

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

**May 21, 2015
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Regular Meeting Minutes, April 16, 2015 (**Pages 1 – 7**)
- B. Executive Session Minutes, April 16, 2015

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 Adopt Board Resolution No. 15-73 Expressing Appreciation to Director Julie Black-Caspillo (**Pages 8 – 9**)
- B. Motion: To Adopt Board Resolution No. 15-74 Expressing Appreciation to Director Morgan Kaya (**Pages 10 – 11**)
- C. Motion: To Adopt Board Resolution No. 15-75 Expressing Appreciation to Director Sheri Tanaka (**Pages 12 – 13**)
- D. Motion: To Reappoint the Following Individuals for an Additional Two-Year Term Expiring in July 2017: (**Pages 14 - 29**)
 - 1. Jane Moana Gray to the Oahu Eviction Board and as a Floating Resident Member;
 - 2. Earl Mente to the Oahu Eviction Board;
 - 3. Joyce Nakamura to the Oahu Eviction Board;
 - 4. Solomon Kuresa to the Oahu Eviction Board,
 - 5. Sylvianne Young to the Oahu Eviction Board;
 - 6. George DeMello to the Hilo Eviction Board

- E. Motion: To Adopt Board Resolution No. 15-76 related to the Hawaii Public Housing Authority Board of Director's Approval to Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kaua'i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038 **(Pages 30 – 43)**
- F. Motion: To Approve the Hawaii Public Housing Authority's Policy on Investment, Subject to Review by the Department of the Attorney General **(Page 44 – 51)**
- G. Motion: To Adopt Property Specific Utility Allowance Rates Provided by National Facility Consultants for the Fiscal Year July 1, 2015 to June 30, 2016 for the Federal Low Income Public Housing Program and Authorize the Executive Director to Implement the Utility Allowance Rates Effective July 1, 2015 **(Pages 52 – 58)**
- H. Motion: To Approve the Increase in Payment Standard From 95% up to 110% of the Fair Market Rents for the Section 8 Housing Choice Voucher Program; to Request a Regulatory Waiver from the U.S. Department of Housing and Urban Development to Increase the Payment Standard Up to 120% for Hard to House Families Where Appropriate; and to Authorize the Executive Director to Take All Necessary Steps to Implement the New Payment Standards Effective June 1, 2015 or as soon as Practicable **(Pages 59 – 62)**

V. REPORTS

- A. Finance Task force Report – HPHA's Operating Budget for Fiscal Year 2015-2016
- B. Executive Director's Report Highlights: **(Pages 63 – 97)**
 - Property Management and Maintenance Services Branch
 - Occupancy and Rent Collection Status
 - Mixed finance private public partnership developments
 - Section 8 Lease up Status and Program Activity
 - Design and Construction Project Updates
 - Contracts Executed During April 2015

VI. FOR INFORMATION/DISCUSSION

- A. For Information: Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03) **(Page 98)**

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to the Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03)

- B. For Information: Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09) (**Pages 99 – 119**)

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09).

- C. For Discussion: Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations (**Page 120**)

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities on any item listed above. If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Taryn Chikamori at (808) 832-4694 by close of business two days prior to the meeting date. Meals will be served to the Board and support staff as an integral part of the meeting.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E
HONOLULU, HAWAII 96817
ON THURSDAY, APRIL 16, 2015
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held a Regular Board Meeting at 1002 North School Street, on Thursday, April 16, 2015 at 9:00 a.m. Chairperson Gierlach called the meeting to order. Those present were as follows:

PRESENT: Director David Gierlach, Chairperson
Director Jason Espero, Vice Chairperson
Director Myoung Oh, Secretary
Designee Pankaj Bhanot
Director Julie Black-Caspillo
Director Gilbert De Motta
Director Morgan Kaya

Deputy Attorney General, John Wong

EXCUSED: Director Sheri Tanaka

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Chong Gu, Chief Financial Management Advisor
Kiriko Oishi, Chief Compliance Officer
Dawn Takeuchi Apuna, Chief Planner
Rick Sogawa, Procurement Officer
Dean Sakata, Development Specialist
Joanna Renken, Acting Public Housing Supervisor VI
Becky Choi, State Housing Development Administrator
Stephanie Fo, Section 8 Subsidy Programs Branch Chief
Gary Nakatsu, Data Processing Supervisor
Shirley Befitel, Personnel Officer
Clarence Allen, Fiscal Officer
Rochelle Akamine, Resident Services Program Specialist
Maricar Campos, Property Management Specialist
Taryn Chikamori, Secretary to the Board

OTHERS PRESENT (and signing in as):

Nancy Cabral, Day-Lum Rentals in Hilo
Augafa Ene, Mayor Wright Homes resident
Tyler Ingraham, Senator Chun Oakland's Office

Julie Kaiwi, Kalakaua Homes resident
Geraldine Mendez, Kalakaua Homes resident
Roy Nakamura, Kalakaua Homes resident
Andrew Nakoia, Mayor Wright Homes resident
Apelaamo Sulu, Mayor Wright Homes resident
Ray Sasaki, Kalakaua Homes resident
Sega Too, Mayor Wright Homes resident
James Tuqero, Kalakaua Homes resident
Amporu Wells, Kalakaua Homes resident

Proceedings:

Chairperson Gierlach declared a quorum present.

Director Espero moved,

To move “For Action item: To Amend the Hawaii Housing Development & Services, Inc. Nonprofit Board Terms to Terms Concurrent with the Hawaii Public Housing Authority Board of Director Terms; to Appoint the Initial Five (5) Directors of the Nonprofit; and to Approve and Adopt Bylaws for the nonprofit Hawaii Housing Development & Services, Inc. Out of Order.

The motion was unanimously approved.

For Action:

Director Espero moved,

To Amend the Hawaii Housing Development & Services, Inc. Nonprofit Board Terms to Terms Concurrent with the Hawaii Public Housing Authority Board of Director Terms; to Appoint the Initial Five (5) Directors of the Nonprofit; and to Approve and Adopt Bylaws for the nonprofit Hawaii Housing Development & Services, Inc.

Executive Director Ouansafi reported that the attorneys are reviewing Chapter 356D of the Hawaii Revised Statutes to see if a non-profit independent of the Hawaii Public Housing Authority (HPHA) can be created. In the meantime the HPHA is proposing an instrumentality which is completely and wholly managed by the HPHA Board. The instrumentality will allow for: the flow of cash between HPHA and non-profit; the Board to supervise the non-profit's goals; shielding the HPHA in public/private partnerships; seeking of grants that the HPHA is not qualified for; and earning fees and investing in tenants.

Executive Director Ouansafi also asked that 5 HPHA Board members initially be assigned to the non-profit Board.

Director Espero asked if the non-profit president will be the Chief Executive Officer (CEO) of the non-profit. Executive Director Ouansafi responded it will be either president or CEO.

Director Espero asked besides the CEO's salary what will be other costs to the non-profit and an estimate of the costs. Executive Director Ouansafi responded that the cost will be low and once the non-profit is formed it will be asking the HPHA Board to provide a 0% loan. The estimate is no more than \$100,000 initially. Once the non-profit starts earning fees then the non-profit may hire more staff and cost will go up as earned fees go up.

Director Espero asked about the non-profits earning potential once it is up and running. Executive Director Ouansafi responded that it may be capable of earning in the million's because there are many grants and the non-profit will be able to accept donations that can be used as scholarships or to help with rent or other tenant services.

Director Espero asked if the costs will directly benefit the tenants, HPHA as a whole and the State of Hawaii. Executive Director Ouansafi responded that it will benefit the tenants, HPHA, and the State of Hawaii.

Designee Bhanot asked because the non-profit will initially not be self-sufficient will the HPHA be providing all the administrative support. Executive Director Ouansafi responded initially the non-profit will ask for a 0% loan from the HPHA and it will be run separately.

