December 27, 2012

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Seventh State Legislature 
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker  
and Members of the House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Hawaii Public Housing Authority’s Annual Report to the Legislature as required by section 356D-20, Hawaii Revised Statutes. In accordance with section 93-16, Hawaii Revised Statutes, a copy of this report has been transmitted to the Legislative Reference Bureau Library and the report may be viewed electronically at http://www.hcdch.hawaii.gov/reportsstudies/index.htm.

Sincerely,

[Signature]

NEIL ABERCROMBIE  
Governor, State of Hawaii

Enclosure
# Table of Contents

I. Board of Directors 3
II. Message from the Chairperson 4
III. Message from the Executive Director 5
IV. Agency Timeline 6
V. HPHA Organization 7
VI. Federal and State Low Income Public Housing 8
VII. Federal and State Low Income Public Housing Locations 9
VIII. Federal and State Low Income Public Housing—Tenant Characteristics 12
IX. Property Management & Maintenance Services Branch Report 13
X. Construction Management Branch Report 14
XI. Section 8 Subsidy Programs Branch Report 23
XII. Administrative Support Office Accomplishments 25
XIII. Exempt Employment & Volunteer Report 29
XIV. 2012 Acts and 2013 Legislative Proposals 30
XV. Financial Data and Auditor’s Report 34
Board of Directors

The Hawaii Public Housing Authority is governed by a Board of eleven directors representing a cross section of public and private entities. The members meet monthly to oversee the Authority and to provide professional assistance concerning policy matters. This report is submitted pursuant to Section 356D-20, Hawaii Revised Statutes.

David J. Gierlach  
*Chairperson*
*Oahu*

Matilda A. Yoshioka  
*Vice-Chair*
*Kauai*

Jason Espero  
*Secretary*
*Oahu*

Travis O. Thompson (term expired 6/31/12)  
*Maui*

Trevor N. Tokishi  
*Maui*

George Yokoyama  
*Hawaii*

Roger Godfrey  
*Oahu*

Desiree Kihano  
*Resident Member*

Vacant

Patricia McManaman  
*Ex-Officio*
*Director, Department of Human Services*

Debbie Shimizu  
*Ex-Officio, Legislative Coordinator*
*Designee of Governor Neil Abercrombie*
Message from the Chairperson of the Board of Directors

Aloha mai kakou,

On behalf of the Hawaii Public Housing Authority Board of Directors, we are most grateful for the support of the Legislature, both in terms of funding and legislative enactments providing the agency with greater flexibility in hiring and enforcement of laws, rules, and regulations. The support of the Legislature is crucial in ensuring that the HPHA can continue to provide safe, decent, sanitary, and temporary affordable housing for extremely low income residents of the State of Hawaii. We are humbled and grateful for the significant increase in capital funds allocated in the supplemental year’s budget. We are unique among public housing agencies nationwide for having such a committed Legislature that sees the inherent value of investing in its resources to serve the neediest among us and we are committed to using these funds wisely, efficiently and effectively.

This year, the Board of Directors hired a new Executive Director mid-Fiscal Year who shares the Board’s goals and vision of HPHA. Hakim Ouansafi came from an extensive background in project supervision, real estate development, management expertise, and customer service. He took this job head on, going as far as moving into Mayor Wright Homes for several months. His leadership has changed the public image of this agency, as well as connections among employees and residents. With him, the Board was able to engage with volunteers, non-profits, other agencies, and our partners at the U.S. Department of Housing and Urban Development to meet our common goals of improving affordable housing in Hawaii.

The Board will continue its work in investing in the properties entrusted to our administration and we will be leveraging new sources of state and federal funds to transform the communities surrounding our homes. We are committed to demonstrating the success of new ideas in public housing redevelopment and we are committed to creating a public housing agency that serves as a model to other areas of high cost housing. We want to expand the populations we serve to provide for the working populations of homeless, underhoused, and overburdened that are struggling to make ends meet in the Hawaii housing market.

We look forward to improving the lives of our most economically challenged residents. We believe that every society may be appropriately judged by how it treats its most needy members.

Respectfully,

David J. Gierlach
Chairperson of the
Board of Directors
Hawaii Public Housing Authority
Message from the Executive Director

It is with warmest aloha that I submit this Annual Report for your information and consideration.

Since joining the staff of the Hawaii Public Housing Authority on January 3, 2012, halfway through the Fiscal Year reporting period, we have worked tirelessly to revitalize an agency that has been troubled by years of deferred maintenance, lack of strategic direction, and reduced morale. I can say with confidence that, by the close of the Fiscal Year on June 30, 2012, we had made enormous strides in improving on our delivery of crucial services to the poorest families in the State of Hawaii.

