rules.

APPROVED:

DAVID Y. IGE
Governor
State of Hawai'i
Dated: _____

APPROVED AS TO FORM:

Deputy Attorney General

Filed

Attachment B

OFFICE OF THE GOVERNOR
STATE OF HAWAII

PROCLAMATION

By the authority vested in me as Governor by the Constitution and laws of the State of Hawai'i, in order to provide relief for disaster damages, losses, and suffering, and to protect the health, safety, and welfare of the people, I, DAVID Y. IGE, Governor of the State of Hawai'i, hereby determine, designate and proclaim as follows:

WHEREAS, a recent statewide homeless count highlights the significant increase in homelessness for the entire state; and

WHEREAS, the 2015 Statewide Point-in-Time Count, which is a statewide unduplicated count of homeless individuals and families throughout Hawai'i, estimates the total number of homeless individuals statewide is 7,620; and

WHEREAS, the statewide Count estimates the number of unsheltered homeless individuals is 3,843; and

WHEREAS, of the 3,843 unsheltered homeless individuals, the statewide Count estimates that there are 185 unsheltered families, which consist of a total of 439 unsheltered children throughout the state; and

WHEREAS, these unsheltered homeless individuals and families are living on privately owned and public lands, including the streets, public parks, beaches, and elsewhere on each island; and

WHEREAS, these unsheltered homeless individuals and families are without access to portable toilets, bathrooms, showers and clean water; and

WHEREAS, these unsheltered homeless individuals and families require health and social services in order to maintain themselves safely and in reasonable health; and

WHEREAS, the efforts of state and county law enforcement agencies enforcing state and county laws and providing for the public health and safety are resulting in homeless moving from public lands; and

WHEREAS, existing shelters have been successful in assisting a large number of homeless, but many more individuals remain in need of shelter and assistance; and

WHEREAS, various other shelter projects and opportunities are in the process of being developed, but more time is needed to allow for completion; and

WHEREAS, the completion of more shelter projects is necessary to protect the health and safety of not only the homeless individuals, but all members of the community; and

WHEREAS, the largest population of homeless unsheltered families live on the island of Oahu, consisting of approximately 71 unsheltered families for a total of 153 unsheltered children under the age of 18 years of age; and

WHEREAS, the State is exploring various locations on which temporary buildings may be constructed, installed, or renovated in order to shelter these homeless individuals in a safe and sanitary manner and to provide necessary health and social services to them; and

WHEREAS, these possible locations, as well as others that may be identified, will be designed to provide temporary transitional shelter for the homeless and to provide necessary health and social services to assist these individuals and families in successfully transitioning into permanent housing; and

WHEREAS, the completion of the shelter site, together with any associated contracts, is necessary to protect the health and safety for the homeless individuals and families; and

WHEREAS, in addition to the temporary shelter initiative, and associated contracts, the State Department of Human Services, Homeless Programs Office currently administers numerous contracts with private providers for homeless services statewide; and

WHEREAS, these State homeless programs provide emergency and/or transitional shelter, including adequate meals or cooking facilities; outreach services, including case management to enable families to obtain and retain permanent housing, job training, medical and social services referrals, childcare, educational and life skills

classes; emergency grants, which provide monetary assistance to assist with housing, food, medical and other types of expenses arising from emergency needs, including housing rental deposit and rent, utility costs/deposit, emergency medical care and expenses, transportation and job-hunting expenses; and housing placement, which coordinates housing opportunities with private landlords; and

WHEREAS, the contracts for these existing State funded homeless programs will terminate at the end of December 2015 and January 2016 but there is a great risk that procurement will not be completed before the termination date of these contracts; and

WHEREAS, if these State funded homeless programs were to close or cease operations, homeless services would discontinue and significant numbers of homeless individuals and families would be without the necessary life-sustaining services, including the temporary shelter services, leaving many more individuals and families displaced increasing the number of unsheltered homeless statewide; and

WHEREAS, the lack of secure, safe, and sanitary shelter, and adequate health and social services, for this large number of people without homes is endangering the health, safety, and welfare of the people, including families and children, and poses a threat to the environment, and demands emergency action to prevent or mitigate suffering, injury, loss, or damage; and

WHEREAS, the Legislature of the State of Hawaii has appropriated from the general revenues of the State, monies as may be necessary for expenditure by or under the direction of the Governor for the immediate relief of the conditions created by the disaster; and

WHEREAS, in expending such monies, the Governor may allot any portion to any agency, office, or employee of the state or a county for the most expeditious and efficient relief of the conditions created by the disaster; and

WHEREAS, pursuant to sections 127A-14 and 127A-16, Hawaii Revised Statutes, the Governor is authorized to determine whether an emergency or disaster has occurred, or there is an imminent danger or threat of an emergency or disaster and authorize actions under chapter 127A, Hawaii Revised Statutes, and the expenditure of funds thereunder; and

WHEREAS, pursuant to section 127A-13(a)(3), Hawaii Revised Statutes, the Governor is authorized to suspend any law which impedes or tends to impede or is detrimental to the expeditious and efficient execution of, or to conflict with, emergency functions, including laws specifically made applicable to emergency personnel; and

WHEREAS, pursuant to section 127A-13(a)(2), Hawaii Revised Statutes, the Governor is further authorized to relieve hardship and inequities or obstructions to the public health, safety, and welfare found by the Governor to exist in the laws and to result from the operation of federal programs or measures taken under chapter 127A, Hawaii Revised Statutes, by suspending laws in whole or in part, or by alleviating the provisions of laws on such terms and conditions as the Governor may impose; and

WHEREAS, pursuant to section 127A-12(a)(8), Hawaii Revised Statutes, the Governor may suspend chapters 103D and sections 103-50, 103-53, 103-55, 105-1 to 105-10, and 464-4, Hawaii Revised Statutes, and I find that these provisions, in whole or in part, impede or tend to impede the expeditious discharge of emergency disaster relief functions for this occurrence and that compliance therewith is impracticable due to existing conditions; and

WHEREAS, pursuant to section 127A-12(b)(16), Hawaii Revised Statutes, the Governor is further authorized to order and direct government agencies, officials, officers, and employees of the State, to take such action and employ such measures for law enforcement, medical, health, firefighting, traffic control, warnings and signals, engineering, rescue, construction, emergency housing, other welfare, hospitalization, transportation, water supply, public information, training, and other emergency functions as may be necessary, and utilize the services, materials, and facilities of the agencies and officers; and

WHEREAS, pursuant to section 127A-12(b)(9), Hawaii Revised Statutes, the Governor may appoint, employ, train, equip, and maintain, with compensation, or on a volunteer basis without compensation and without regard to chapters 76, 78, and 88, such agencies, officers, and other persons as the Governor deems necessary to carry out emergency management functions; determine to what extent any law prohibiting the holding of more than one office or employment applies to the agencies, officers, and

other persons; and subject to the provisions of chapter 127A, Hawaii Revised Statutes, provide for the interchange of personnel, by detail, transfer, or otherwise, between agencies or departments of the State; and

WHEREAS, pursuant to section 127A-12(b)(19), Hawaii Revised Statutes, the Governor may take any and all steps necessary or appropriate to carry out the purposes of chapter 127A, Hawaii Revised Statutes notwithstanding that powers in section 127A-13(a) may only be exercised during an emergency period; and

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawaii, hereby determine that an emergency or disaster contemplated by section 127A-14, Hawaii Revised Statutes, has occurred in the State of Hawai'i, and do hereby proclaim an emergency for the purpose of implementing the emergency management functions as allowed by law, authorizing the expenditure of State monies as appropriated for the speedy and efficient relief of damages, losses, and suffering resulting from the emergency, and hereby invoke the following measures under the Hawaii Revised Statutes:

1. Sections 127A-13 and 127A-12, Hawaii Revised Statutes, suspend, as allowed by law, the following statutes and regulations to the extent necessary for the purpose of establishing a temporary transitional shelter and facilitating contracting with private providers of homeless services:
 - a. Chapter 6E, Hawaii Revised Statutes, **Historic Preservation.**
 - b. Section 37-41, Hawaii Revised Statutes, **appropriations to revert to state treasury.**
 - c. Section 37-74(d), Hawaii Revised Statutes, **program execution**, except for sub-sections 37-74(d)(2) and 37-74(d)(3), Hawaii Revised Statutes, and any such transfers or changes shall be considered authorized transfers or changes for purposes of section 34-74(d)(1) for legislative reporting requirements.
 - d. Section 40-66, Hawaii Revised Statutes, **lapsing of appropriations.**

- e. **Chapter 46, county organization and administration as any county ordinance, rule, regulation, law, or provision in any form applies to any county permitting, licensing, zoning, variance, processes, procedures, fees, or any other requirements that hinder, delay, or impede the purpose of this Proclamation.**
- f. **Chapter 89, Hawaii Revised Statutes, Collective Bargaining In Public Employment.**
- g. **Chapter 89C, Hawaii Revised Statutes, Public Officers And Employees Excluded From Collective Bargaining.**
- h. **Chapter 92, Public Agency Meetings and Records, to the extent that any notice requirements or any other provisions of Chapter 92 may delay the expeditious action, decision, or approval of any agency.**
- i. **Section 102-2, Hawaii Revised Statutes, Contracts For Concessions In Government Buildings; Bid Requirements.**
- j. **Section 103-2, Hawaii Revised Statutes, General Fund.**
- k. **Section 103-53, Hawaii Revised Statutes, Contracts With The State Or Counties; Tax Clearances, Assignments.**
- l. **Section 103-55, Hawaii Revised Statutes, wages, hours, and working conditions of employees of contractors performing services.**
- m. **Chapter 103D, Hawaii Revised Statutes, Hawaii public procurement code.**
- n. **Chapter 103F, Hawaii Revised Statutes, Purchases of Health and Human Services.**
- o. **Chapter 104, Hawaii Revised Statutes, wages and hours of employees on public works.**
- p. **Sections 105-1 to 105-10, Hawaii Revised Statutes, use of government vehicles, limitations.**

- q. Section 127A-30, Hawaii Revised Statutes, **Rental or sale of essential commodities during a state of emergency; prohibition against price increases.**
 - r. Chapter 171, Hawaii Revised Statutes, **Public Lands.**
 - s. Chapter 205, Hawaii Revised Statutes, **Land Use Commission.**
 - t. Chapter 205A, Hawaii Revised Statutes, **Coastal zone management.**
 - u. Chapter 206E, Hawaii Revised Statutes, **Hawaii Community Development Authority.**
 - v. Chapter 343, Hawaii Revised Statutes, **Environmental impact statements.**
 - w. Chapter 346, Hawaii Revised Statutes, **Social Services.**
 - x. Section 464-4, Hawaii Revised Statutes, **public works required to be supervised by certain professionals.**
 - y. Sections 601-1.5, 708-817, 708-818, 708-820, 708-830.5, and 708-840, Hawaii Revised Statutes, to the extent that these sections contain provisions for the suspension, tolling, extension, or granting of relief from deadlines, time schedules, or filing requirements in civil, criminal, or administrative matters before the courts of the state or to the extent that these sections contain provisions for criminal penalties that are automatically heightened by reason of any declared disaster or emergency.
2. Section 127A-12(b), Hawaii Revised Statutes, and in order to provide emergency relief consistent with the intent of this Proclamation, I hereby direct all state agencies and officers to cooperate with and extend their services, materials, and facilities as may be required to assist in all efforts to address the objectives of this Proclamation in addressing the homeless situation.