Chairperson Gierlach asked if anyone is here to testify on this agenda item.

The public indicated that no one was here to testify on this matter.

The motion was unanimously approved.

Chairperson Gierlach was excused at 9:11 a.m.

Director Oh moved,

To Appoint Director Oh, Director De Motta, Director Espero, and Director Gierlach to the non-profit Board.

The motion was unanimously approved.

Approval of Minutes:

Director Espero moved,

To approve the Regular Meeting Minutes of March 19, 2015 and Special Meeting Minutes of April 7, 2015.

The minutes were unanimously approved.

Public Testimony:

Roy Nakamura, Kalakaua Homes resident, asked that Kalakaua Homes be given a designated smoking area. The law states 20 feet from any building and there are many places that are more than 40 feet from the building.

Ray Sasaki, Kalakaua Homes resident, stated that he would like to have a designated smoking area at Kalakaua Homes. He is disabled and it is difficult and dangerous for him to go to the street to smoke. He also stated that he noticed cigarette butts all over the property and questioned how the rules will be enforced.

Segia Too, Mayor Wright Homes resident, stated that she complained about the family living above them. The HPHA moved the family to another building, but they are still making trouble. The other family has stuck finger at them. She stated that her family is Samoan and the other family is Micronesian. She claimed that the management office is not doing anything about the complaints.

Apelaamo Sulu, Mayor Wright Homes resident, stated that his family lived on the 2nd floor and the family that lived on the 3rd floor use to make a lot of noise. The HPHA moved the family, but the family still sticks finger at them. He stated he has complained to the manager. He stated that the manager respects some families, but does not respect other families.

Andrew Nakoa, Mayor Wright Homes resident, stated that in December his rent increased from \$400 to \$1800 and he cannot afford to pay \$1800, he can only afford to pay \$1300. He stated his rent changed because he added his son to the unit and he is struggling to pay his rent. He stated that since the beginning of the month his son has not been working which had made things more difficult. He also stated that at 12:30 p.m. he has noticed a security officer sleeping at the front gate. He stated he also noticed security smoking at the entrance and smelled marijuana. He reported that the guard shack's window is blocked with paper so how can they see what is going on around the property.

Augafa Ene, Mayor Wright Homes resident, stated that Mayor Wright Homes (MWH) needs a real manager, not an acting manager. He stated that there are contractors working on the property and they park on the lawn near the building. He complained

things are being thrown over the balcony and it is dangerous. He stated that the maintenance staff at MWH are respectful.

For Action:

Director Oh moved,

To Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development (HUD) to Grant the Kaua'i Island Utility Cooperative (KIUC) Easements for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project, Tax Map Key: (4) 4-5-015:007 and 038.

Executive Director Ouansafi stated that the approval for the easement is necessary so repairs can be done. He stated this is a standard easement agreement.

The motion was unanimously approved.

Executive Director's Report:

- Executive Director Ouansafi stated this will be the last Board meeting for Director Kaya, Director Black-Caspillo and Director Tanaka and thanked them for their service.
- Executive Director Ouansafi reported that the designation of a smoking area requires that the HPHA comply with the Uniform Federal Accessibility Guidelines and the Americans with Disabilities Act Accessibility Guidelines. The Compliance Office conducted inspections at many of the HPHA's properties to determine whether proposed smoking areas could be designated in an accessible area. The HPHA will need to request Capital Improvement Program (CIP) funds to install accessible routes before designating smoking areas in many properties.
- Executive Director Ouansafi reported that when a family member is added to a household, their income must be calculated as part of the rent. If a person loses their job, then the rent is also adjusted accordingly. The amount of rent that is owed by a family is based on a calculation formula established by HUD and it does not allow the HPHA to negotiate the amount of rent owed.
- Executive Director Ouansafi reported that the Senate version of the budget bill includes \$5 million in Capital Improvement Projects for FY '16 and '17, including \$850,000 to pay for CIP project related positions and expenses. The House version of the budget has \$0 for HPHA. The HPHA is pushing to pass an extension of Act 159, which provides Civil Service Exemptions to hire the Special Teams to address the vacant unit backlog.

- Executive Director Ouansafi reported that the Consent Agreement and Final Order with the Environmental Protection Agency regarding the large capacity cesspools has been closed.
- Executive Director Ouansafi reported that the HPHA is still in negotiations with Hunt Group regarding the redevelopment of Mayor Wright Homes.
- Executive Director Ouansafi reported that Section 8 is at 102% and using net reserve assets to maintain lease up. He stated that there are 215 families that are unable to find rentals at this time and the HPHA will be asking the Board to change the percentage the HPHA pays as the payment standard.
- Executive Director Ouansafi reported that the Board Chair met with HUD and was informed that the HPHA is in the top 3 public housing agencies in terms of improvements made over the last couple of years.
- Executive Director Ouansafi reported that the public housing inspection scores issued by the Real Estate Assessment Center (REAC) scores have improved.
- Executive Director Ouansafi reported that the Lanakila Homes development is still on hold because of the arsenic in the soil and the HPHA is working with the Department of Health (DOH). The cost of the clean-up will be anywhere from \$2 million to \$9 million and will likely take about one year.
- Executive Director Ouansafi reported that \$11 million of construction has already been completed this year and there is another \$100 million of work being done.

Director Black-Caspillo stated that she appreciated working on the Board and that she is impressed with how organized the staff is.

Director Kaya also stated she appreciated working on the Board.

Director Bhanot moved at 9:59 a.m.,

To go into Executive Session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to:

- 1. Executive Session Minutes for March 19, 2015.**
- 2. Update on a Legal Matter**

The motion was unanimously approved.

The Board reconvened from Executive Session at 10:11 a.m.

Vice Chairperson Espero reported that the Board deferred the Executive Session minutes of March 19, 2015 and the Board received an update on a legal matter.

Adjournment:

There was no further business to discuss, Vice Chairperson Espero asked for a motion to adjourn the Regular Meeting.

Director Oh moved,

To adjourn the Regular Hawaii Public Housing Authority Board meeting.

The motion was unanimously approved.

The meeting was adjourned at 10:12 a.m.

MINUTES CERTIFICATION

Minutes Prepared by:

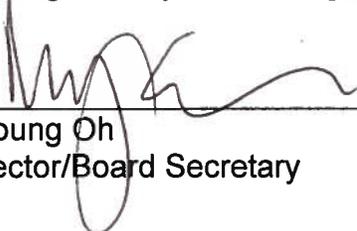


Taryn T. Chikamori
Secretary to the Board

MAY 21 2015

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on May 21, 2015: [] As Presented [] As Amended



Myoung Oh
Director/Board Secretary

MAY 21 2015

Date

May 21, 2015

FOR ACTION

MOTION: To Adopt Board Resolution No. 15-73 Expressing Appreciation to Director Julie Black-Caspillo

I. FACTS

A. Director Black-Caspillo is a member of the Hawaii Public Housing Authority's Board of Directors.

II. DISCUSSION

A. Director Black Caspillo's interim appointment will end with the adjournment sine die of the Hawaii State Legislature.

III. RECOMMENDATION

That the Board of Directors Adopt Board Resolution No. 15-73 Expressing Appreciation to Director Julie Black-Caspillo of the Hawaii Public Housing Authority's Board of Directors.