Give us a call and you will see that we have refocused on our core mission: service to the public and to the residents of our communities. We reached out to the community at large as well, launching the “I Have a Dream” Hawaii Housing Campaign, which brought teams of volunteers over the course of several months into our properties to beautify and assist in returning vacant units to service. Some units had been down for years, and it was this calling to public service among so many that changed the lives of 150 families.

We are grateful for the recognition by the Hawaii State Senate for the dramatic improvements that were made in the latter part of this Fiscal Year. Visit any of our property management offices statewide to see the Certificate of Recognition presented to the staff and Board of the HPHA. This was followed by an unprecedented appropriation of over $91 million in State Capital Improvement Program funds, as well as a number of crucial bills that are giving the agency more flexibility in hiring to get those dollars on the street.

All of these efforts are for the people that are still unhoused, underhoused, overburdened by rent, and others in desperate need of the HPHA’s services. We look forward to continuing our efforts to engage in the communities in which we are a member. Since the close of the Fiscal Year, we were awarded a highly competitive Choice Neighborhoods Planning grant from the U.S. Department of Housing & Urban Development to plan for the comprehensive transformation of the Kuhio Park neighborhood and we hope that all of the members of that community will join with us and lead by example to other communities that would benefit from similar efforts.

Respectfully,

Hakim Ouansafi
Executive Director
Hawaii Public Housing Authority
1935
The Hawaii Housing Authority was created by the Territorial Legislature to provide safe and sanitary housing for low-income residents of Hawaii.

1987
The Housing Finance and Development Corporation was created by Act 337 as part of Governor John Waihee’s initiative to create a streamlined organization to promote affordable housing.

1997
Act 350, under the Cayetano Administration, consolidated the Hawaii Housing Authority and Housing Finance and Development Corporation into a single housing agency known as the Housing and Community Development Corporation of Hawaii (HCDCH).

2005
On July 5, 2005, Governor Linda Lingle signed Act 196 which effectively bifurcated the HCDCH into two agencies, the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC).

Under this new structure HPHA is charged with managing federal and state public housing programs, including Section 8 and senior housing. The finance and development functions of HCDCH formed the core of HHFDC, which is tasked with developing and financing low- and moderate-income housing projects and administering home ownership programs.

2006
On July 1, 2006, HPHA and HHFDC began operating as separate agencies. HPHA is administratively attached to the Department of Human Services (DHS) and HHFDC is administratively attached to the Department of Business, Economic Development, and Tourism.

2010
Pursuant to Act 89 of the 2010 Hawaii Session Laws, the Homeless Programs Section was transferred from HPHA to the Benefit, Employment, and Support Services Division (BESSD) of DHS effective July 1, 2010.

2012
The Legislature appropriated the largest Biennial Capital Improvement Program (CIP) allocation in agency history, over $91 Million and passed a number of important proposals to assist the HPHA in quickly hiring an expanded workforce, eliminating unit vacancies, and reducing unit turnaround time.
Federal and State Low Income Public Housing Program

Federal public housing is a U.S. Department of Housing and Urban Development (HUD) program established to provide decent, safe rental housing for eligible low-income families, the elderly, and persons with disabilities. There are approximately 1.2 million households living in public housing units nationwide, managed by some 3,300 Public Housing Agencies. Program eligibility and rents are income-based.

The Hawaii Public Housing Authority (HPHA) is the sole Public Housing Agency for the State of Hawaii, established by the Territory of Hawai‘i in 1935 to provide safe, decent, and sanitary housing for low-income residents. Guided by an eleven (11) member Board of Directors appointed by the Governor of Hawaii, today the HPHA Federal and State Low Income Public Housing programs combine to serve over 5,100 families or more than 13,500 individuals.

Portfolio of 85 properties consisting of 6,195* units of public housing
- 5,331* units HUD subsidized
- 864 units State (no subsidy)
- Units on Kaua‘i, O‘ahu, Moloka‘i, Mau‘i, and Hawai‘i

*Authorized units

Unit sizes range from zero (0) bedrooms (e.g. studios) to five (5) bedrooms

85 properties are grouped into Sixteen (16) Asset Management Projects (AMPs)
- 8 AMPs managed by State employees
- 8 AMPs managed by private contractors
- Accounting, budgeting, management, oversight, and evaluation performed by AMP with Central Office assistance, known as Asset Management

Public Housing Portfolio

<table>
<thead>
<tr>
<th>Units of Public Housing</th>
<th>Federal (HUD)</th>
<th>State (Unsubsidized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,331*</td>
<td>14%</td>
<td>86%</td>
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</table>