I FURTHER DECLARE that a disaster emergency relief period shall commence immediately and shall terminate automatically sixty days after the issuance of this Proclamation or by a separate proclamation whichever occurs first. Notwithstanding the

termination of a disaster emergency relief period, any contracts, agreements, procurements, or programs entered into, started, or continued by reason of the provisions of this Proclamation shall continue. However, any contract entered into under this Proclamation for providing homeless services shall be limited to a period not to exceed 12 months.

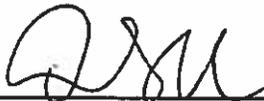
I FURTHER DECLARE that this Proclamation is not intended to create, and does not create, any rights or benefits, whether substantive or procedural, or enforceable at law or in equity, against the State of Hawai'i or its agencies, departments, entities, officers, employees, or any other person.

Done at the State Capitol, this
16th day of October, 2015.



DAVID Y. IGE
Governor of Hawaii

APPROVED:



DOUGLAS S. CHIN
*Attorney General
State of Hawaii*

OFFICE OF THE GOVERNOR
STATE OF HAWAII

SUPPLEMENTARY PROCLAMATION

By the authority vested in me as Governor by the Constitution and laws of the State of Hawai'i, in order to provide relief for disaster damages, losses, and suffering, and to protect the health, safety, and welfare of the people, I, DAVID Y. IGE, Governor of the State of Hawai'i, hereby determine, designate and proclaim as follows:

WHEREAS, pursuant to Chapter 127A, Hawaii Revised Statutes, emergency powers are conferred on the Governor of the State of Hawaii to deal with disasters or emergencies, to maintain the strength, resources, and economic life of the community, and to protect the public health, safety, and welfare; and

WHEREAS, It has become necessary to supplement my Proclamation of October 16, 2015, relating to the homeless emergency; and

WHEREAS, it has become clear that it will require additional efforts and assistance to properly ease the homeless emergency that exists in the State of Hawaii beyond the establishment of an additional temporary transitional shelter and facilitating contracting with private providers of homeless services; and

WHEREAS, the best opportunity to address the homeless emergency is with a coordinated response from many fronts involving many different state, county, and private agencies; and

WHEREAS, to ensure long-term success, this coordinated response effort must include establishing and maintaining good relationships with the homeless population, educating both the homeless and providers of service to the homeless; assisting with services, training, and opportunities, and relocation; and

WHEREAS, it has become necessary to expand the homeless emergency response efforts to include all efforts necessary to respond to the current homeless emergency in the State of Hawaii.

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawaii, hereby further determine that an emergency or disaster contemplated by section 127A-14, Hawaii Revised Statutes, has occurred in the State of Hawai'i, and do hereby supplement my October 16, 2015 Proclamation in order to provide further emergency relief by:

1. Expanding the purpose of my October 16, 2015 Proclamation to include all efforts necessary to respond to the current homeless emergency in the State of Hawaii, including, if necessary, property restoration efforts, provided further that to the greatest extent practicable and where possible, state agencies will endeavor to include a coordinated response among participating state, county, and private agencies that include:
 - a. Establishing and maintaining good relationships with the homeless population;
 - b. Educating the homeless population and providers of service to the homeless;
 - c. Assisting with providing services, training, and opportunities to the homeless population; and
 - d. Employing relocation efforts.
2. Authorizing and invoking sections 127A-13 and 127A-12, Hawaii Revised Statutes, by suspending, as allowed by law, the following statutes and regulations to the extent necessary for the purpose of providing emergency relief as necessary to address the homeless emergency contemplated in my October 16, Proclamation and this Supplementary Proclamation:
 - a. Chapter 91, Hawaii Revised Statutes, **Administrative Procedure**, as those provisions relate to rulemaking.

3. Section 127A-12(b), Hawaii Revised Statutes by expanding my directive contained in my October 16, 2015 Proclamation that all state agencies and officers cooperate with and extend their services, materials, and facilities as may be required to assist in all efforts to address the objectives of the homeless emergency to include the interchange of personnel, by detail, transfer, or otherwise, between agencies or departments of the State as needed or requested.

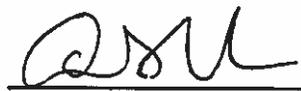
I FURTHER DECLARE that all the provisions of my Proclamation of October 16, 2015, shall remain in full force and effect and are hereby included in the provisions of this Supplementary Proclamation and the disaster emergency relief period shall continue until terminated automatically sixty days after the issuance of this Supplementary Proclamation or by a separate proclamation whichever occurs first.

Done at the State Capitol, this
26th day of October, 2015.



DAVID Y. IGE
Governor of Hawaii

APPROVED:



DOUGLAS S. CHIN
Attorney General
State of Hawaii

OFFICE OF THE GOVERNOR
STATE OF HAWAII

SECOND SUPPLEMENTARY PROCLAMATION

By the authority vested in me as Governor by the Constitution and laws of the State of Hawai'i, in order to provide relief for disaster damages, losses, and suffering, and to protect the health, safety, and welfare of the people, I, DAVID Y. IGE, Governor of the State of Hawai'i, hereby determine, designate and proclaim as follows:

WHEREAS, pursuant to Chapter 127A, Hawaii Revised Statutes, emergency powers are conferred on the Governor of the State of Hawai'i to deal with disasters or emergencies, to maintain the strength, resources, and economic life of the community, and to protect the public health, safety, and welfare; and

WHEREAS, It has become necessary to supplement my Proclamation of October 16, 2015, and my Supplementary Proclamation of October 26, 2015 relating to the homeless emergency; and

WHEREAS, the County of Kaua'i has an estimated homeless population in excess of three hundred persons with only one homeless shelter to serve nineteen persons and is engaged in plans to establish a Temporary Houseless and Assessment Shelter to accommodate up to twenty individuals per day and serve as a safe and central environment for homeless individuals to receive social services, meals, laundry assistance, and hygiene services; and

WHEREAS, the County of Maui has experienced an estimated twenty percent increase in its homeless population, including a twenty-three percent increase in the number of unsheltered homeless persons and is also engaged in plans to address its unsheltered homeless population by establishing Pu'uuhonua, or Sanctuaries, in Kahului, Wailuku, and Lahaina to offer modular units to be placed on property located in close proximity to existing emergency or transitional homeless shelters to serve approximately one hundred ninety individuals with an estimated number of sixty four per site; and

WHEREAS, the County of Hawai'i has experienced an estimated fifty-five percent increase in unsheltered homeless persons and is engaged in plans to establish a micro-unit housing project in West Hawai'i to target chronically homeless households

2015 Governor Emergency Supplementary Proclamation Homeless-FINAL (with AGDC rev)

to serve up to thirty two individuals and also provide individual and group counseling as well as wraparound social services; and

WHEREAS, the City and County of Honolulu has an estimated homeless population in excess of 4,900 that represents two-thirds of the State's total estimated homeless population and is engaged in plans to establish long-term housing projects specifically designed to serve homeless individuals or families, which will be geographically distributed throughout the island of O'ahu; and

WHEREAS, it has become clear that additional and continued efforts and assistance are needed to properly ease the homeless emergency that exists in the State of Hawai'i; and

WHEREAS, it has become necessary to expand the homeless emergency response efforts to include efforts at the county level to respond to the current homeless emergency in the State of Hawai'i.

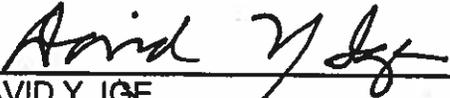
NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, hereby further determine that an emergency or disaster contemplated by section 127A-14, Hawaii Revised Statutes, has occurred in the State of Hawai'i and do hereby supplement my October 16, 2015 Proclamation and my Supplementary Proclamation of October 26, 2015 relating to the homeless emergency in order to provide further emergency relief by:

1. Expanding the purpose of my proclamations to include the efforts of the County of Kaua'i in its plans to establish a Temporary Homeless and Assessment Shelter to accommodate up to twenty individuals per day and serve as a safe and central environment for homeless individuals to receive social services, meals, laundry assistance, and hygiene services.
2. Expanding the purpose of my proclamations to include the efforts of the County of Maui in its plans to establish Pu'uhonua, or Sanctuaries, in Kahului, Wailuku, and Lahaina to offer modular units to be placed on property located in close proximity to existing emergency or transitional homeless shelters to serve approximately one hundred ninety individuals with an estimated number of sixty four per site.

3. Expanding the purpose of my proclamations to include the efforts of the County of Hawai'i in plans to establish a micro-unit housing project in West Hawai'i to target chronically homeless households to serve up to thirty two individuals and also provide individual and group counseling as well as wraparound social services.
4. Expanding the purpose of my proclamations to include the efforts of the City and County of Honolulu in plans to establish up to six housing projects ranging from long-term temporary housing to permanent housing to specifically serve homeless individuals or families. Such housing projects will be geographically distributed throughout the island of O'ahu

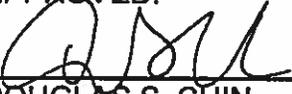
I FURTHER DECLARE that all the provisions of my Proclamation of October 16, 2015 and my Supplementary Proclamation of October 26, 2015 relating to the homeless emergency, shall remain in full force and effect and are hereby included in the provisions of this Second Supplementary Proclamation and the disaster emergency relief period shall continue until terminated automatically sixty days after December 25, 2015 or by a separate proclamation whichever occurs first. Notwithstanding the termination of a disaster emergency relief period, any contracts, agreements, procurements, or programs entered into, started, or continued by reason of the provisions of my proclamations relating to this emergency shall continue. However, any contract entered into under this Proclamation for providing homeless services shall be limited to a period not to exceed 12 months, but may be extended for a period of 6 months provided such extension is at no additional cost.