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



David Gierlach, Chairperson

**RESOLUTION NO. 15-73
HAWAII PUBLIC HOUSING AUTHORITY**

EXPRESSING APPRECIATION TO DIRECTOR JULIE BLACK-CASPILLO

WHEREAS, Director Black-Caspillo is a member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

WHEREAS, as the representative from Kauai County, Director Black-Caspillo brought with her a wealth of experience which was reflected in her thoughtful inquiries, discussions and decisions at the Board level; and

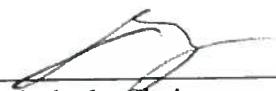
WHEREAS, Director Black-Caspillo worked tirelessly to improve services and programs for the families in the HPHA's programs; and

WHEREAS, in her role as a Board member, Director Black-Caspillo was particularly interested in increased accountability at all levels and coordination of services for the most vulnerable populations; and

WHEREAS, the HPHA's Board of Directors hold Director Black-Caspillo in the highest personal regard.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 15-73 Expressing Appreciation to Director Black-Caspillo on this 21st day of May 2015 for her dedicated service;

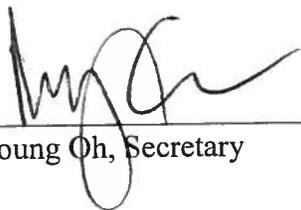
AND, BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Director Black-Caspillo reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.



David Gierlach, Chairperson



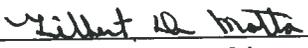
Jason Espero, Vice Chair



Myoung Oh, Secretary



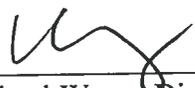
Lisa Darcy, Director



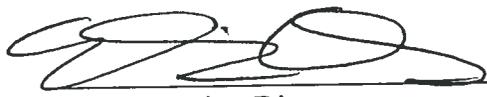
Gilbert DeMotta, Director



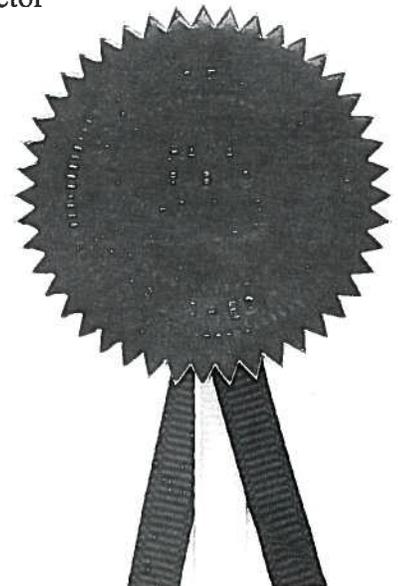
Alena Medeiros, Director



Rachael Wong, Director



Elizabeth Kim, Director



Approved by the Executive Director 
May 21, 2015

FOR ACTION

MOTION: To Adopt Board Resolution No. 15-74 Expressing Appreciation to Director Morgan Kaya

I. FACTS

A. Director Morgan Kaya is a member of the Hawaii Public Housing Authority's Board of Directors.

II. DISCUSSION

A. Director Kaya's interim appointment will end with the adjournment sine die of the Hawaii State Legislature.

III. RECOMMENDATION

That the Board of Directors Adopt Board Resolution No. 15-74 Expressing Appreciation to Director Morgan Kaya of the Hawaii Public Housing Authority's Board of Directors

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



David Gierlach, Chairperson

**RESOLUTION NO. 15-74
HAWAII PUBLIC HOUSING AUTHORITY**

EXPRESSING APPRECIATION TO DIRECTOR MORGAN KAYA

WHEREAS, Director Morgan Kaya is a member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

WHEREAS, as the at-large representative from Oahu, Director Kaya brought with her a wealth of experience which was reflected in her thoughtful inquiries, discussions and decisions at the Board level; and

WHEREAS, Director Kaya worked tirelessly to improve services and programs for the families in the HPHA's programs; and

WHEREAS, Director Kaya was able to share her experience and expertise in personnel matters and public relations on various Board task forces; and

WHEREAS, the HPHA's Board of Directors hold Director Kaya in the highest personal regard.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 15-74 Expressing Appreciation to Director Morgan Kaya on this 21st day of May 2015 for her dedicated service;

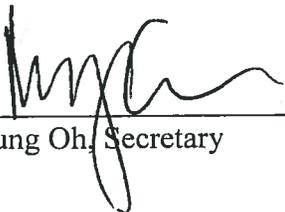
AND, BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Director Morgan Kaya reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.



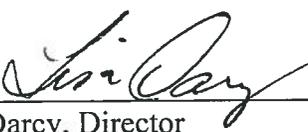
David Gierlach, Chairperson



Jason Espero, Vice Chair



Myoung Oh, Secretary



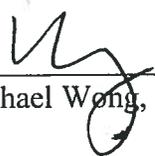
Lisa Darcy, Director



Gilbert DeMotta, Director



Alena Medeiros, Director



Rachael Wong, Director



Elizabeth Kim, Director



May 21, 2015

FOR ACTION

MOTION: To Adopt Board Resolution No. 15-75 Expressing Appreciation to Director Sheri J. Tanaka

I. FACTS

A. Director Sheri Tanaka is a member of the Hawaii Public Housing Authority's Board of Directors.

II. DISCUSSION

A. Director Tanaka's interim appointment will end with the adjournment sine die of the Hawaii State Legislature.

III. RECOMMENDATION

That the Board of Directors Adopt Board Resolution No. 15-75 Expressing Appreciation to Director Sheri J. Tanaka of the Hawaii Public Housing Authority's Board of Directors

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



David Gierlach, Chairperson

**RESOLUTION NO. 15-75
HAWAII PUBLIC HOUSING AUTHORITY**

EXPRESSING APPRECIATION TO DIRECTOR SHERI J. TANAKA

WHEREAS, Director Sheri J. Tanaka is a member of the Hawaii Public Housing Authority's (HPHA) Board of Directors; and

WHEREAS, as the at-large representative from Oahu and owner/principal of the Law Office of Sheri J. Tanaka, Director Tanaka brought with her a wealth of real estate and legal experience which was reflected in her thoughtful inquiries, discussions and decisions at the Board level; and

WHEREAS, Director Tanaka worked tirelessly to improve services and programs for the families in the HPHA's programs as she drew from her experiences as the Program Director for the Youth Detention Center in Utah and her many volunteer and community activities; and

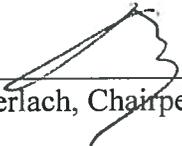
WHEREAS, Director Tanaka was able to share her experience and expertise by serving on various Board task forces; and

WHEREAS, Director Tanaka's hard work ethic, problem solving skills, positive attitude and infectious smile made even difficult discussions and tough decisions palatable;

WHEREAS, the HPHA's Board of Directors and the HPHA staff hold Director Tanaka in the highest personal regard.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 15-75 Expressing Appreciation to Director Sheri J. Tanaka on this 21st day of May 2015 for her dedicated service;

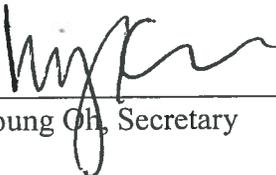
AND, BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Director Sheri J. Tanaka reflecting sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.



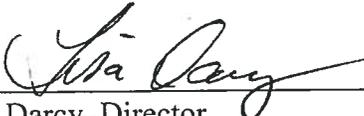
David Gierlach, Chairperson



Jason Espero, Vice Chair



Myoung Oh, Secretary



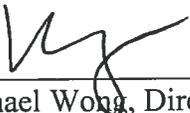
Lisa Darcy, Director



Gilbert DeMotta, Director



Alena Medeiros, Director



Rachael Wong, Director



Elizabeth Kim, Director



May 21, 2015

FOR ACTION

MOTION: To Reappoint the Following Individuals for an Additional Two-Year Term Expiring in July 2017:

1. Jane Moana Gray to the Oahu Eviction Board and as a Floating Resident Member;
2. Earl Mente to the Oahu Eviction Board;
3. Joyce Nakamura to the Oahu Eviction Board;
4. Solomon Kuresa to the Oahu Eviction Board;
5. Sylvianne Young to the Oahu Eviction Board;
6. George DeMello to the Hilo Eviction Board

I. FACTS

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

II. DISCUSSION

- A. Ms. Gray has served as a resident board member for over 36 years and has expressed a willingness to continue to serve in this capacity for another two-year term.
- B. Mr. Mente has served as a board chairman for the Authority for 18 years and is self-employed as a property manager and real estate broker. Mr. Mente has expressed a willingness to continue to serve in this capacity for another two-year term.