Public Housing Portfolio by Means of Funding

Public Housing Portfolio Unit Mix

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>933</td>
<td>1,582</td>
<td>1,640</td>
<td>1,523</td>
<td>457</td>
<td>60</td>
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</table>

Public Housing Units by Program

Public Housing Inventory by Island

<table>
<thead>
<tr>
<th>Island</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kauai</td>
<td>4%</td>
</tr>
<tr>
<td>Oahu</td>
<td>12%</td>
</tr>
<tr>
<td>Mau‘i/Molokai</td>
<td>5%</td>
</tr>
<tr>
<td>Hawai‘i (Big Island)</td>
<td>79%</td>
</tr>
</tbody>
</table>
County of Maui

Legend
- HPHA Public Housing
- Major Roads
- Hawaiian Islands

County of Kauai

Legend
- HPHA Public Housing
- Major Roads
- Hawaiian Islands
Federal and State Low Income Public Housing Program—Tenant Characteristics

House “Low Income” families earning 80% Area Median Income (AMI) or less
- Honolulu Metropolitan Statistical Area AMI, family of 4 = $82,700
- Not less than 40% of Federal Family units restricted to “Extremely Low Income” families earning 30% AMI or less

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Families</th>
<th>Number of Individuals</th>
<th>Average Family Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Family Low Income Public Housing</td>
<td>3,225</td>
<td>10,876</td>
<td>3.37</td>
</tr>
<tr>
<td>Federal Elderly Low Income Public Housing</td>
<td>1,134</td>
<td>1,338</td>
<td>1.18</td>
</tr>
<tr>
<td><strong>Total Federal Tenants</strong></td>
<td>4,359</td>
<td>12,214</td>
<td>2.80</td>
</tr>
<tr>
<td>State Family Low Income Public Housing</td>
<td>256</td>
<td>786</td>
<td>3.07</td>
</tr>
<tr>
<td>State Elderly Low Income Public Housing</td>
<td>570</td>
<td>766</td>
<td>1.34</td>
</tr>
<tr>
<td><strong>Total State Tenants</strong></td>
<td>826</td>
<td>1,552</td>
<td>1.88</td>
</tr>
<tr>
<td><strong>Total Tenants</strong></td>
<td>5,185</td>
<td>13,766</td>
<td>2.65</td>
</tr>
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</table>
As of the close of Fiscal Year 2012, the HPHA Property Management Branch had made significant improvements in a number of important areas.

According to HUD’s rating criteria, the Public Housing Assessment System (PHAS) scores for the agency had improved to the point that the agency was no longer considered “Troubled” status as it had been the previous year. Improvements boosted the agency to “Standard Performer” status with a “Substandard” management rating factor.

Of the HPHA’s 6,195 units statewide, the agency had an occupancy rate on June 30, 2012 of 92.5%, representing an increase from the 91.02% occupancy rate in December, 2011. The 316 vacant units represented a 20% reduction from the end of the calendar year, and rent collection rates were at 97%.

Significant investments were made to improve safety and security at properties statewide, particularly at Mayor Wright Homes near Downtown Honolulu, where hot water systems and fencing improvements were implemented to correct major deficiencies. As shown in the image above, in March 2012, tenant ID cards were issued for each registered resident listed in a household at Mayor Wright Homes in order to assist with issues relating to trespassing.
The Construction Management Branch (CMB) worked hard under a 60% professional staffing situation. During FY 2011 – 2012 the CMB was able to successfully close all large capacity cesspools which were under a corrective action and final order from the Environmental Protection Agency. It was also able to fully expend the $16 Million in Stimulus funds provided by the American Recovery and Reinvestment Act (ARRA) with a clear financial audit of the funds by the Department of Housing and Urban Development. All Quarterly Federal Reporting for stimulus funds and the Annual Federal Section 3 Report were reported on time.

All FY 09-11 Biennium State CIP funds were successfully encumbered, all Federal CFP 719 funds were successfully obligated and all Federal CFP 718 funds were expended on time.

The HPHA’s housing stock still has an extensive capital need that continues to be underfunded by HUD, currently estimated at approximately $462 Million, an increase from 2009 estimates of $350 Million in capital needs. HPHA plans to request another $180 Million in State CIP funds this Biennium, which would nearly bring the inventory up to current on capital needs for the first time.