Done at the State Capitol, this
24th day of December, 2015.



DAVID Y. IGE
Governor of Hawai'i

APPROVED:



DOUGLAS S. CHIN
Attorney General
State of Hawai'i

OFFICE OF THE GOVERNOR
STATE OF HAWAII

THIRD SUPPLEMENTARY PROCLAMATION

By the authority vested in me as Acting Governor by the Constitution and laws of the State of Hawai'i, in order to provide relief for disaster damages, losses, and suffering, and to protect the health, safety, and welfare of the people, I, SHAN S. TSUTSUI, Acting Governor of the State of Hawai'i, hereby determine, designate and proclaim as follows:

WHEREAS, pursuant to Chapter 127A, Hawaii Revised Statutes, emergency powers are conferred on the Governor of the State of Hawai'i to deal with disasters or emergencies, to maintain the strength, resources, and economic life of the community, and to protect the public health, safety, and welfare; and

WHEREAS, it has become necessary to supplement Governor Ige's Proclamation of October 16, 2015, his Supplementary Proclamation of October 26, 2015, and his Second Supplementary Proclamation of December 24, 2015 relating to the homeless emergency; and

WHEREAS, the County of Maui is engaged in plans to address its unsheltered homeless population by establishing a long-term housing project in Wailuku to target homeless households to serve between 64 to 128 households; and

WHEREAS, all counties in the State are facing this homeless emergency and need to be able to expend county moneys for the repair and maintenance of existing county shelters; and

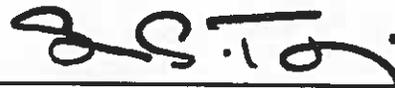
WHEREAS, the conditions giving rise to the homeless emergency continue; and

NOW, THEREFORE, I, SHAN S. TSUTSUI, Acting Governor of the State of Hawai'i, hereby further determine that an emergency or disaster contemplated by section 127A-14, Hawaii Revised Statutes, continues in the State of Hawai'i, and do hereby supplement Governor Ige's October 16, 2015 Proclamation, his Supplementary Proclamation of October 26, 2015, and his Second Supplementary Proclamation of December 24, 2015 relating to the homeless emergency in order to provide emergency

relief by expanding the purpose of his proclamations to include the efforts of the County of Maui in its plans to establish a long-term housing project in Wailuku to target homeless households to serve between 64 to 128 households and all counties for the repair and maintenance of existing county shelters.

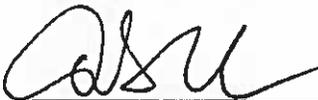
I FURTHER DECLARE that all the provisions of Governor Ige's Proclamation of October 16, 2015, his Supplementary Proclamation of October 26, 2015, and his Second Supplementary Proclamation of December 24, 2015 relating to the homeless emergency, shall remain in full force and effect and are hereby included in the provisions of this Third Supplementary Proclamation and the disaster emergency relief period shall continue until terminated automatically sixty days after February 23, 2016 or by a separate proclamation whichever occurs first. Notwithstanding the termination of a disaster emergency relief period, any contracts, agreements, procurements, programs, or employment of personnel entered into, started, or continued by reason of the provisions of my proclamations relating to this emergency shall continue. However, any contract entered into under this Proclamation for providing homeless services shall be limited to a period not to exceed 12 months, but may be extended for a period of 6 months provided such extension is at no additional cost above existing contract compensation and payment schedules.

Done at the State Capitol, this
19th day of February, 2016



Shan S. Tsutsui
Acting Governor of Hawaii

APPROVED:



DOUGLAS S. CHIN
*Attorney General
State of Hawaii*

OFFICE OF THE GOVERNOR
STATE OF HAWAII

FOURTH SUPPLEMENTARY PROCLAMATION

By the authority vested in me as ^{AMY} ~~Acting~~ Governor by the Constitution and laws of the State of Hawai'i, in order to provide relief for disaster damages, losses, and suffering, and to protect the health, safety, and welfare of the people, I, DAVID Y. IGE, Governor of the State of Hawai'i, hereby determine, designate and proclaim as follows:

WHEREAS, pursuant to Chapter 127A, Hawai'i Revised Statutes, emergency powers are conferred on the Governor of the State of Hawai'i to deal with disasters or emergencies, to maintain the strength, resources, and economic life of the community, and to protect the public health, safety, and welfare; and

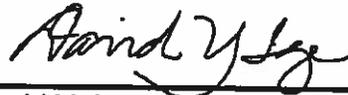
WHEREAS, it has become necessary to supplement my Proclamation of October 16, 2015, my Supplementary Proclamation of October 26, 2015, my Second Supplementary Proclamation of December 24, 2015, and the Third Supplementary Proclamation of February 19, 2016, relating to the homeless emergency; and

WHEREAS, the conditions giving rise to the homeless emergency continue; and

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, hereby further determine that an emergency or disaster contemplated by section 127A-14, Hawai'i Revised Statutes, continues in the State of Hawai'i, and do hereby continue and extend my Proclamation of October 16, 2015, my Supplementary Proclamation of October 26, 2015, my Second Supplementary Proclamation of December 24, 2015, and the Third Supplementary Proclamation of February 19, 2016, relating to the homeless emergency in order to provide emergency relief and hereby declare that all the provisions of these proclamations shall remain in full force and effect and are hereby included in the provisions of this Fourth Supplementary Proclamation and the disaster emergency relief period shall continue until terminated sixty days after April 23, 2016 or by a separate proclamation whichever occurs first. Notwithstanding the termination of a disaster emergency relief period, any contracts, agreements, procurements, programs, or employment of personnel entered into, started, or continued by reason of the provisions of my proclamations relating to this emergency shall continue. However, any

contract entered into under this Proclamation for providing homeless services shall be limited to a period not to exceed 12 months, but may be extended for a period of 6 months provided such extension is at no additional cost above existing contract compensation and payment schedules.

Done at the State Capitol, this
22nd day of April, 2016



David Y. Ige
Governor of Hawai'i

APPROVED:



DOUGLAS S. CHIN
Attorney General
State of Hawai'i

FOR ACTION

MOTION: To Adopt Resolution No. 16-05 Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2016 – 2017 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development (HUD-Form 52574).

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) is required to approve an annual operating budget prior to the commencement of each fiscal year.
- B. The budget must be prepared based on requirements of the U.S. Department of Housing and Urban Development (HUD) and approved prior to the fiscal year start date of July 1st.

HUD's requirements as detailed in Supplement to HUD Handbook 7475.1 Rev CHG-1, Financial Management Handbook are as follows:

- 1. An operating budget shall be developed for each Asset Management Project (Development).
- 2. There is no specific budget format that must submit their budget to HUD for approval.
- 3. While there is no uniform/required format, all budgets must be easily reconcilable to Financial Data Submittal (FDS) line items.
- 4. Public housing agencies shall develop and maintain Development budgets that allow for comparative analysis of budgetary line items to actual revenues and expenses.
- 5. Operating budgets shall include estimates for all revenues and expenses under the Operating Fund and Capital Fund Programs (CFP) that directly or indirectly support the operations of the Development, as well as capital expenses to be paid with operating funds, including all data needed to complete Development-based financial statements in accordance with generally accepted accounting principles (GAAP). In this context, the operating budget should contain such Capital Fund Program (CFP) activities as

operating transfers, management improvements, or other CFP activity allowed by HUD that is not capital in nature.

6. Operating budget revenues shall include operating subsidy, dwelling rents, Capital Fund used for non-capital activities, and all other revenue used to support the Development. Subsidy levels should be based on the project formula components (i.e., the Project's expense level, utility expense level, add-ons, and formula income), with an estimate of the projected proration rate.
7. Operating budget expenses shall include, but are not limited to, direct administrative costs, utilities, maintenance, security, general expenses, and non-routine or capital expenses to be paid with operating funds. These categories also include any Central Office Cost Center (COCC) frontline costs charged as fee-for-service.
8. Development operating budgets must be approved by the PHA's Board before the commencement of the fiscal year; however, the Board does not need to pass a resolution for each project budget. Operating budgets for multiple Developments can be approved with a Board joint vote. The Board resolution must be filed at the local field office (HUD-Form 52574).

II. DISCUSSION

- A. Since Fiscal Year 2011-2012, HPHA has been in full compliance with asset management as defined by HUD's Asset Management model which requires federal public housing to adopt a business model similar to multiple family housing, with project-based budgeting, project-based accounting and project-based management.
- B. Capital expenditures are separately budgeted and funded by capital funds from the State and HUD. An asset met capitalization criteria is depreciated over estimated useful life after it is put into service. However, for operating budget purpose, depreciation expense is not included as it is a non-cash, non-controllable item at the Development level.
- C. Attached for the Board's review and consideration are the proposed operating budgets by Development, other federal and State programs, COCC, and the HPHA as a whole.
- D. In order to prepare such budgets, certain assumptions have to be made. The following budget assumptions were used in the budget preparation.

1. Projects should include all vacant positions that will come on line in their budgets; this includes State projects also.
 2. Operating expenses reflect the following projected increases:
 - a. Administrative salary (BU13): 3.5% in January 2017
 - b. Maintenance salary (BU1): 2% in October 2016, 2% in April 2017. These salary increases reflect various bargaining unit agreements effective in Fiscal Year 2016-2017
 - c. BU 03 \$1,200 lump sum one time 7/1/16, 1.6% increase 1/1/17
 - d. Utility rate: electricity and gas 3%; water and sewer 6%
 - e. Employment fringe benefit: 44%
- E. Management met with the Finance Task Force on May 17, 2016 to discuss the draft budget. Since that meeting, the following minor revisions have been made:
1. Updated revenue projections related to administration of State capital improvement projects.
 2. Staff vacancies were updated to match projected hire dates.
 3. Imputed additional revenue for the Multi-Skilled Worker team.
 4. Updated State Rental Supplement Program expenses.
 5. Updated Section 8 Program Budget Contract Administration's contract and added software maintenance expense.

III. RECOMMENDATION

That the Board of Directors Adopt Resolution No. 16-05 Approving the Hawaii Public Housing Authority's Operating Budget for Fiscal Year 2016–2017 and to Authorize the Executive Director to Take All Actions Necessary to Implement and Submit Budget Certifications to the U.S. Department of Housing and Urban Development

Prepared by: Chong Gu, Chief Financial Management Advisor CG

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

Pono Shim, Chairperson

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Hawaii Public Housing Authority

PHA Code: HI901

PHA Fiscal Year Beginning: July 1, 2016

Board Resolution Number: 16-05

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

Operating Budget approved by Board resolution on: 06/16/2016

Operating Budget submitted to HUD, if applicable, on:

Operating Budget revision approved by Board resolution on:

Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Pono Shim	Signature:	Date: 06/16/2016
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Operating Budget Forthcoming

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

I. Planning

A. Legislation

HPHA responded to inquiries related to recent legislation and CIP appropriation.