- C. Ms. Nakamura has been board member with the Authority for 17 years and is employed as a real estate agent with Caldwell Banker Pacific Properties. She also has extensive property management and housing experience and has expressed a willingness to serve for another two-year term.
- D. Mr. Kuresa has been a resident board member for 18 years and is a resident of Kalihi Valley Homes and also is employed as a pastor. Mr. Kuresa's life experiences bring a valuable view point to the resolution of these cases and he has expressed his willingness to serve another term.
- E. Ms. Young has also sat on the board for 18 years and is a self-employed real estate broker and property manager. Ms. Young understands the importance of providing affordable housing to less fortunate people in Hawaii. Ms. Young has expressed a willingness to serve the needs of the public housing community.
- F. Mr. DeMello is a Hilo resident board member and has served since 2007. As a resident Mr. DeMello understands the needs and limitations of the tenants and brings an important perspective to the eviction hearing. Mr. DeMello has expressed a willingness to serve another two year term.

III. RECOMMENDATION

To Reappoint the Following Individuals for an Additional Two-Year Term Expiring in July 2017:

- 1. Jane Moana Gray to the Oahu Eviction Board and as a Floating Resident Member;
- 2. Earl Mente to the Oahu Eviction Board;
- 3. Joyce Nakamura to the Oahu Eviction Board;
- 4. Solomon Kuresa to the Oahu Eviction Board,
- 5. Sylvianne Young to the Oahu Eviction Board;
- 6. George DeMello to the Hilo Eviction Board

- A. Attachment A: List of Eviction Board Members and Term Appointments
- B. Attachment B: Resume for Jane Moana Gray
- C. Attachment C: Resume for Earl Mente
- E. Attachment D: Resume for Joyce Nakamura
- F. Attachment E: Resume for Soloman Kuresa
- G. Attachment F: Resume for Sylvianne Young
- H. Attachment G: Resume for George DeMello

Prepared by: Renee Blondin-Nip, Hearings Officer RN

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



David Gierlach, Chairperson

Attachment A

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

Board Member	Initial Appointment Date	Current Expiration Date	Years Served as of December 2013
Oahu A:			
Douglas Kaya	03/17/05	03/31/17	9
Radiant Chase	01/25/02	07/31/15	12
Stanley Young**	07/15/10	07/15/16	4
Wanda Camara*	12/19/13	12/19/15	1
Chunmay Chang	11/01/13	11/01/15	2
Oahu B:			
Jane Moana Gray*	08/31/79	07/31/15	35
Earl Mente	12/19/97	07/31/15	17
Joyce Nakamura	02/20/98	07/31/15	16
Oahu C:			
Solomon Kuresa*	05/16/97	07/31/15	17
Sylvianne Young	12/19/97	07/31/15	17
Sylvia Wilmeth	11/18/10	11/31/16	4
Hilo:			
Jane Moana Gray**	06/21/07	06/30/15	7
George DeMello*	09/20/07	07/31/15	7
Keith Biho	02/18/10	02/29/16	4
Ayotunde Adewunmi	01/15/15	01/15/17	New Member
Joanne Luiz*	02/29/14	02/29/16	1
Kauai:			
Fay Rapoza	10/10/13	10/30/15	1
Jane Moana Gray**	06/21/07	06/30/15	7
Arde Long-Yamashita*	02/31/08	02/31/16	5
Kona:			
Jane Moana Gray**	06/21/07	06/30/15	7
Ross Oue	05/15/92	07/31/15	22
Arleila Andrade	09/15/10	09/31/16	4
Mary Hoffman*	10/10/13	10/30/15	1
Maui:			
Wanda Camara**	12/19/13	12/19/15	1
Robert G. Hill	03/01/08	02/28/16	6
Mark Nishino	03/01/15	03/01/17	New Member

* Resident Member

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

Revised 03/30/15

FOR ACTION

MOTION: To Adopt Board Resolution No. 15-76 related to the Hawaii Public Housing Authority Board of Director's Approval to Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kaua'i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa'a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038

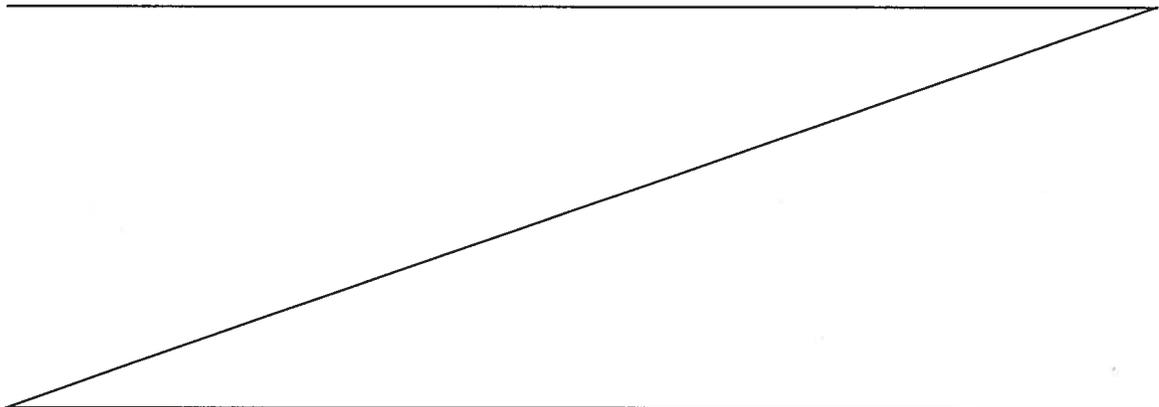
I. FACTS

- A. On April 16, 2015, the HPHA Board of Directors unanimously approved the request to authorize the Executive Director to request approval from the U.S. Department of Housing and Urban Development to grant the Kaua'i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa'a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038.

II. DISCUSSION

- A. In order to request the easement from HUD, the HPHA must also submit a Board adopted Resolution to HUD.
- B. This Board Resolution no. 15-76 is a housekeeping measure to satisfy the technical requirements of HUD.

(end of discussion)



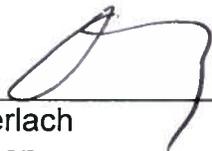
III. RECOMMENDATION

That the HPHA Board of Directors adopt Board Resolution No. 15-76 to document the Board's approval of the For Action to Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kaua'i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038.

Attachment A: Board Resolution No. 15-76
Attachment B: Approved For Action, dated April 16, 2015

Reviewed by: Becky L. Choi, State Housing Development Administrator 

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



David Gierlach
Chairperson

**HAWAII PUBLIC HOUSING AUTHORITY
BOARD RESOLUTION NO. 15-76**

APPROVING THE EASMENTS E-1 AND E-2 AT THE HAWAII PUBLIC HOUSING AUTHORITY'S KAPAA HOUSING (HA 1018)

WHEREAS, the Kapaa Housing is a federally subsidized family public housing project constructed on three tax map keys consisting of 36 dwelling units in one-story duplex wood, slab-on-grade structures and was constructed in 1965 and located at 4726 Malu Road in Kapaa on the Island of Kauai.

WHEREAS, on April 3, 2014, the Invitation for Bids (IFB) for the Sewer Improvements and Electrical Upgrades at the Kapaa Housing Project was posted on the State Electronic Notice System with a low bid and award amount of \$1,503,900.00 plus optional maintenance extensions for three additional years at \$24,000.00 per year.