An environmental review was conducted on all 65 Federal and 20 State Public Housing Developments statewide. In addition to the construction projects that were completed and the design and construction contracts they were able to encumber/obligate on time, the Construction Management Branch manages a little over 100 open and on-going design and construction contracts.
Encumbering, obligating and expending all capital improvement funds remain our top priority. Additionally, modernizing vacant units for occupancy is given focused attention, particularly those that correct life, health and safety issues and invest in accessibility and accommodation improvements. The Construction Management Branch strives to keep its staff trained and apprised of all code and compliance changes. It is working toward developing an interactive tool providing important fixed assets inventory information and maintenance schedule to major building systems to get ahead of maintenance issues that lead to expensive remediation measures. Finally, energy and green design is an area the Construction Management Branch hopes to incorporate more aggressively as it moves forward with modernization projects.

**Contracts Encumbered/Obligated**

State CIP Funds Encumbered: $7,049,221  
Federal Capital Improvement Funds Program (CFP) Obligated: $13,177,642  
Total Encumbered/Obligated: $20,226,863

**Construction Projects Completed**

- **Physical Improvements to Kahekili Terrace, Maui, $5,079,289 (CFP ARRA), F&H Construction, 9/29/2011**  
  Consultant: Allana Buick & Bers, $551,929.80 (CIP)

- **Reroofing of Ka`ahumanu Homes, Honolulu, $2,018,300 (CFP), Arita-Poulson General Contracting, LLC, 11/1/2011**  
  Consultant: Mitsunaga & Associates, Inc., $74,058.60 (CIP)

- **Reroof and Structural Repairs at Makua Ali`I, Phase I, Honolulu, $2,235,868.11 (CFP ARRA), Hi-Tec Roofing, 11/2/2011**  
  Consultant: SSFM, International, $789,806. (CFP)

- **Major Modernization of Hale Hau`oli Elderly, Hawai`i, $2,026,254 (CFP ARRA), Isemoto Construction, 11/17/2011**  
  Consultant: Koa Architects, LLC, $266,031.70 (CIP)

- **Fire Alarm Upgrades, Reroofing, Painting, ADA Improvements at Hale Po`ai, Honolulu, $1,672,789 (CIP), Ralph S. Inouye Company, Ltd., 12/14/2011**  
  Consultant: Architects Pacific, $534,021 (CIP)

- **Large Capacity Cesspool Conversions**
  - at Kekaha Ha`aheo, Kaua`i, $1,632,000 (CIP & EPA), Koga Engineering & Construction, 2/2012  
  Consultant: AECOM Pacific, Inc, $351,594. (CIP)
  - at Hale Ho`olulu & Kalaheo, Kaua`i, $1,200,000, (CIP), Goodfellow Brothers, Inc., 6/1012  
  Consultant: Kim & Shiroma Engineers, Inc., $177,022.95 (CIP)

- **Repairs to Failed Retaining Wall at Kalihi Valley Homes, Honolulu, $570,156.37 (CIP), Prometheus Construction, 6/20/2012**  
  Consultant: GYA Associates, $109,833.58 (CIP)
PROJECT:  REROOF AND STRUCTURAL REPAIRS TO MAKAUA ALII – PHASE I
Fund: ARRA ($2,235,868.11)

Re-roofing to the high roof, low roofs and metal roof, replacement of gutter and down spouts, structure spall and crack repairs, abatement to asbestos containing materials, removal of selected planter boxes and interior renovation of units # 1909, 1910 and 1911.
PROJECT:  RE-ROOF AND RENOVATION TO SENIOR HOUSING AT HALE HAU'OLI
Fund: ARRA ($2,026,254.00)

Reroofing, residing, exterior painting, interior renovation, site improvement and ADA accessibility compliance to all eleven buildings (total of 11 buildings) at Hale Hauoli and modify 4 units to accommodate person with mobility impairments.
PROJECT: MODERNIZATION AND MAINTENANCE TO 14 ELEVATORS AT VARIOUS LOCATIONS
Fund: CIP ($3,172,830.78)

Modernization work was completed to 4 of the 14 elevators at Federal Public Housing developments on O'ahu, 2 elevators at Makua Ali'i and 2 elevators at Kalanihuia.