B. PHA Plan

HPHA's draft Public Housing Agency Plan and related supplemental documents were submitted to HUD on April 15, 2016. HUD has 75 days to review and approve the PHA Plan.

II. Fiscal Management

A. Variance Report for April 2016: Revenue for the Month of April

CFP Grant Income \$234,600 less than budgeted

The Public Housing Capital Fund Program (CFP) is a HUD grant for capital and management activities, including the modernization and development of public housing. By HUD rule, a PHA has two years to obligate and two years to spend it after CFP grant is made available annually.

CFP expenditures that are not capitalized are reported on this line as operating income. Capitalization of CFP expenditure is reported on the balance sheet under Construction in Progress.

Out of \$867,731 for April expenditures, \$12,106 is for repair and maintenance (as allowed) reported under this line, the remaining amount is capitalized.

State CIP Fund \$70,972 less than budgeted

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

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

Out of \$2,254,124 for April expenditures, \$42,828 is for repair and maintenance and recognized as income under this line.

Grant Income \$243,919 less than budgeted

The unfavorable variances consist of \$202,231 less revenue for the federal public housing program; \$8,162 less revenue for state rental supplemental program; \$27,750 less revenue for state family housing program; and \$32,016 less revenue for state elders housing program.

B. Expenses for the Month of April

Administrative \$265,592 less than budgeted

The \$265,592 variance consists of favorable variances of: \$174,305 less administrative salaries and employee fringe benefits, of which \$139,460 and \$40,896 is contributable to COCC and FLRP, respectively; \$15,903 less managing agent fees from privately managed AMPs and Bremerton Housing Authority (managing section 8 contract administration program); \$21,127 less auditing fees; \$9,162 less office expense; \$16,666 less administrative furniture and equipment; \$2,320 less front line service fee; \$34,402 less legal expense; \$7,785 less travel expense, and \$2,226 less other administrative expense that captures administrative expenses not specified otherwise.

The favorable variance is partially offset by increased expenses of \$18,304 for administrative salaries and fringe benefits of private management companies.

Tenant Services \$71,687 less than budgeted

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

The \$71,687 variance consists of \$33,623 less relocation costs; \$7,736 less resident participation program cost, and \$30,328 less tenant service cost.

Utilities \$151,267 less than budgeted

Utilities include water, sewer, electricity and gas expenses.

The variance consists of budget savings of \$152,863 on electricity and \$55,318 on gas, offset by budget overruns of \$23,944 on water and \$32,970 on sewer expenses due to lower utility costs.

Insurance \$7,679 less than budgeted

The variance of \$7,679 includes budget savings of \$1,356 for property, \$2,151 for general liability, and \$5,997 for Workers compensation. The favorable variance is partially offset is by budget run of \$1,825 for other insurance.

C. Revenue YTD

State CIP Fund \$747,759 less than budgeted

The \$747,759 variance is mainly because of the timing of expenditure, as the budgeted State CIP Fund revenue spreads out over 12 months evenly, whereas actual expenditure fluctuates depending on project progress.

\$390,241 out of YTD \$14,104,408 CIP expenditure is not capitalized therefore reported on this line as revenue.

Grant Income \$2,059,589 less than budgeted

The unfavorable variances consist of \$2,009,829 less revenue for the federal public housing program; \$28,401 less revenue for state rental supplemental program; \$1,073,429 less revenue for COCC mainly because budgeted \$1,168,747 from State CIP appropriation to reimburse associated costs of administering State CIP projects did not happen.

The unfavorable variance is partially offset by \$47,182 more revenue for state family housing program and \$1,004,888 more revenue for state elders housing program.

Other Income \$830,843 less than budgeted

The \$830,843 variance consists of unfavorable variances of: \$74,152 less tenant payments not directly related to dwelling unit rent, of which \$57,798 contributable to the federal public housing program; \$914 less more revenue of administrative fee earned on port-in; \$44,751 less front line services fee; \$467,010 less work order revenue by central maintenance crew, and \$704,413 less miscellaneous income that captures all types of income not specified otherwise.

The unfavorable variances are partially offset by favorable variances of: \$23,497 more investment income; \$1,179 more fraud recovery; \$23,593 more FSS coordination fee, and \$412,128 more work order revenue by Special Team members.

D. Expenses YTD

Administrative \$2,343,608 less than budgeted

The \$2,343,608 variance consists of favorable variances of: \$1,741,278 less administrative salaries and employee fringe benefits, of which \$1,223,916 and \$373,580 contributable to COCC and the federal public housing program, respectively; \$15,923 less managing agent fee charged by private management companies and Bremerton Housing Authority (managing the section 8 contract administration program); \$149,451 less office expenses; \$301,332 less furniture and equipment; \$44,751 less front line services; \$182,253 less legal expense, and \$41,913 less travel expenses.

The favorable variances are partially offset by expenditures of: \$87,870 for administrative salaries and fringe benefits of private management companies; \$29,720 auditing fees, and \$15,703 other administrative cost which captures other administrative expenses not specified otherwise.

Tenant Services \$508,217 less than budgeted

The \$508,217 variance consists of \$230,329 less relocation costs; \$70,364 less resident participation program cost, and \$207,524 less tenant service cost.

Utilities \$1,439,519 less than budget

The \$1,439,519 favorable variance consists of: \$1,316,993 less electricity expense of which \$958,639 contributable to FLRP, and \$385,419 less gas expense of which \$343,354 contributable to FLRP.

The favorable variances are partially offset by \$104,166 more water expense of which \$113,074 contributable to FLRP, and \$158,727 more sewer expense of which \$144,439 contributable to FLRP.

General Expenses \$1,115,719 more than budget

The \$1,115,719 unfavorable variance is mainly caused by an unbudgeted expense of \$1,284,999 incurred in January 2016 as explained for January variance. Additional unfavorable variances include \$6,780 for motor pool

vehicle rental expense, and \$7,860 undistributed expense of Pcard charges.

The unfavorable variance is partially offset by budget savings of \$123,602 for other general expense and \$20,318 for severance expense.

HAWAII PUBLIC HOUSING AUTHORITY

Agency Total

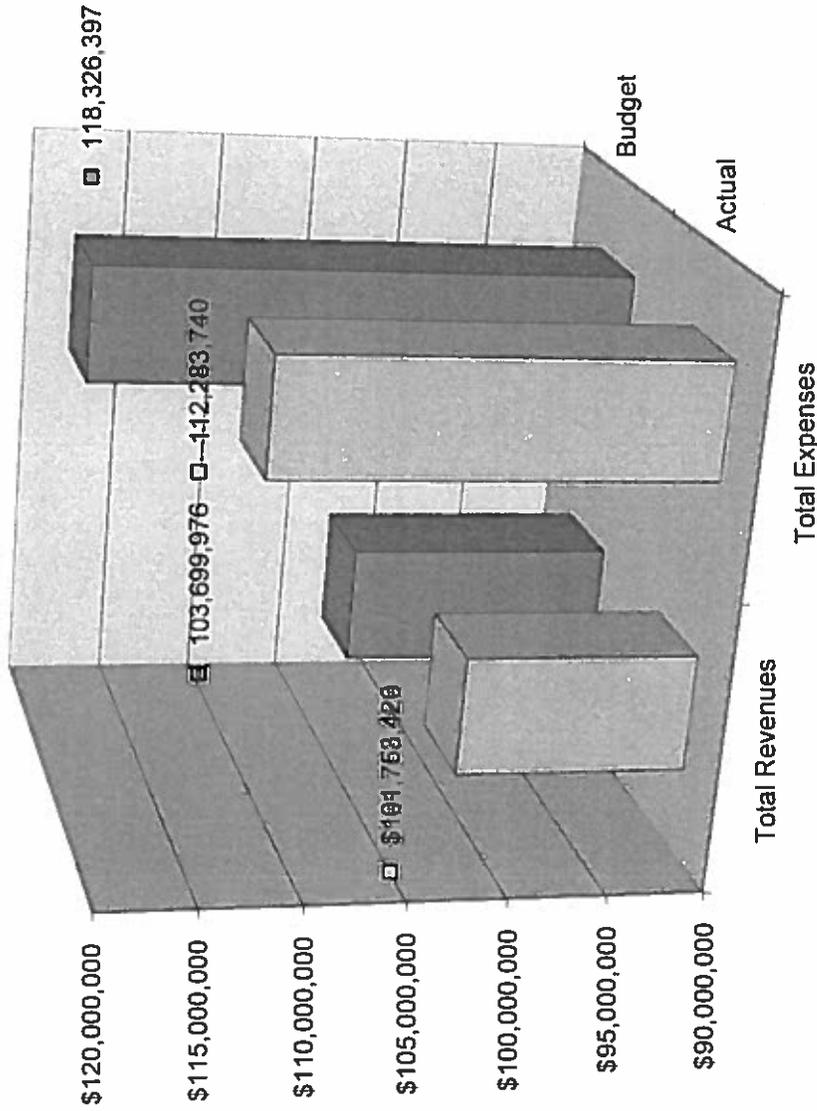
Actual vs Budget Comparison

For the Month of April 2016, and the 10 Months ended April 30, 2016

(Amounts in Full Dollars)