WHEREAS, the IFB involves the repair of the existing gravity sewer lines, the upgrade of the lift station to 3-phase from 1-phase power, and the upgrades of the existing pumps, wet well, generator, and emergency notification system. The proposed 3-phase power will improve the operation and maintenance of the lift station at the Kapaa Housing Project.

WHEREAS, the electrical upgrade from 1-phase to 3-phase power for the lift station requires new aboveground utility lines and poles to be installed by the Kauai Island Utility Cooperative.

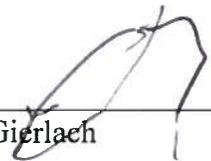
WHEREAS, as the owner of the utility lines and poles, Kauai Island Utility Cooperative requires the Hawaii Public Housing Authority's execution of a Grant of Easement outlining responsibilities for the easement. On February 20, 2015, the Kauai Island Utility Cooperative requested the utility easements along tax map keys (4) 4-5-015:007 and (4) 4-5-015:038 for the proposed construction of new 3-phase power to the lift station.

WHEREAS, the granting of the easement will allow the Kauai Island Utility Cooperative to proceed with the installation of the upgraded electrical lines, and therefore, allow the Hawaii Public Housing Authority to proceed with improvements to its pump station.

WHEREAS, the consultant for the Sewer Improvements and Electrical Upgrades at the Kapaa Housing Project will provide the A.L.T.A survey for HUD's review and approval, so that the easement may be recorded.

WHEREAS, with the Board's approval, a request to grant the utility easement will be submitted to the U.S. Department of Housing and Urban Development, Honolulu Field Office for their review and approval.

NOW THEREFORE, BE IT RESOLVED, that on this 21st day of May 2015, the HPHA Board of Directors authorizes the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kauai Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapaa Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038.



David Gierlach
Chairperson

April 16, 2015

FOR ACTION

MOTION: To Authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development (HUD) to Grant the Kaua'i Island Utility Cooperative (KIUC) Easements for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project, Tax Map Key: (4) 4-5-015:007 and 038.

I. FACTS

- A. Kapa`a Housing is a federally subsidized family public housing project constructed on three tax map keys consisting of 36 dwelling units in one-story duplex wood, slab-on-grade structures. Kapa`a Housing was constructed in 1965 and is located at 4726 Malu Road in Kapa`a on the Island of Kaua`i. See attached Exhibit A with internal exhibits.
- B. On April 3, 2014, the Invitation for Bids (IFB) for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project was posted on the State Electronic Notice System. The low bid and award amount was \$1,503,900.00 plus optional maintenance extensions for three additional years at \$24,000.00 per year. The IFB involves the repair of the existing gravity sewer lines, the upgrade of the lift station to 3-phase from 1-phase power, and the upgrades of the existing pumps, wet well, generator, and emergency notification system.
- C. The electrical upgrade from 1-phase to 3-phase power for the lift station requires new aboveground utility lines and poles to be installed by the Kaua`i Island Utility Cooperative. As the owner of the utility lines and poles, Kaua`i Island Utility Cooperative requires the Hawaii Public Housing Authority's execution of a Grant of Easement outlining responsibilities for the easement.
- D. On February 20, 2015, the Kaua`i Island Utility Cooperative requested the utility easements along tax map keys (4) 4-5-015:007 and (4) 4-5-015:038 for the proposed construction of new 3-phase power to the lift station. Easement Acquisition Maps showing the property needed for the Utility Easements are attached as Exhibits E and H.
- E. On March 31, 2015, the HPHA received the Attorney General's review of the Grant of Easement (easement recordation) documents.

II. DISCUSSION

- A. The proposed 3-phase power will improve the operation and maintenance of the lift station at the Kapa`a Housing Project. Currently, the lift station pumps are powered by a single-phase system whose parts are not readily available in the United States and whose leadtime is excessive.
- B. The granting of the easement will allow the Kaua`i Island Utility Cooperative to proceed with the installation of the upgraded electrical lines, and therefore, allow the Hawaii Public Housing Authority to proceed with improvements to its pump station.
- C. The consultant for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project will provide the A.L.T.A survey for HUD's review and approval, so that the easement may be recorded.
- D. With Board approval, a request to grant the utility easement will be submitted to the U.S. Department of Housing and Urban Development, Honolulu Field Office for their review and approval.

III. STAFF RECOMMENDATION

That the HPHA Board of Directors authorize the Executive Director to Request Approval from the U.S. Department of Housing and Urban Development to Grant the Kaua`i Island Utility Cooperative Easements for the Sewer Improvements and Electrical Upgrades at the Kapa`a Housing Project, Tax Map Keys: (4) 4-5-015:007 and 038.

Exhibit A: Vicinity and Location Maps
Exhibit B: Site Plan
Exhibit C: Enlarged Plan – E-1 Easement
Exhibit D: Easement Metes and Bounds - E-1
Exhibit E: Easement Acquisition Map - E-1
Exhibit F: Enlarged Plan – E-2 Easement
Exhibit G: Easement Metes and Bounds - E-2
Exhibit H: Easement Acquisition Map - E-2

Prepared by: Salli Krekel, Project Engineer

Reviewed by: Becky L. Choi, State Housing Development Administrator *BC*

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



for David Gierlach
Chairperson

MOTKEHA CANAL

AREA OF EASEMENT
E-1
See Exhibits C, D & E

AREA OF EASEMENT
E-2
See Exhibits F, G & H

MALU ROAD



EXHIBIT B: SITEPLAN

Attachment B

036

**EASEMENT E-1
(For Overhead Electric Purpose)**

LAND SITUATED AT KAPAA, KAWAIHAU (PUNA), KAUAI, HAWAII

Being Portion of Lot 1-B

Being Also a Portion of Grant S-14,315 and Hawaii Housing Authority

Beginning at the south corner of this parcel of land, on the east side of Opala Road, the coordinates of said point of beginning referred to Government Survey Triangulation "NONOU" being 6,453.71 feet North and 10,548.15 feet East, thence running by azimuths measured clockwise from true South:

along the east side of Opala Road, on a curve to the left with a radius of 615.00 feet, the chord azimuth and distance being:

- | | | |
|-----------------|-------|---|
| 1. 148° 20' 16" | 15.24 | feet; |
| | | thence along the southeast side of the Opala Road and Alenae Street intersection, on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: |
| 2. 190° 31' 05" | 27.22 | feet; |
| 3. 233° 24' 30" | 71.86 | feet along the south side of Alenae Street; |
| | | thence along the southwest side of the Alenae Street and Akoa Street intersection, on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: |
| 4. 246° 19' 45" | 8.94 | feet; |
| 5. 53° 24' 30" | 71.75 | feet along the remainder of Lot 1-B; |

EXHIBIT D: EASEMENT METES AND BOUNDS - E-1

6. 6° 54'