New elevators at Makua Ali'i

New elevators at Kalakaua Homes
PROJECT: HALE PO’AI – FIRE ALARM UPGRADES, REROOFING, PAINTING, ADA IMPROVEMENTS

Fund: CIP ($1,672,769)

Fire alarm upgrades included replacing water lines under the building, upgrading the emergency generator, accessibility improvements and painting.
PROJECT: PHYSICAL IMPROVEMENTS TO KAHEKILI TERRACE
Fund: ARRA ($5,438,954)

Physical improvements included replacement of the solar hot water systems and storage tanks for three 3-story buildings, eleven 2-story buildings and one office building to tankless gas-fired hot water heaters, plumbing, reroofing, spall and crack repairs, exterior painting, electrical and other incidental work.
PROJECT: KAWAILEHUA (FEDERAL PUBLIC HOUSING) TOTAL MODERNIZATION, INTERIOR, EXTERIOR AND SITE IMPROVEMENTS, ACCESSIBILITY IMPROVEMENTS

Fund: Federal CFP ($2,476,702)

Total modernization to 25 units: reroofing, painting, paving seal coat and restriping. ADA improvements.
PROJECT: KAWAILEHUA (STATE PUBLIC HOUSING) EXTERIOR AND SITE IMPROVEMENTS, ACCESSIBILITY IMPROVEMENTS

Fund: CIP ($1,026,732)

Exterior painting, siding & window repairs, paving seal coat. Accessibility compliance improvements.
Section 8 Subsidy Programs Branch

The Housing Choice Voucher (HCV) Program, commonly known as Section 8, is a HUD program established to provide rental subsidies for standard-quality units that are chosen by the tenant in the private market with assistance given through tenant-based vouchers. The State of Hawai‘i provides limited funding for a similar Rent Supplement program that is administered in the same fashion as the Federal HCV Program.

1,379 HUD HCV vouchers, Avg. Housing Assistance Payment (HAP) = $1,300 per month

165 Non-Elderly Disabled Vouchers (NED), Avg. HAP = $1,144

134 Veterans Affairs Supportive Housing (VASH) vouchers, Avg. HAP = $1,000

416 State Rent Supplement vouchers, Avg. payment of $230 per household

Section 8 & Rent Supplement programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Number of Families</th>
<th>Number of Individuals</th>
<th>Average Family Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8</td>
<td>1,379</td>
<td>6,099</td>
<td>4.42</td>
</tr>
<tr>
<td>Federal NED</td>
<td>165</td>
<td>444</td>
<td>2.69</td>
</tr>
<tr>
<td>Federal VASH</td>
<td>134</td>
<td>186</td>
<td>1.39</td>
</tr>
<tr>
<td>Total Federal</td>
<td>1,681</td>
<td>6,834</td>
<td>4.07</td>
</tr>
<tr>
<td>State Rent Supp.</td>
<td>416</td>
<td>1,462</td>
<td>3.51</td>
</tr>
<tr>
<td>Total Recipients</td>
<td>2,097</td>
<td>8,296</td>
<td>3.79</td>
</tr>
</tbody>
</table>
HPHA Section 8 Voucher Distribution
Administrative Support Office Accomplishments

Choice Neighborhoods Planning Grant

The HPHA received a grant from the Hawaii Community Foundation for $15,000 to fund efforts to apply for a HUD Choice Neighborhoods Initiative Planning Grant.

Choice Neighborhoods is one of the signature programs of the Obama Administration’s Neighborhood Revitalization Initiative, which is designed to support holistic strategies that bring public and private partners together to help break the cycle of poverty. In addition to supporting affordable housing, the Choice Neighborhoods grant programs seek to encourage collaboration among housing developers, educators, the criminal justice system, cities, states, and nonprofit organizations to create sustainable, mixed-income neighborhoods with quality housing, high performing schools and safe streets.

The HPHA teamed up with EJP Consulting Group and the Michaels Development Company to submit a Planning Grant application for $300,000 for the Kuhio Homes public housing community, and will be convening task forces of community representatives.
Program Year Accomplishments

stakeholders to develop a robust, comprehensive Transformation Plan to support an application for a $30-35 Million Implementation Grant.

The State Legislature was a crucial partner in submitting a competitive application: Senate Resolution 38, S.D. 1 was submitted as part of the application documenting the state’s support; and Act 106, Session Laws of Hawaii 2012 (the State Budget) appropriated $600,000 in Capital Improvement Program (CIP) funds that fulfilled 100% of the local match to leverage the proposed grant amount.

Sneak peak to next year’s report—the HPHA was awarded this grant!

“I Have A Dream” Hawaii Housing Campaign

Shortly after taking the top leadership position at the HPHA, Executive Director Hakim Ouansafi launched a campaign to leverage volunteer efforts in the community to assist HPHA staff in making necessary improvements to vacant units statewide. Dubbed the “I Have a Dream” Hawaii Housing Campaign to celebrate Dr. Martin Luther King, Jr. Day, hundreds of volunteers came to HPHA projects over several months on Oahu and the Neighbor Islands to paint, clean, and do light repair work. They helped provide homes to dozens of families that were on the HPHA’s waitlist pending the availability of units that had sat vacant for months.