	Month of April 2016			Year to Date ended April 30, 2016			Prior Year	Variance Amount	%	
	Actual	Budget	Variance Amount	Actual	Budget	Variance Amount				
	1,561,121	1,440,211	120,910	15,388,245	14,398,332	989,913	14,523,824	864,421	6%	
	7,355,403	6,980,721	374,682	70,878,556	69,822,631	1,055,925	65,602,621	5,275,935	8%	
	12,106	246,706	(234,600)	2,359,043	2,467,061	(108,018)	79,210	2,279,833	2878%	
	379,267	399,425	(20,158)	3,748,065	3,994,250	(246,185)	3,753,185	(5,120)	0%	
	42,828	113,800	(70,972)	390,241	1,138,000	(747,759)	1,079,741	(689,500)	-64%	
	452,542	696,461	(243,919)	6,073,764	8,133,353	(2,059,589)	4,056,889	2,016,875	50%	
	360,921	380,975	(20,054)	2,915,506	3,746,349	(830,843)	3,125,938	(210,431)	-7%	
\$	10,164,188	10,258,299	(94,110)	101,753,420	103,699,976	(1,946,556)	92,221,408	9,532,012	10%	
REVENUES										
Dwelling Rental Income										
HUD Operating Subsidies										
CFP Grant Income										
COCC Fee Income										
State CIP Fund										
Grant Income										
Other Income										
Total Revenues	\$	101,753,420	(94,110)	103,699,976	(1,946,556)	(1,946,556)	92,221,408	9,532,012	10%	
EXPENSES										
Administrative										
Asset Management Fees										
Management Fees										
Bookkeeping Fees										
Housing Assistance Payments										
Tenant Services										
Utilities										
Maintenance										
Protective Services										
Insurance										
Depreciation Expense										
Bad Debt Expense										
General Expenses										
Total Expenses	11,448,154	11,823,336	375,182	112,283,740	118,326,397	6,042,658	105,940,014	(6,343,726)	-6%	
\$	(1,283,966)	(1,565,038)	281,072	(10,530,319)	(14,626,421)	4,096,102	(13,718,606)	3,188,286	23%	
CASH BASIS:										
Net Income(loss) per Above										
Add back non cash items:										
Depreciation Expense										
Bad Debt Expense										
TOTAL CASH BASIS	\$	158,305	(301,281)	3,839,961	(361,444)	4,201,405	62,416	3,777,545	6052%	

HPHA April 30, 2016 Actual vs Budget



	Total Revenues	Total Expenses
Actual	\$101,753,420	112,283,740
Budget	103,699,976	118,326,397

HAWAII PUBLIC HOUSING AUTHORITY
Consolidated Balance Sheet
Agency Total (Funds 130 To 150, 007, 020, 024, 181, 265, 318 & 337)
As of April 30, 2016 and March 31, 2016

	As of April 30 2016	As of March 31 2016	Increase (Decrease)
ASSETS:			
Cash	71,917,489	69,786,515	2,130,974
Receivables:			
Tenant Receivables	1,024,861	980,869	43,991
Other	1,300,325	1,277,685	22,639
Less Allowance for Doubtful Accounts	(924,050)	(910,423)	(13,627)
Total receivables	1,401,135	1,348,132	53,003
Accrued Interest	4,448	3,967	482
Prepaid Expenses	2,537,852	2,562,899	(25,047)
Inventories	538,949	540,779	(1,830)
Interprogram Due From	(429,182)	(286,609)	(142,574)
Total Current Assets	75,970,690	73,955,682	2,015,009
Property, Plant & Equipment:			
Land	23,824,737	23,824,737	-
Buildings	605,742,643	600,561,241	5,181,401
Furniture & Equipment	5,623,644	5,623,644	-
Motor vehicles	1,691,849	1,691,849	-
Construction in Progress	38,858,195	41,211,504	(2,353,309)
Less: Accumulated Depreciation	(375,038,450)	(373,605,347)	(1,433,103)
Notes, Loans & Mortgage Receivable-Non Current	8,716,630	8,716,630	-
Other Long term assets	3,137,321	3,137,321	-
Deferred Outflows of Resources	-	-	-
Total Assets & Deferred Outflow of Resources	\$ 388,527,258	\$ 385,117,260	3,409,998
LIABILITIES AND NET POSITION			
Accounts Payable	2,722,867	2,782,330	(59,464)
Accrued Expenses	-	-	-
Accrued Salaries & Wages	806,694	806,694	-
Accrued Vacation	1,486,141	1,486,141	-
Tenant Security Deposits	745,397	755,011	(9,614)
Other Liabilities & Deferred Income	2,930,415	1,232,502	1,697,913
Total Current Liabilities	8,691,514	7,062,678	1,628,835
Accrued Liabilities	18,039,316	18,039,316	-
Net Pension Liability	23,355,937	23,355,937	-
Deferred Inflows of Resources	2,903,051	2,903,051	-
Net Assets			
Investment in capital assets	300,702,618	299,307,628	1,394,989
Restricted Net Assets	371,180	371,180	-
Unrestricted Net Assets	44,993,963	43,323,823	1,670,140
Net Income Year to Date	(10,530,319)	(9,246,353)	(1,283,966)
Total Net Assets	335,537,441	333,756,278	1,781,163
Total Liabilities, Deferred Inflow of Resources & Net Position	\$ 388,527,258	\$ 385,117,260	3,409,998

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program
Actual vs Budget Comparison
For the Month of April 2016, and the 10 Months ended April 30, 2016
(Amounts in Full Dollars)

	Month of April 2016			Year to Date ended April 30, 2016			Variance Amount	Variance %	Prior Year	Variance Amount	Variance %
	Actual	Budget	Variance Amount	Actual	Budget	Variance Amount					
REVENUES											
Dwelling Rental Income	1,296,431	1,178,791	117,640	12,749,608	11,784,132	965,476	8%	11,964,693	784,915	7%	
HUD Operating Subsidies	1,982,647	1,785,737	196,910	19,602,339	17,872,797	1,729,542	10%	18,588,770	1,013,569	5%	
CFP Grant Income	12,106	78,309	(66,203)	1,452,346	783,093	669,253	85%	79,210	1,373,136	1734%	
COCF Fee Income	-	-	-	-	-	-	0%	-	-	0%	
State CIP Fund	64,391	105,500	(41,109)	373,223	1,055,000	(681,777)	-65%	999,409	(626,186)	-63%	
Grant Income	156,235	358,466	(202,231)	1,574,827	3,584,656	(2,009,829)	-56%	-	1,574,827	100%	
Other Income	49,988	42,863	7,125	356,666	429,799	(73,133)	-17%	1,835,171	(1,478,504)	-81%	
Total Revenues	\$ 3,561,798	3,549,666	12,132	\$ 36,109,009	35,509,478	599,531	2%	33,467,253	2,641,756	8%	
EXPENSES											
Administrative	477,889	543,681	65,792	4,715,674	5,382,675	667,002	12%	4,633,345	(82,328)	-2%	
Asset Management Fees	-	-	-	-	-	-	0%	-	-	0%	
Management Fees	246,048	252,905	6,857	2,427,364	2,530,679	103,315	4%	2,460,483	33,119	1%	
Bookkeeping Fees	33,495	34,740	1,245	331,470	347,595	16,125	5%	335,168	3,698	1%	
Housing Assistance Payments	3,119	115	(3,004)	23,464	1,150	(22,314)	-1940%	3,789	(19,675)	-519%	
Tenant Services	(3,685)	60,367	64,053	76,536	515,252	438,716	85%	281,635	205,099	73%	
Utilities	836,581	945,772	109,191	8,411,543	9,456,022	1,044,479	11%	9,173,792	762,249	8%	
Maintenance	1,451,741	1,321,231	(130,510)	12,687,321	14,058,027	1,370,706	10%	11,146,035	(1,541,286)	-14%	
Protective Services	182,960	196,529	13,569	1,858,590	1,965,293	106,703	5%	1,794,892	(63,698)	-4%	
Insurance	55,101	62,792	7,692	560,067	627,756	67,689	11%	639,372	79,305	12%	
Depreciation Expense	1,233,896	1,213,257	(20,639)	12,246,835	12,132,570	(114,265)	-1%	11,487,048	(759,787)	-7%	
Bad Debt Expense	7,649	7,999	350	116,186	124,348	8,162	7%	325,692	209,506	64%	
General Expenses	14,562	15,058	496	29,699	83,503	53,804	64%	123,867	94,168	76%	
Total Expenses	4,539,356	4,654,447	115,091	43,484,748	47,224,870	3,740,122	8%	42,405,117	(1,079,632)	-3%	
Net Income(Loss)	\$ (977,558)	(1,104,781)	127,223	\$ (7,375,740)	(11,715,392)	4,339,653	37%	(8,937,864)	1,562,125	17%	
CASH BASIS:											
Net Income(loss) per Above	(977,558)	(1,104,781)	127,223	(7,375,740)	(11,715,392)	4,339,653	37%	(8,937,864)	1,562,125	17%	
Add back non cash items:											
Depreciation Expense	1,233,896	1,213,257	20,639	12,246,835	12,132,570	114,265	1%	11,487,048	759,787	7%	
Bad Debt Expense	7,649	7,999	(350)	116,186	124,348	(8,162)	-7%	325,692	(209,506)	-64%	
TOTAL CASH BASIS	\$ 263,987	116,475	147,512	\$ 4,987,281	541,525	4,445,756	821%	2,874,875	2,112,406	73%	

HAWAII PUBLIC HOUSING AUTHORITY
State Low Rent

Actual vs Budget Comparison
For the Month of April 2016, and the 10 Months ended April 30, 2016
(Amounts in Full Dollars)

	Month of April 2016			Year to Date ended April 30, 2016			Variance		
	Actual	Budget	%	Actual	Budget	%	Actual	Prior Year	%
REVENUES									
Dwelling Rental Income	91,624	92,175	-1%	922,420	921,750	0%	861,252	\$ 61,168	7%
HUD Operating Subsidies	-	-	0%	-	-	0%	-	-	0%
CFP Grant Income	-	-	0%	-	-	0%	-	-	0%
COCC Fee Income	-	-	0%	-	-	0%	-	-	0%
State CIP Fund	517	3,700	-86%	517	37,000	-99%	44,020	(43,503)	-99%
Grant Income	72,251	100,001	-28%	1,047,192	1,000,010	5%	-	1,047,192	100%
Other Income	1,416	4,190	-66%	31,003	41,230	-25%	766,886	(735,883)	-96%
Total Revenues	\$ 165,808	200,066	-17%	\$ 2,001,132	1,999,990	0%	1,672,158	328,974	20%
EXPENSES									
Administrative	23,766	30,846	23%	248,127	295,952	16%	242,162	(5,965)	-2%
Asset Management Fees	-	-	0%	-	-	0%	-	-	0%
Management Fees	15,502	16,123	4%	153,837	161,230	5%	157,275	3,438	2%
Bookkeeping Fees	1,860	1,936	4%	18,458	19,360	5%	18,870	413	2%
Housing Assistance Payments	-	-	0%	-	-	0%	-	-	0%
Tenant Services	-	-	0%	440	-	-100%	89	(351)	-396%
Utilities	64,859	70,448	8%	615,167	704,480	13%	656,451	41,284	6%
Maintenance	54,671	83,837	35%	546,539	780,891	30%	531,521	(15,018)	-3%
Protective Services	-	-	0%	43	-	-100%	241	197	82%
Insurance	3,171	3,280	3%	31,692	32,801	3%	31,987	295	1%
Depreciation Expense	76,880	76,879	0%	768,800	768,790	0%	768,832	32	0%
Bad Debt Expense	760	800	5%	7,600	8,000	5%	-	(7,600)	-100%
General Expenses	-	7,453	100%	(840)	7,453	111%	-	840	100%
Total Expenses	241,470	291,603	17%	2,389,863	2,778,958	14%	2,407,427	17,565	1%
Net Income(Loss)	\$ (75,662)	(91,537)	17%	\$ (388,731)	(778,968)	50%	(735,269)	346,538	47%
CASH BASIS:									
Net Income(loss) per Above	(75,662)	(91,537)	17%	(388,731)	(778,968)	50%	(735,269)	346,538	47%
Add back non cash items:									
Depreciation Expense	76,880	76,879	0%	768,800	768,790	0%	768,832	(32)	0%
Bad Debt Expense	760	800	-5%	7,600	8,000	-5%	-	7,600	100%
TOTAL CASH BASIS	\$ 1,978	(13,858)	114%	\$ 387,669	(2,178)	17898%	33,563	354,106	1055%