43.71

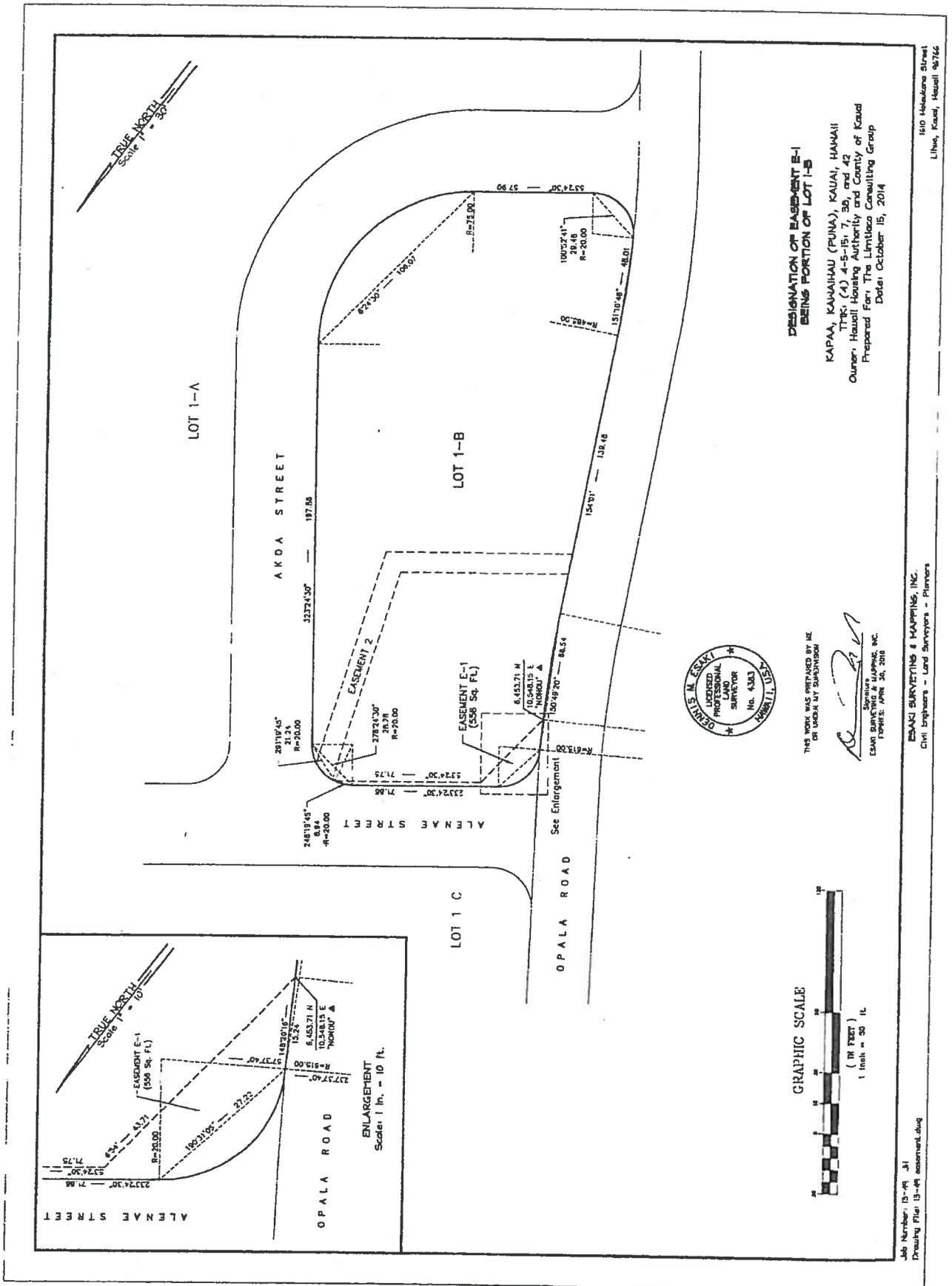
feet along the remainder of Lot 1-B to the point of beginning and containing an area of 556 square feet.

DESCRIPTION PREPARED BY:
ESAKI SURVEYING & MAPPING, INC.



Dennis M. Esaki
Licensed Professional Land Surveyor
Certificate Number 4383

Lihue, Hawaii
October 2014



**DESIGNATION OF EASEMENT E-1
BEING PORTION OF LOT 1-B**

KAPAA, KAWAII (PUNA), KAUAI, HAWAII
 TRS: (A) 4-5-15, 7, 30, and 42
 Owner: Hawaii Housing Authority and County of Kauai
 Prepared For: The Limiloka Consulting Group
 Date: October 15, 2014



THIS WORK WAS PREPARED BY ME
 OR UNDER MY SUPERVISION

[Signature]
 Dennis M. Esaki
 Professional Land Surveyor
 License No. 4383
 State of Hawaii
 EXPIRES APR 30, 2018



Job Number: 13-04_31
 Drawing File: 13-04_easement.dwg

ESAKI SURVEYING & MAPPING, INC.
 Civil Engineers - Land Surveyors - Planners

1610 Heaekona Street
 Lihue, Kauai, Hawaii 96766

EXHIBIT E: EASEMENT ACQUISITION MAP - E-1

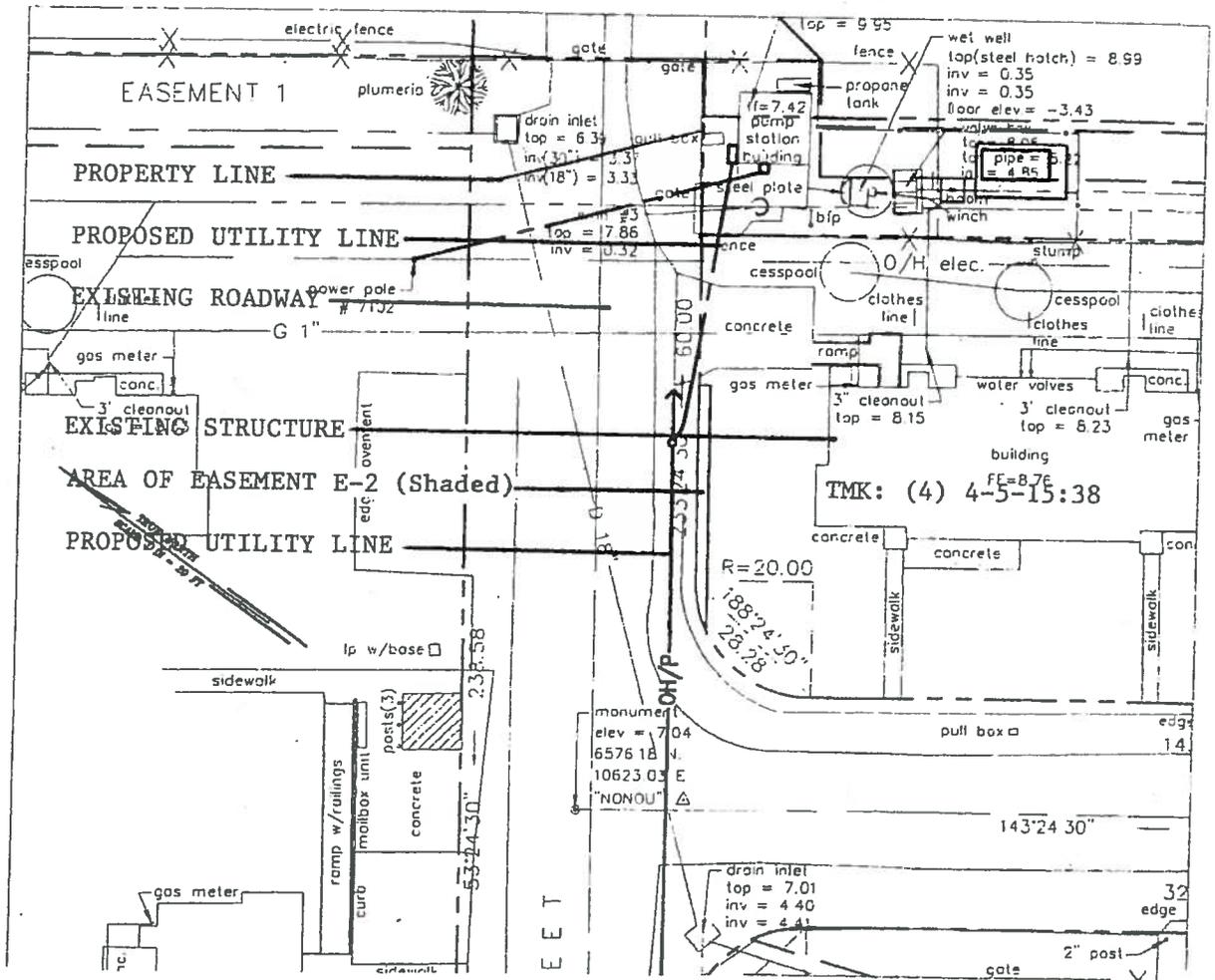


EXHIBIT F: ENLARGED PLAN - E-2 EASEMENT

EASEMENT E-2
(For Overhead Electric Purpose)