HPHA staff showed their appreciation for the acts of kindness resulting from the Campaign by distributing roses to the community in Downtown Honolulu. Each rose handed out represented a family that now had a place to call home thanks to the community’s support.

Fair Housing

The HPHA provided Fair Housing training for 230 employees in sessions held on Oahu, Kauai, and Maui. Fair housing training was offered to all public housing residents on Kauai and Maui, with 21 residents attending.
Additionally, the HPHA’s Compliance Office resolved 6 discrimination complaints that were filed with the Hawaii Civil Rights Commission and HUD. Work is being completed on a contract with an independent consultant, the National Center for Housing Management, to complete HPHA’s Section 504 Self-Evaluation Plan and Transition Plan, to determine and plan for improvements needed to make the HPHA more accessible to persons with disabilities.

The Compliance Office responded to approximately 490 tenant requests for reasonable accommodations under Section 504 of the Rehabilitation Act and the Fair Housing Act. Most common requests were for transfers to accessible or ground floor units, transfers for other reasons, air conditioners, reserved parking, utility allowances for medical equipment, and assistance animals.

**Language Access**

The diversity of languages among HPHA’s tenants and applicants is truly broad, and the Compliance Office has collected a number of statistics relating to the provision of language assistance to persons of Limited English Proficiency. Work began by revising and adopting the HPHA Language Access Policy for the federally assisted low-income public housing program. Once the agency had enacted this policy, the Compliance Office coordinated training for 116 HPHA employees who have the most contact with our limited English proficient clientele on language access. According to LEP encounter and cost data from all HPHA offices collected over the Fiscal Year, total agency-wide expenditure for interpretation and translation costs was over $24,000 for close to 1,000 LEP encounters in 15 different languages.

**Hearings Office Statistics**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>Total</th>
<th>Rent</th>
<th>Other</th>
<th>Evict</th>
<th>Evict with Cond</th>
<th>10-day Cure</th>
<th>Dismiss</th>
<th>Continued</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008</td>
<td>158</td>
<td>107</td>
<td>51</td>
<td>65</td>
<td>42</td>
<td>10</td>
<td>7</td>
<td>34</td>
<td>124</td>
</tr>
<tr>
<td>FY 2009</td>
<td>232</td>
<td>194</td>
<td>38</td>
<td>94</td>
<td>63</td>
<td>5</td>
<td>11</td>
<td>59</td>
<td>173</td>
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<tr>
<td>FY 2010</td>
<td>263</td>
<td>223</td>
<td>40</td>
<td>109</td>
<td>83</td>
<td>4</td>
<td>6</td>
<td>61</td>
<td>202</td>
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<tr>
<td>FY 2011</td>
<td>178</td>
<td>140</td>
<td>38</td>
<td>68</td>
<td>54</td>
<td>5</td>
<td>5</td>
<td>46</td>
<td>132</td>
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<tr>
<td>FY 2012</td>
<td>106</td>
<td>84</td>
<td>22</td>
<td>40</td>
<td>32</td>
<td>1</td>
<td>3</td>
<td>30</td>
<td>78</td>
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<tr>
<td>FY 2013</td>
<td>55</td>
<td>43</td>
<td>12</td>
<td>28</td>
<td>9</td>
<td>0</td>
<td>1</td>
<td>17</td>
<td>38</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td><strong>992</strong></td>
<td><strong>791</strong></td>
<td><strong>201</strong></td>
<td><strong>404</strong></td>
<td><strong>283</strong></td>
<td><strong>25</strong></td>
<td><strong>33</strong></td>
<td><strong>247</strong></td>
<td><strong>745</strong></td>
</tr>
</tbody>
</table>

The Hearings Office anticipates improved performance in the next Fiscal Year thanks to the enactment of Act 160, Session Laws of Hawaii 2012, which amended Section
356D-92, Hawaii Revised Statutes. This legislation streamlined the notice requirements that the agency must follow in grievance and eviction proceedings, allowing the HPHA to conform such practices to the requirement of 24 C.F.R. 966 through Chapter 91 Administrative Rulemaking. The bill will also enable the agency to reduce administrative costs incurred through hearings by permitting the use of video teleconferencing to conduct Neighbor Island evictions. In order to implement the intent of this act, the HPHA Board approved amendments to 17-2020, Hawaii Administrative Rules, which will go to public hearing before going into force.

The Hearings Office also assisted in updating 17-2021, Hawaii Administrative Rules, to correct issues in the grievance hearing processes of the agency.