HAWAII PUBLIC HOUSING AUTHORITY
State Rent Supplement Program

Actual vs Budget Comparison
For the Month of April 2016, and the 10 Months ended April 30, 2016
(Amounts in Full Dollars)

	Month of April 2016			Year to Date ended April 30, 2016			Variance		
	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
REVENUES									
Dwelling Rental Income	-	-	0%	-	-	0%	-	-	0%
HUD Operating Subsidies	-	-	0%	-	-	0%	-	-	0%
CFP Grant Income	-	-	0%	-	-	0%	-	-	0%
COCC Fee Income	-	-	0%	-	-	0%	-	-	0%
Grant Income	79,832	87,994	-9%	851,540	879,940	-3%	20,817	20,817	3%
Other Income	-	-	0%	-	-	0%	-	-	0%
Total Revenues	\$ 79,832	87,994	-9%	\$ 851,540	879,940	-3%	20,817	20,817	3%
EXPENSES									
Administrative	5,219	7,212	28%	60,770	72,120	16%	(592)	60,177	-1%
Asset Management Fees	-	-	0%	-	-	0%	-	-	0%
Management Fees	501	-	-100%	4,746	-	-100%	(60)	4,686	-1%
Bookkeeping Fees	314	-	-100%	2,974	-	-100%	(38)	2,937	-1%
Housing Assistance Payments	35,389	105,000	66%	336,470	750,000	55%	(17,034)	319,436	-5%
Tenant Services	-	-	0%	-	-	0%	-	-	0%
Utilities	-	625	100%	41	6,250	99%	5,376	5,417	99%
Maintenance	1,609	240	-571%	2,084	2,520	17%	436	4,812	57%
Protective Services	-	-	0%	-	-	0%	-	-	0%
Insurance	-	-	0%	-	-	0%	-	-	0%
General Expenses	-	-	0%	-	-	0%	-	-	0%
Total Expenses	43,032	113,077	62%	407,085	830,890	51%	(9,620)	397,465	-2%
Net Income(Loss)	\$ 36,799	(25,083)	247%	\$ 444,455	49,050	806%	11,197	433,258	3%
CASH BASIS:									
Net Income(loss) per Above	36,799	(25,083)	247%	444,455	49,050	806%	11,197	433,258	3%
Add back non cash items:	-	-	0%	-	-	0%	-	-	0%
Depreciation Expense	-	-	0%	-	-	0%	-	-	0%
Bad Debt Expense	-	-	0%	-	-	0%	-	-	0%
TOTAL CASH BASIS	\$ 36,799	(25,083)	247%	\$ 444,455	49,050	806%	11,197	433,258	3%

HAWAII PUBLIC HOUSING AUTHORITY

Central Office Cost Center

Actual vs Budget Comparison

For the Month of April 2016, and the 10 Months ended April 30, 2016

(Amounts in Full Dollars)

	Month of April 2016			Year to Date ended April 30, 2016			Variance		
	Actual	Budget	%	Actual	Budget	%	Amount	%	Amount
REVENUES									
Dwelling Rental Income	-	-	0%	-	-	0%	-	-	-
Ongoing Admin Fee Earned	8,874	-	100%	56,680	-	100%	56,680	-	56,680
CFP Grant Income	-	168,397	-100%	906,697	1,683,968	-46%	(777,271)	-46%	906,697
COCC Fee Income	379,267	399,425	-5%	3,748,065	3,994,250	-6%	(246,185)	-6%	3,753,185
Grant Income	26,241	-	100%	95,318	1,168,747	-92%	(1,073,429)	-92%	95,318
Other Income	292,529	268,836	9%	2,351,739	2,624,460	-10%	(272,721)	-10%	181,250
Total Revenues	\$ 706,911	836,658	-16%	\$ 7,158,499	9,471,425	-24%	(2,312,926)	-24%	5,923,674
EXPENSES									
Administrative	602,234	778,071	23%	6,172,764	7,588,515	19%	1,415,751	19%	6,361,154
Asset Management Fees	-	-	0%	-	-	0%	-	0%	-
Management Fees	-	-	0%	-	-	0%	-	0%	-
Bookkeeping Fees	-	-	0%	-	-	0%	-	0%	-
Housing Assistance Payments	-	-	0%	-	-	0%	-	0%	-
Tenant Services	26,273	640	-4005%	26,764	6,400	-318%	(20,364)	-318%	828
Utilities	8,066	12,123	33%	89,605	121,143	26%	31,538	26%	86,918
Maintenance	268,964	261,937	-3%	2,708,398	2,587,714	-5%	(120,684)	-5%	2,492,379
Protective Services	58	785	93%	8,180	7,847	-4%	(334)	-4%	8,121
Insurance	2,407	3,391	29%	78,993	33,911	-133%	(45,082)	-133%	35,696
Depreciation Expense	4,013	4,013	0%	40,130	40,130	0%	-	0%	16,310
General Expenses	13,414	5,282	-154%	1,331,751	78,420	-1598%	(1,253,331)	-1598%	274,687
Total Expenses	925,428	1,066,241	13%	10,456,585	10,464,079	0%	7,495	0%	9,276,093
Net Income(Loss)	\$ (218,517)	(229,584)	5%	\$ (3,298,086)	(992,654)	-232%	(2,305,431)	-232%	(3,352,419)
CASH BASIS:									
Net Income(loss) per Above	(218,517)	(229,584)	5%	(3,298,086)	(992,654)	-232%	(2,305,431)	-232%	(3,352,419)
Add back non cash items:									
Depreciation Expense	4,013	4,013	0%	40,130	40,130	0%	-	0%	16,310
Bad Debt Expense	-	-	0%	-	-	0%	-	0%	-
TOTAL CASH BASIS	\$ (214,504)	(225,571)	5%	\$ (3,257,956)	(952,524)	-242%	(2,305,431)	-242%	(3,336,109)

III. Contract & Procurement Office

A. Solicitation(s) Issued in May 2016:

Solicitation No.	Title	Due Date
RFQ CMB-2016-22	Punchbowl Homes Alapai Street Sewer Repair; HPHA Job No. 15-017-111	May 20, 2016
IFB CMB-2016-28	Fair Housing Site Improvements at Lanakila Homes; HPHA Job No. 14-019-104-S	May 31, 2016
IFB CMB-2016-24	Upgrade to Call For Aid System at Punchbowl Homes; HPHA Job No. 12-006-000	June 2, 2016
IFB CMB-2016-26	Upgrade to Fire Alarm Systems at Kalakaua Homes, Makua Alii, and Paoakalani and Call For Aid System at Paoakalani; HPHA Job No. 12-006-000	June 2, 2016
IFB CMB-2016-25	Upgrade to Fire Alarm and Call For Aid Systems at Pumehana and Makamae; HPHA Job No. 12-006-000	June 6, 2016
IFB CMB-2016-27	Upgrade to Call For Aid Systems at Kalanihulia and Spencer House; HPHA Job No. 12-006-000	June 6, 2016
IFB CMB-2016-11	Site and Dwelling Improvements to Kahale Mua (Federal) and Kahale Mua (State); HPHA Job No. 09-042-000	June 9, 2016
IFB CMB-2016-17	Palolo Valley Homes Modernization, Phase 3; HPHA Job No. 15-016-108-Z	June 9, 2016
IFB CMB-2016-05	Spencer House Masonry Stabilization and Repairs; HPHA Job No. 13-039-173	June 14, 2016

B. Contract(s) Executed in May 2016:

Contract No.	Contractor & Description	Amount
CMS 16-08	Society Contracting, LLC Provide Labor, Material and Equipment for Site and Building Improvements at Wahiawa Terrace (AMP 49) on the Island of Oahu Completion Date: 365 Calendar Days from Notice to Proceed	Total Amount: \$7,970,700.00
CMS 15-13-SC01	All Maintenance and Repair, LLC Provide Additional Labor, Material, and Equipment and Extension of Time of 105 Calendar Days for Accessibility and Site Improvements at Hookipa Kahaluu (AMP 45) on the Island of Oahu Completion Date: August 11, 2016	Suppl Amount: \$62,100.00 Total Amount: \$4,747,290.00
CMS 15-12-SC02	Kaikor Construction Company Inc dba Kaikor Construction Company, Inc. Provide Additional Labor, Material and Equipment, Extension of Time of 90 Calendar Days and Reduction in Scope of Work for Site and Roadway Improvements at Kuhio Park Terrace (AMP 40) on the Island of Oahu Completion Date: September 8, 2016	Suppl Amount: (\$298,965.00) Credit Total Amount: \$4,199,089.00
CMS 15-06-CO03	T. Iida Contracting, Ltd. Provide Additional Labor, Material, and Equipment and Extension of Time of 14 Calendar Days for Site and Dwelling Improvements at Kalihi Valley Homes, Phase 4 (AMP 31) on the Island of Oahu Completion Date: November 17, 2016	Suppl Amount: \$178,167.92 Total Amount: \$9,170,000.03
CMS 15-06-CO02	T. Iida Contracting, Ltd. Provide Additional Labor, Material, and Equipment, Extension of Time of 93 Calendar Days for Site and Dwelling Improvements at Kalihi Valley Homes, Phase 4 (AMP 31) on the Island of Oahu Completion Date: November 3, 2016	Suppl Amount: (\$5,272.11) Credit Total Amount: \$8,991,832.11
CMS 15-03-CO01	StarCom Builders, Inc. Provide Additional Labor, Material, and Equipment and Extension of Time of 5 Calendar Days for Repair to Trash Chute at Makua Alii (AMP 34) on the Island of Oahu Completion Date: June 5, 2016	Suppl Amount: \$4,462.74 Total Amount: \$871,302.49