LAND SITUATED AT KAPAA, KAWAIHAU (PUNA), KAUAI, HAWAII

Being a Portion of Lot 1-A
Being Also a Portion of Grant S-14,315 to Hawaii Housing Authority

Beginning at the north corner of this parcel of land, on the southeast side of Alenae Street, the coordinates of said point of beginning referred to Government Survey Triangulation "NONOU" being 6,604.30 feet North and 10,694.44 feet East, thence running by azimuths measured clockwise from true South:

- | | | |
|-------------------|-------|--|
| 1. 323° 24' 30" | 2.00 | feet along the remainder of Lot 1-A; |
| 2. 53° 24' 30" | 42.82 | feet along the remainder of Lot 1-A; |
| | | thence along the east side of the Alenae Street and Akoa Street intersection, on a curve to the right with a radius of 20.00 feet, the chord azimuth and distance being: |
| 3. 220° 29' 14.5" | 8.94 | feet; |
| 4. 233° 24' 30" | 34.10 | feet along the southeast side of Alenae Street to the point of beginning and containing an area of 80 square feet. |

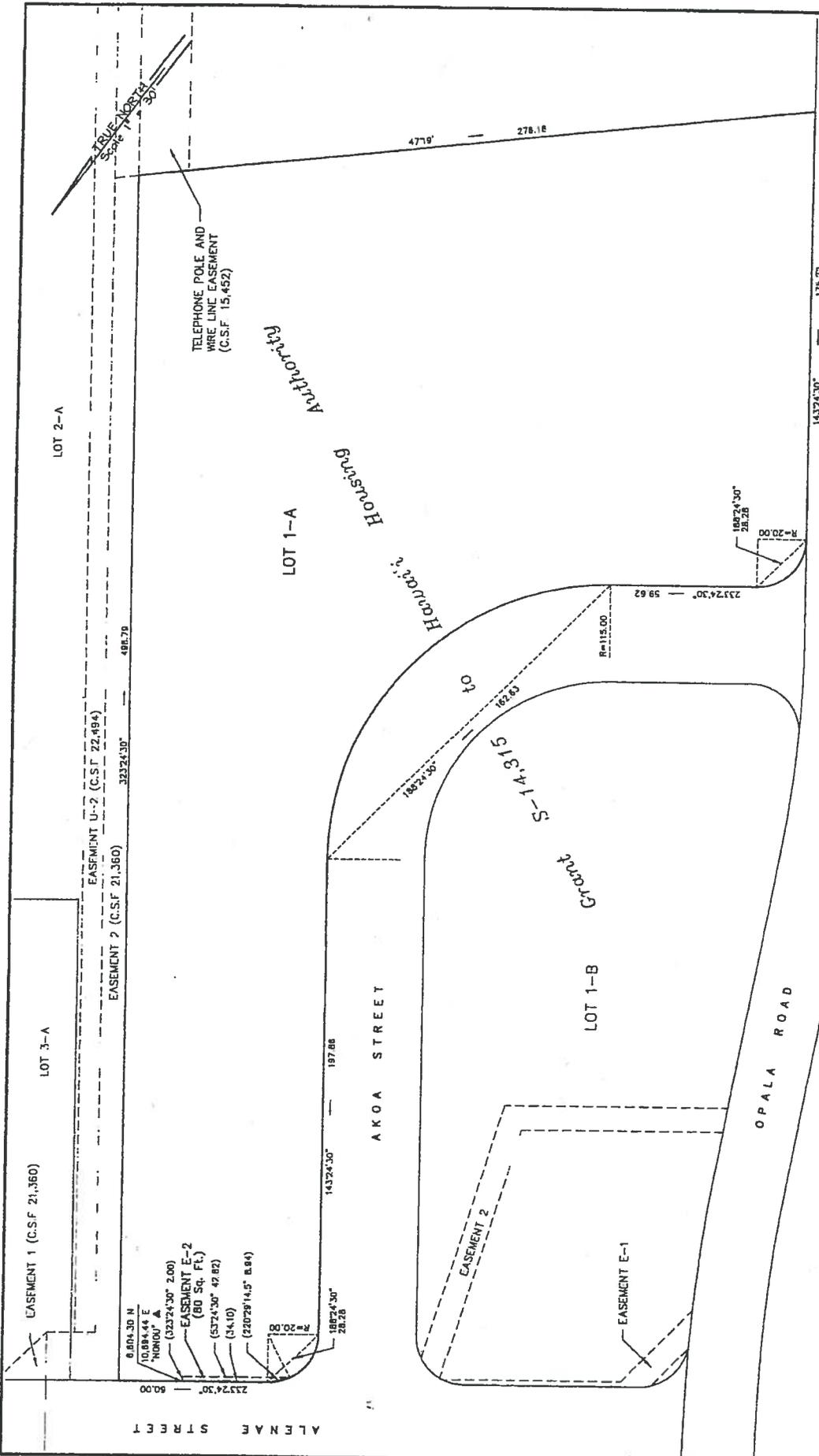


Lihue, Hawaii
October 2014

DESCRIPTION PREPARED BY:
ESAKI SURVEYING & MAPPING, INC.

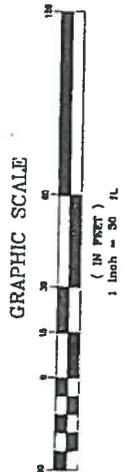
Dennis M. Esaki
Licensed Professional Land Surveyor
Certificate Number 4383

EXHIBIT G: EASEMENT METES AND BOUNDS - E-2



**DESIGNATION OF EASEMENT E-2
BEING A PORTION OF LOT 1-A
BEING ALSO A PORTION OF GRANT
S-14,315 TO HAWAII HOUSING AUTHORITY**
KAPAHA, KAMAHAI (PUNA), KAUAI, HAWAII
Tax Map Key: (4) 4-5-15: 30
Owner: Hawaii Housing Authority
Prepared For: The Lantico Consulting Group
Date: October 2, 2014

THIS WORK WAS PREPARED BY ME
ON UNDER MY SUPERVISION
[Signature]
ESAKI SURVEYING & MAPPING, INC.
CERTIFIED: APRIL 30, 2018



Attachment B

EXHIBIT H: EASEMENT ACQUISITION MAP - E-2

043

FOR ACTION

MOTION: To Approve the Hawaii Public Housing Authority's Policy on Investment, Subject to Review by the Department of the Attorney General

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) administers various federal and state programs. Since 2007, HPHA has adopted Asset Management Model in managing Federal programs, as required by the U.S. Department of Housing and Urban Development (HUD), and defined by the Public Housing Operating Fund Program, Final Rule, as detailed by in the Financial Management Handbook, 7475.1 REV CHG-1.
- B. The Asset Management Model shifted the emphasis from a centralized approach to a decentralized approach emphasizing project-based management. Based on this model and in compliance with generally accepted accounting principles, the financial activities of each Asset Management Project (AMP), Section 8 Choice Voucher program, Section 8 Contract Administration program, Central Office Cost Center, and other State programs are recorded in individual funds, each of which is deemed to be separate accounting entities.
- C. A fund is a separate accounting entity with a self-balancing set of accounts. HPHA currently manages over thirty individual funds.

II. DISCUSSION

- A. Cash in a fund is maintained to meet operating needs. Excess cash, if any, should be invested. Cash in revolving funds is deposited in the State Treasury and participates in the State investment pool controlled and managed by the Director of Finance. Cash in non-revolving, non-general funds, if any, is managed by HPHA.
- B. The HPHA Board of Directors provides direction and guidance regarding the HPHA's policies, including the Investment Policy.
- C. The HPHA received technical assistance from a HUD contractor who drafted the existing Policy on Investments in 2009.