**Information Technology Office**

This Fiscal Year was a busy one for the HPHA’s IT staff. The agency, through the leadership of the IT Office, moved from an antiquated, DOS-based software system to an updated, Windows-based system utilized by large Public Housing Agencies nationwide. This will assist in improving operations, tracking, and reporting of financial and other program-related data and information.

Staff installed 97 new desktop computers in various HPHA offices, statewide while maintaining the rest of the agency’s several hundred computer systems and mainframes, in addition to maintaining computer network infrastructure, and providing help desk support to both HPHA employees and private management contractors’ staff.

IT also provided essential support in expanding the Planning & Evaluation Office’s capabilities by procuring Geographic Information Systems software to better understand the agency’s property holdings and to develop community-based plans.
Exempt Employment & Volunteer Report

The HPHA employed 274 Full Time Equivalents in a variety of Civil Service and Exempt capacities statewide as of June 30, 2012.

Pursuant to Section 356D-2, HRS, the HPHA provides the following report on the employment of personal exempt from the Civil Service. All positions are considered critical to agency operations and do not have a Civil Service equivalent. For current copies of position descriptions, please contact the Planning & Evaluation Office:

<table>
<thead>
<tr>
<th>Date of Hire</th>
<th>Office/Area</th>
<th>Position Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/07/11</td>
<td>PMMSB/RSS</td>
<td>Resident Svcs Prgm Spclt</td>
</tr>
<tr>
<td>11/07/11</td>
<td>Compliance Office</td>
<td>Hsg Compliance &amp; Eval Spclt</td>
</tr>
<tr>
<td>11/07/11</td>
<td>PMMSB/RSS</td>
<td>Resident Svcs Prgm Spclt</td>
</tr>
<tr>
<td>11/16/11</td>
<td>CPO</td>
<td>Hsg Contract Spclt</td>
</tr>
<tr>
<td>01/03/12</td>
<td>OED</td>
<td>Executive Director</td>
</tr>
<tr>
<td>01/12/12</td>
<td>CMB</td>
<td>Project Engineer</td>
</tr>
<tr>
<td>05/07/12</td>
<td>PMMSB/PMCS</td>
<td>Property Mgmt Spclt</td>
</tr>
<tr>
<td>05/10/12</td>
<td>PMMSB/RSS</td>
<td>Resident Svcs Prgm Spclt</td>
</tr>
<tr>
<td>05/14/12</td>
<td>CMB</td>
<td>Project Engineer</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

Pursuant to Section 90-5, HRS, the HPHA provides the following report on the use of Volunteers:

**Total Number of Volunteers Utilized:** Approximately 250

**Total Number of Service Hours Logged:** Over 1,100 hours
2012 Acts

In 2012, the following three bills that affect the HPHA were enacted, and are currently in the process of being implemented.

<table>
<thead>
<tr>
<th>Act</th>
<th>Title/Intent</th>
<th>Description</th>
</tr>
</thead>
</table>
| Act 160      | Streamlined eviction process               | Streamlines the HPHA’s eviction procedures to remove lease violators from the HPHA’s federal low-income public housing program while keeping intact the due process protections provided under federal regulations and the grievance procedures, by:  
  - Conforming eviction procedures to federal law;  
  - Allowing eviction hearings to be held with less than three members; and  
  - Allowing the HPHA to study the feasibility of a video-conference option for conducting hearings, which would be useful on the neighbor islands. |
| (H.B. No. 755 HD3 SD2) |                                            |                                                                                                                                                                                                          |
| Act 164      | Public private partnerships exempt from state procurement code | Enables the HPHA to pursue the efficient development of new public housing projects and redevelopment of existing public housing projects statewide to address the agency’s backlog of physical needs by authorizing the HPHA to enter into partnership or development agreements with private parties exempt from select provisions of Chapters 103 (Expenditure of Public Money and Public Contracts) and 103D (Hawaii Public Procurement Code), Hawaii Revised Statutes. |
| (H.B. No. 1398 HD1 SD1 CD1) |                                            |                                                                                                                                                                                                          |
| Act 159      | Civil service exemption for vacant unit repair workers | Supports HPHA’s efforts to address its over $200 million capital repair backlog by temporarily exempting from civil service, persons hired or contracted to perform repair or maintenance work on HPHA’s vacant housing units and planning, design, engineering, or permit processing work for HPHA’s capital improvement projects. |
| (H.B. No. 2302 HD2 SD1 CD1) |                                            |                                                                                                                                                                                                          |
2013 Legislative Proposals

Looking forward, the following are some of the legislative proposals the HPHA tentatively intends to pursue in 2013 to further improve and streamline its operations to better serve its tenants and program applicants. This portion of the report is required under Section 356D-20(3)(B), Hawaii Revised Statutes.