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

Contract No.	Contractor & Description	Amount
CMS 14-02-SC03	Bowers + Kubota Consulting, Inc. Extension of Time of 462 Calendar Days for Modernization of Mayor Wright Homes (AMP 32) on the Island of Oahu End Date: August 10, 2017	Suppl Amount: n/a Total Amount: \$501,219.00
CMS 13-24-SC03	KYA Design Group, Inc. Extension of Time of 800 Calendar Days for Site and Building Improvements at Kauliokalani (AMP 44) on the Island of Oahu End Date: October 27, 2018	Suppl Amount: n/a Total Amount: \$501,219.00
PMB 16-04	Lions' Cleaning & Maintenance, Inc. Furnish Custodial Services at the HPHA Central Offices on the Island of Oahu End Date: April 30, 2017	Total Amount: \$65,877.78
PMB 16-03	American Guard Services, Inc. Provide Security Services for Kalihi Valley Homes (AMP 31), Mayor Wright Homes (AMP 32), Punchbowl Homes, Kalanihua, and Makamae (AMP 35) on the Island of Oahu End Date: May 1, 2017	Total Amount: \$1,510,467.49
PMB 16-02	Hawaii Affordable Properties, Inc. Provide Property Management, Maintenance and Resident Services for Ka Hale Kahaluu, Hale Hookipa, Kaimalino, Kealakehe and Nani Olu (AMP 43) on the Island of Hawaii End Date: March 31, 2017	Total Amount: \$708,818.00

C. Planned Solicitation/Contract Activities for June/July 2016

Solicitation(s):

- Issue Invitation-for-Bids for Laundry Services for AMP 38 on the Island of Kauai.
- Issue Invitation-for-Bids for Provision of Refrigerators for State and Federal Low Income Housing Properties Statewide.

Contract(s)

- Execute New Contracts to Provide Property Management, Maintenance and Resident Services on the Island of Hawaii.

- Execute New Contract(s) to Provide Laundry Services at AMP 34 on the Island of Oahu and AMP 39 on the Island of Molokai.
- Execute New Contract for HPHA Website Redesign Services.
- Execute New Contract to Administer and Implement the Section 8 Family Self-Sufficiency Program, the Section 8 Homeownership Option Program, and the Federal Low Income Public Housing Family Self-Sufficiency Program.
- Execute Supplemental Contracts to Continue to Provide Refuse Collection Services for Various AMPs Statewide.
- Execute Supplemental Contract to Continue to Provide Security Services at AMP 34 on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Ranges for Various AMPs Statewide.
- Execute Supplemental Contract to Continue to Provide Property Management, Maintenance and Resident Services for AMP 45 on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Emergency Generator Preventive Maintenance Services for Various AMPs on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Elevator Preventive Maintenance Services for Various AMPs on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Preventive Maintenance Services to the Sewage Treatment Plant at AMP 49 on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Preventive Maintenance Services to the Sewage Lift Pump Station at AMP 49 on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Individual Wastewater System Maintenance at AMP 38 on the Island of Kauai.

IV. Property Management and Maintenance Services

- A. PMMSB continues its efforts to reduce the number of our vacant units and increase the numbers of families we successfully place in homes.

Total Move Ins for May:	68 units
<u>Vacancies:</u>	<u>60 units</u>
Net gain:	8 units

- B. Formal Grievance Hearings

The grievance process is essential whenever a tenant disputes HPHA's action or failure to act, pursuant to their rental agreement with HPHA or under HPHA's regulations.

In May, HPHA logged and responded to 47 tenant complaints, sent out 17 response letters to tenants, and 3 to elected officials acting on their behalf. Our HPHA Hearing Officer has conducted 4 grievance hearings and received 3 new requests for grievance hearings.

Island	Federal Public Housing (number of cases heard) for May	Type of Grievance Hearing Conducted
Oahu	1	Drinking and physical violence on the project.
Big Island	3	Smoking on property, misconduct, drugs, violence on the project, rent delinquency and default on repayment plan, unauthorized.

- C. Hearings

12 Eviction cases heard for the month of May 2016, 3 for rent, 9 for non-rent, criminal activities and other violations.

- D. Program Activities

- The Family Self-Sufficiency (FSS) program is to encourage self-sufficiency among our residents. There are currently 19 active participants for the federal public housing program, with 11 active escrow accounts. The FSS program rewards participating families by creating an FSS savings account for each family, then when the family's share of rent increases, the FSS will match that increase and make a monthly deposit into the family's escrow account, until

the family reaches their desired goal. The net active balance to date for the 11 families is \$52,258.00.

2. The HPHA Wellness Team is working hard to improve the health and well-being of the staff and residents through collaborations for healthy public housing, with our partners from DOH-Public Health Nursing Branch and Hawaii Public Health Institute. In May, the Wellness Team provided training to the property managers, which included eliciting communication from managers on their issues and concerns with the enforcement of a smoke free environment. The Team continues to provide information on free counselling initiatives to quit smoking.

E. Planned Activities for May 2016

1. HPHA will continue to focus on training, improving occupancy and REAC inspection scores and Property Management Specialists have been diligently working with the AMP staff by providing guidance and technical support to all AMPs, particularly these with upcoming REAC inspections in June.

V. Construction Management Branch

A. Program Activities and Major Projects

Vacant Units Undergoing Modernization as of May 31, 2016

1. On-going construction and design continues on vacant units undergoing modernization (requiring work beyond that of routine maintenance and repairs) totaling 252 units of which 25 are State units and 229 are Federal units.
2. 27 Construction Management Branch (CMB) controlled vacant units were completed in the month of May as part of larger modernization projects.
3. Status by County of Vacant Units under construction or design:
 - a. O`ahu: 143 units total
 - 1) Demo/dispo: 4
 - 2) Under Construction: 126
 - 3) Bid: 10
 - 4) In Design/About to go out to bid: 3
 - b. Hawai`i: 86 units total
 - 1) Demolished: 62
 - 2) Under Construction: 10

- 3) In Design/About to go out to bid: 14
- c. Maui: 7 units total
 - 1) Under Construction: 7
- d. Molokai: 16 units total
 - 1) In Design: 9
 - 2) Bid: 7

O`ahu Projects:

1. Hale Laulima – Major Modernization

Tenants are being relocated from Phase II into recently completed Phase I units.

2. Kalihi Valley Homes – Major Modernization

- a. HPHA has contacted the Board of Water Supply, BWS, the property owner of the hillside, about a potential hazard and to investigate and remove the boulder and any other precarious boulders encountered in their investigation. BWS has retained a consultant to investigate and HPHA is awaiting a response from Board of Water Supply as to the result. HPHA sent a formal letter requesting status and is awaiting a response.
- b. HPHA is reviewing the Phase 5 proposal from the consultant. This work would be to work on the Administration Office, retaining walls, site work, full modernization of the remaining buildings, 2 accessible units to be fully compliant, reroofing of the rest of the buildings that have not been reroofed, etc.

3. Mayor Wright Homes

- a. Exterior & Interior Repairs and Site Improvements – 72 of 78 unit bathrooms have been renovated; asphalt repaving of parking stalls, installation of playground, and repair of selective solar hot water systems are in progress; exterior concrete spall repairs are close to complete; stairwell roof replacement is completed; selective sections of concrete walkways have been replaced; mailboxes have been installed in front of the administrative building.

4. Ka`ahumanu Homes – Site and Building Improvements:
 - a. Phase 1 unit renovation in progress (ADA conversion at 2A, 8A, 9B, 9C; partial mobility at 8B, 10A); asphalt repaving of Parking Lot 3 has been completed; replacing concrete walkways in progress; perimeter wall replacement with picket aluminum fence in progress; spall repair and building exterior painting in progress.

5. Puahala Homes – Phase 1B Abatement and Modernization to Buildings 4, 5 & 6
 - a. Major modernization of sixteen 4 and 5 bedroom units is on-going. Construction is expected to complete in December 2016.

6. Spencer House – Masonry Stabilization and Repairs

The job was advertised on May 13, 2016 and Bids are due on June 14, 2016.

7. Punchbowl Homes, Makamae, and Pumehana – Repair to Trash Chutes.
 - a. The contract was awarded to the low bidder, All Maintenance and Repair LLC (AMR) on May 11, 2016.

8. State Elderly Projects (MU 42)
 - a. Upgrade to Fire Prevention Systems – The controller for the Ho`olulu fire pump that was lost in shipment has been re-ordered. The contractor is waiting for the new controller to arrive. Currently the fire pump is working with the existing controller.

9. AMP 34 & 35
 - a. Improvement to Major Systems at AMP 34: Water Heaters, Heat Pumps and Booster Pumps – The construction contract has been executed. The pre-construction meeting was held on May 27, 2016. Another pre-construction meeting will be scheduled for AMP 35.
 - b. Installation of Backflow Preventers (AMP 34) – Project was awarded to D&C Construction on May 11, 2016.

10. Hauiki
 - a. Site and Building Improvements – Pre-final plans to be submitted by consultant for HPHA review. Site improvements to include repairing existing concrete walkways, stairs and retaining walls; modifying existing metal railings to meet code; relocating the existing mailboxes for accessibility; and installing an accessible parking stall. Building improvements to include renovating the Community Center for accessibility; converting of one unit to be fully accessible using a wheelchair lift; re-roofing; exterior painting; replacing windows and doors, repairing concrete spalls; and repairing exterior building elements.
11. Palolo Valley Homes
 - a. Major Modernization (Phases 1 & 2) – Tenants moved into Buildings 18 and 19 starting the week of May 2nd. Work on Buildings 14 and 15 (12 units) has started. The overall completion date is estimated at November 2016.
 - b. Major Modernization (Phase 3) – The project is out to bid and the pre-bid site walk through was conducted with a bid opening of June 9th, 2016.
12. Ko'olau Village – ADA Compliance
 - a. Construction is on-going for 5 units, administration office and community center. Units 3A and 17D were turned back over to the AMP on May 24, 2016.
13. Ho'okipa Kahalu'u – ADA Compliance
 - a. Construction is on-going for 6 units, community center, and site improvements.
14. Kauhale Ohana
 - a. ADA Compliance – Construction is on-going for 3 units and site work. Punchlist for unit 107, 108, and 201 is scheduled for May 31, 2016.
 - b. Maintenance of Lift Station – Issued Notice to Proceed on May 1, 2016.