<table>
<thead>
<tr>
<th>Title/Intent</th>
<th>Bill Purpose</th>
<th>DHS No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delinquent Balance Write-Off</td>
<td>Provide HPHA with ability to write off delinquent account balances for state LIPH in same manner as federal LIPH, exempt from Section 40-82, HRS; reduces required wait time from 2 years to 90 days; moves delinquent accounts more quickly to Collections agency.</td>
<td>HMS-16</td>
</tr>
<tr>
<td>Uniform Admin. Rule Adoption Process</td>
<td>Provides HPHA with authority to adopt certain policies exempt from Chapter 91 rulemaking formalities; would eliminate dual compliance currently required by 24 C.F.R. 903 and Chapter 91, HRS for the adoption of ACOP and other administrative rule provisions. Would allow the HPHA to follow only the process provided by 24 C.F.R. 903, which is consistent with PHA practice nationwide. In conjunction with Section 26-35(a)(3), HRS, would allow the HPHA to work with the Governor to tailor admin. rule adoption process.</td>
<td>HMS-17</td>
</tr>
<tr>
<td>Streamline Eviction Process</td>
<td>Allows for certain evictions resulting from household criminal activity to be processed without grievance hearing per HUD regulations; amends Sections 356D-92 and 521-7, HRS. Would allow HPHA property managers to send evictions straight to circuit court, without a grievance, by providing a judicial process that will suffice for HUD due process approval.</td>
<td>HMS-18</td>
</tr>
</tbody>
</table>
# Legislative Proposals

<table>
<thead>
<tr>
<th>Increase Property Security</th>
<th>Makes possession/storage of open containers of intoxicating liquors on public housing common areas a criminal offense. Consumption of intoxicating liquors is already prohibited; this proposal would expand that prohibition beyond consumption (which requires a witness to the act of imbibing alcohol) to possession/storage. In many cases now, when drinking is a problem, perpetrators simply put their drinks down before arrival of police and are not subject to citation under this law. If possession were criminalized, police would only have to find alcohol on the scene and confirm consumption to issue citations.</th>
<th>HMS-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Housing Definition</td>
<td>Amends definition of &quot;public housing project&quot; at Section 356D-1, HRS, to include additional types of federally assisted housing. Would clarify the authority and power of the HPHA to participate in additional federally-assisted housing programs beyond public housing, which HUD allows PHAs to administer. Ties the definition of federally-assisted housing to Federal standards in case HUD adds new programs (such as RAD). In conjunction with a PHA-incorporated entity (instrumentality or affiliate), HPHA would be able to extend management services to existing housing resources in the State, thereby increasing employment and revenues.</td>
<td>HMS-20</td>
</tr>
</tbody>
</table>
# Legislative Proposals

<table>
<thead>
<tr>
<th>Legislative Proposal</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Income Tax Exemption</td>
<td>Repeals Section 201H-37, HRS, and re-enacts in Chapter 356D, HRS. This statute already is in place, and illustrates consistent policy of the U.S. government to exempt certain income and obligations of PHAs from income taxes in order to promote affordable housing development. This measure should have moved to Chapter 356D, HRS, when HCDCH was bifurcated. This is a HOUSEKEEPING measure.</td>
</tr>
<tr>
<td>Streamline Property Disposal</td>
<td>Amends Section 356D-56, HRS, regarding the disposition of abandoned personal property on HPHA state LIPH properties to match process that DLNR uses. Current law requires the HPHA to act as a storage unit and only gives the HPHA a lien interest in abandoned personal property. HPHA is required to provide numerous notices and wait periods, and cannot act more quickly in the case of extremely low value property (junk). Liens on the possessions of evicted tenants become TARs and can make the agency look financially unhealthy, and are unlikely to be recovered due to the low income of evicted tenants.</td>
</tr>
</tbody>
</table>
Financial Data and Auditor’s Report

<table>
<thead>
<tr>
<th>Actual</th>
<th>Total Revenues</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$104,116,545</td>
<td>$111,258,090</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget</th>
<th>Total Revenues</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$92,028,816</td>
<td>$105,041,320</td>
<td></td>
</tr>
</tbody>
</table>

The above financial data is subject to audited year end adjustments.

The most recent financial and audit information is available on the HPHA website:

http://www.hpha.hawaii.gov/reportsstudies/index.htm
Hawaii Public Housing Authority
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Honolulu, Hawaii 96817
(808) 832-4692
www.hpha.hawaii.gov