15. Ho`olulu – Deteriorating Trellis Demo
 - a. Ho`olulu Elderly Trellis Removal was completed on May 5, 2016.
16. Makua Ali`i – Trash Chute Repair
 - a. Completion has been delayed due to scheduling fire alarm inspections and testing with the Honolulu Fire Department (HFD).
17. Wahiawa Terrace – Site and Building Improvements
 - a. The construction contract was executed with Society Contracting, LLC on May 2, 2016. The start of construction is pending the relocation plan being finalized.

Hawai`i Projects:

1. Lanakila Homes
 - a. Demolition of Phase IIIb (HA 1105) & IV (HA 1004) – The public notice was published in the Hawaii Tribune-Herald on May 16, 2016. The 30-day commentary period started on May 17, 2016 and ends on June 16, 2016. The public meeting was held on May 26, 2016. The consultants and the HPHA attended the public meeting. The final Remediation Action Report (RAR) will be issued by the HEER office after the 30-day commentary period.
 - b. Lanakila Public Housing – Phase IIIB & IV (HA 1105) – New construction is on hold until the existing foundations are fully demoed and the soil is remediated. Awaiting the issuance of the final RAR.
2. Pomaikai – Site and Building Improvements
 - a. Building 925 is 80% completed. Completion of eight (8) standard studio units and two (2) accessible studio units are anticipated in early July 2016.
3. Noelani I & II – Replacement to Waterlines and Solar Installation
 - a. Project was completed and accepted in April 16, 2016. All closing documents were received. Currently working on closing the contract.

4. PHA-Wide Individual Wastewater System (IWS) Maintenance
 - a. Hale Aloha O Puna: Department of Health (DOH) is requiring two water bills after the repair was done on a major leak that was detected to verify that the water flow is reduced.
 - b. Kaimalino: In order for DOH to issue the Permit renewal approval, HPHA needs to uncover the missing wells. A consultant conducted their site investigation on May 10, 2016 and was able to find one well. Further investigation is scheduled.
 - c. Hale Ho`okipa: In order for DOH to approve the Underground Injection Control (UIC) status report, HPHA must uncover the missing well. The consultant's team found the well on May 10, 2016.

Mau`i County Projects:

1. David Malo Circle and Makani Kai Hale – Physical Improvements
 - a. Contractor is working on Phase II, Buildings 101, 102 & 109. Construction work is on schedule.
2. Kahekili Terrace – Contaminated Soil Mitigation
 - a. The Department of Health notified HPHA of the presence of higher than allowable environmental toxins at select areas at the Kahekili Terrace site. These toxins are associated with chemicals used in former agricultural operations prior to the construction of housing. The Department of Health has requested additional tests be conducted in order to determine the magnitude of the problem as well as cleanup of the area. CMB has selected a consultant and is awaiting approval to begin negotiations

On May 11th, the Department of Health conducted an inspection of the Kahekili Terrace to assess current site conditions. In a letter dated May 18, 2016, the HPHA was notified that “the different types of capping material used by the HPHA to minimize exposure to the soil appears to be adequate.” “As a result, HDOH decided not to collect additional soil samples during the site visit.” Additionally, the HDOH prepared a notice to the tenants which indicated that

"At the levels found at this site, arsenic and dioxins are not an immediate health risk."

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

The Invitation for Bid (IFB) was posted May 2, 2016 and bids are due on June 9, 2016.

Kaua`i Projects:

1. Hale Nana Kai O Kea – Reasonable Accommodations Request Bathroom Modifications

- a. The Invitation for Bids is being prepared for this in-house design project.
- b. A hazardous materials test was conducted on May 6, 2016 for incorporation into the bid documents.

2. Home Nani & Kekaha Ha`aheo – ADA Compliance

Home Nani solar piping ready for final inspection, balance of the project is complete. Closeout documents are in progress.

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

1. HPHA is on track and working diligently to meet all Federal CFP and State CIP deadlines.
2. The Federal obligation deadline of May 12, 2016 for the 2014 Capital Fund Program (CFP 724) has been met.
3. Economic Development Initiative (EDI) Grants have two Expenditure Deadlines: September 30, 2016 for Lanakila and Kalihi Valley Homes; and September 30 2017 for Kahale Mua and Pahala. HPHA is on track to expending these funds.
4. Replacement Housing Factor grant funds: There are varying federal deadlines for obligation and expenditure of these grants. The funds are entirely budgeted for the Lanakila demolition. HPHA has already expended most of the funds and is on track with all obligation and expenditure deadlines.

VI. Section 8 Subsidy Programs

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

A. Program Activities

1. Voucher activity for May 2016:

- In support of management's direction to increase the voucher lease up count, HPHA expended a total of \$2,334,581 (106.8 % of eligible HUD funds received) in housing assistance payments to private landlords on behalf of 2230 voucher holders in May 2016.
- Four families who received a Housing Choice Voucher (HCV) from the waitlist found rental units and moved into the unit in May 2016.
- HPHA expended \$34,561 on behalf of 162 families served under the rent supplement program statewide in May 2016.
- As of May 2016, 401 veterans were assisted with Veterans Administration Supportive Housing Vouchers (VASH). Housing assistance payments totaled \$321,047. Seven veterans who were searching for a home found a rental unit and leased up. Nine veterans received VASH vouchers in May 2016 and are currently in housing search.

2. Voucher lease up activity for May 2016:

Voucher Type	May 2016		
	# leased	# of vacancies	# in housing search
Housing Choice Vouchers	4		64
VASH	7		39
Kuhio Park Towers	0	0	1
Palolo Homes Project Based Section 8	1	0	7
Port In (from other PHA)	5		14

3. Inspections update:

	May 2016
Housing Quality Standards (HQS) Inspections	229
HQS Failed Inspections	108
Quality Control Inspections	42

4. Family Self Sufficiency (FSS) Program

- The Family Self Sufficiency (FSS) program assisted 51 Section 8 clients in May 2016. There were 29 active escrow accounts with a total deposit of \$6390 in May 2016.

VII. Compliance Office

A. Program Activities for May

- A total of Approximately 240 tenant requests for reasonable accommodations have been submitted to the compliance office since January 2016. In May, 2016, approximately 26 were processed with 13 approvals under Section 504 of the Rehabilitation Act and the Fair Housing Act were processed and approved requests were for:
 - a. Transfers to accessible or ground floor units (4);
 - b. Installation of air conditioning (1);
 - c. Approval to keep assistance animal (3);
 - d. Approval of live-in aides (2);
 - e. Disability-related unit modifications (3).
- Worked with the Department of the Attorney General to record confirmations of ownership for Kahale Mua and Kalaniuia;
- Assisted with revising draft changes to Hawaii Administrative Rules for the State Family Public Housing Program, Rent Supplement Program, and State Elderly Housing Program;
- Tracked and submitted testimony on legislation;

- Coordinated joint effort between the HPHA and the Department of Health to maintain safe soil conditions at HPHA properties;
- Continued efforts to find cost-effective solutions to requests for roll-in showers;
- Recommended changes to Section 8 briefing packet and Administrative Plan based on recent changes to federal regulations;
- Submitted responses to two Hawai'i Civil Rights Commission complaints by HPHA tenants;
- Attended DCAB training.

B. Planned activities for July/August

- Continue to work on declarations of trust project by reviewing releases and declarations of trust forms for additional federally-assisted public housing properties for submission to the United States Department of Housing and Urban Development for execution;
- Continue to pursue changes to the Administrative Rules for the State Elderly Housing Program, State Family Housing Program, Rent Supplement Program, and other programs;
- Work with the Fair Housing Coordinators of the Counties and Hawaii Housing Finance and Development Corporation to continue to administer the joint procurement contract for the update to the fair housing analysis of impediments for the State of Hawaii;
- Complete administration of the contract with National Center for Housing Management for HPHA Self-evaluation and Transition Plan, by working with staff to finalize draft transition plans, and providing to and reviewing draft transition plans from the consultant to finalize the transition plan; and
- Draft revisions to the Admissions and Continued Occupancy Policy for the Federally Assisted Low-income Public Housing Program for the Federally Assisted Low-income Public Housing Program to implement the approved changes to the Hawaii Administrative Rules.

VIII. Information Technology Office

A. Program Activities

1. WordPress intranet for HPHA initiated (HPHA-HALEWIKI). Intern from Summer Youth Employment Program initiated template selection and server platform. Expected end of project by early August.
2. Executive Portal – Creation and implementation of new widgets initiated where Emphasys is developing custom reports.
3. HPHA migration to Office 365.
 - All Offices and AMPs completed.
 - MS Outlook migration initiated and in early implementation phase. Full migration scheduled to end by August.
4. Rent Supplement Program pilot project initiated and in testing mode.
5. Ongoing maintenance phase with Emphasys and HPHA.
 - WebApp - Emphasys is finalizing adjustments to income limits based upon testing by Section 8 staff.
 - The draft video (in English) on how to use the WebApp has been completed with captions and voice narration. The video is in YouTube format, but is only being stored on the Y drive while being reviewed.
 - Creating videos to show how to sign up for an Applicant Portal account, and how to log into the portal and retrieve family data.
 - Implementation of AIS (Automated Information Service) for one dedicated phone to allow for effective and efficient routing of calls due to the expected number of potential applicants.

IX. Human Resources

A. Summary of Staffing:

Filled positions (FTE):	278
Positions budgeted (recruit and fill)	50
Other vacancies	45

B. Program Activities:

1. HPHA participated in Camp Smith Job Fair on 5/10/16.
2. HPHA implemented the new mandatory reference checking in the hiring process. HPHA is able to conduct and complete reference checks and/or employment verification for more than 10 applicants who passed the selection interview and are being considered as finalists for several positions including civil service, exempt and temporary 89-days hire appointments.
3. Continue recruiting more workers to join the Multi-Skilled Worker Pilot Program, and conducted several interviews.
4. 2016 Summer Hire students started employment with HPHA on 6/1/16.
5. Conducted Performance Appraisal training for new AMP managers, deputy managers and maintenance supervisors.
6. Completed the HUD Form 4750, the Maintenance Wage Rate Recommendation report that reflects the current collective bargaining agreement rates for the maintenance staff.
7. Continue to work with managers in updating their Emergency Preparedness Plan as hurricane season starts June 1, 2016.
8. Worker's Compensation: 1 injuries reported with average lost time of 2 days.