- D. The HPHA has been following the Investment Policies and Procedures.
- E. The HPHA Board of Directors needs to formally adopt the existing policies.
- F. The HPHA is undergoing re-organization of its Fiscal Management Office (FMO). The proposed changes include a Chief Financial Management Advisor position as head of the re-structured FMO.

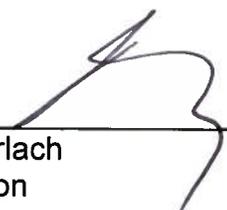
III. STAFF RECOMMENDATION

That the HPHA's Board of Directors Approve the Hawaii Public Housing Authority's Policy on Investment, Subject to Review by the Department of the Attorney General

Exhibit A: HPHA Investment Policies and Procedures

Prepared by: Chong Gu, Chief Financial Management Advisor CS

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



David Gierlach
Chairperson

Attachment A

HAWAII PUBLIC HOUSING AUTHORITY INVESTMENT POLICIES AND PROCEDURES

INVESTMENTS

I. Policy:

It is the Policy of the Hawaii Public Housing Authority (HPHA) to manage its cash flow in order to optimize the use of funds. This will be accomplished by the appropriate planning of receipts and disbursements to assure the availability of funds meet current expenditures and to maximize the yield investment of temporarily surplus funds. As a general rule, the average amount on deposit in the cash account will be the amount needed to settle current and anticipated liabilities or as a safeguard against cash shortages. Any excess will be invested. In the interest of good cash management, non-interest bearing deposits will be reduced to the amount necessary to maintain adequate liquidity for operations.

Investment shall be made in a manner that emphasizes the safety and liquidity of the principal invested and conforms to all applicable state and federal statutes governing the investment of public funds.

In order to optimize investment returns, the HPHA will strive to obtain a market rate of return on all invested funds that is consistent with the type of investment instruments selected.

Investment earnings will be used in a manner that best serves the public trust, the interest of the HPHA and complies with all applicable state and federal statutes governing the use of program income.

The investment policy shall be approved by the HPHA Board of Directors and may be reviewed periodically for updates and changes to the approved policy. This investment policy is applicable to all funds received by the HPHA – private, state, or federal.

II. Objective and Strategy:

The primary objective of the HPHA in the investment of funds shall be safety, reducing credit risk, liquidity, diversification, yield, maturity, and compliance with all state and federal laws and regulations regarding the investment of public funds while serving the mission and goals of the HPHA.

A. Safety of Principal

The HPHA will achieve this objective by only selecting investment instruments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the United States Government, a government agency, or issued by a government-sponsored agency coupled with an appropriate maturity date.

B. Credit Risk

The HPHA will achieve this objective by limiting investments to the safest type of securities and pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors and by diversifying the investment portfolio so that losses on individual securities will be minimized.

C. Liquidity

The HPHA will achieve this objective by only selecting investment instruments which are capable of being liquidated on one day's notice and that are readily marketable.

Attachment A

HAWAII PUBLIC HOUSING AUTHORITY INVESTMENT POLICIES AND PROCEDURES

- D. **Diversification**
The HPHA will achieve this objective by selecting investment instruments with different maturity dates and from different market sectors.
- E. **Yield**
The HPHA will achieve this objective by selecting the highest yields that are consistent with the other factors of the investment policy.
- F. **Maturity**
The HPHA will achieve this objective by selecting investment instruments that mature when the funds are needed. The sale of securities prior to maturity will be avoided due to the inherent risk. Investments will also be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the HPHA but not beyond the current fiscal year. This does not preclude the HPHA from investing in securities with maturities of up to three years for expendable fund balances.

III. **Conditions:**

- A. **Investment Register**
 - 1. The HPHA will maintain an investment register.
 - 2. At a minimum the investment register shall provide for recording a complete description of the investment instrument, date of purchase price, interest rate, interest earned, source of funds (State, Federal, Local, Other) and applicable date of sale or maturity.
- B. **Legal Limitations, Responsibilities and Authority**
 - 1. The specific requirements for the investment of state public funds are found at the Hawaii Revised Statutes Chapter 36 Section 21 and Chapter 38 Section 3.
 - 2. The specific requirements for the investment of HUD funds are found in 24 CFR Part 85 Subpart C, the Voucher Contributions Contract (Form HUD-52520) the Public Housing Annual Contributions Contract, the General Depository Agreement (Form HUD-51999) and HUD Notice 96-33 as extended.
 - 3. If there is a conflict between state and federal investments, the stricter of the two requirements shall prevail.
- C. **Delegation of Investment Authority**
 - 1. The Executive Director shall be designated as the Investment Officer of the HPHA and is responsible for the general administration and management of investment activities. The Chief Financial Management Advisor shall be designated as the Investment Supervisor of the HPHA and is responsible for monitoring investment activities and reporting to the Executive Director.
 - 2. The Board of Directors may appoint a Finance Task Force to periodically monitor the investment activities of the HPHA and for considering the quality and capabilities of the staff, investment advisors, and consultants involved in investment management and procedures.
 - 3. The Executive Director shall develop administrative procedures for the operation of the investment program which are consistent with this investment policy.
 - 4. The Chief Financial Management Advisor shall be responsible for all transactions undertaken and implementing and maintaining a system of internal controls designed to ensure that the assets of the HPHA are protected from loss, theft, and misuse in accordance with this policy and the administrative procedures.

Attachment A

HAWAII PUBLIC HOUSING AUTHORITY INVESTMENT POLICIES AND PROCEDURES

5. No officer or designee may engage in an investment transaction except as provided under the terms of this policy as approved by the Board of Directors and the procedures approved by the Executive Director.
- D. Prudence and Ethics
1. The "Prudent Person" standard shall be applied in the context of managing the overall Portfolio.
 2. Under the prudent person standard "investments shall be made with judgment and care, under Circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived".
 3. The Chief Financial Management Advisor and those delegated investment authority by the Executive Director, when acting in accordance with the written procedures and this policy in accord with the Prudent Person Standard, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.
 4. The Chief Financial Management Advisor, Executive Director, and members of the Board of Directors, who are involved in the investment process, shall refrain from personal business activity that could conflict with the operation of the investment program and policy, or could impair the ability to make impartial investment decisions. Also, the aforementioned personnel shall disclose to the Board of Directors any material financial interests that they hold in financial institutions that conduct investment business with the HPHA.
 5. All staff involved in the administration, management, and monitoring of the HPHA's investments shall comply with the Standards of Conduct and HUD's Common Rule at §24 CFR Part 85.
- E. Internal Controls
1. The Executive Director shall establish a system of internal controls to assist in controlling investments and preventing loss or misuse of funds.
 2. The following controls are also identified in the "Internal Control Policy & Procedure". The controls established shall ensure the following:
 - a. Investment transactions are authorized by the HPHA's Board of Directors and documented in the board minutes.
 - b. Investment Document are kept in a safe, fire-resistant, locked file cabinet or safe deposit box, or held by an agent
 - c. Avoidance of Bearer-form securities.
 - d. Separation of duties, for example the Chief Financial Management Advisor shall not also be responsible for maintaining the accounting records of investments.
 - e. Investments will be maintained by a custodian or in a trust account.
 - f. Investments will be in the name of the Hawaii Public Housing Authority.
 - g. Investments will be recorded in detail in an investment ledger.
 - h. Interest earned is collected and credited to the appropriate federal or state program using an appropriate allocation basis and is recorded in the accounting records in a timely manner.
 - i. Investments are reconciled periodically to the investment ledger.
 - j. A system of cash forecasting is established to ensure that cash needs are adequately planned for and that excess cash balances are invested for periods that maximize returns.

Attachment A

HAWAII PUBLIC HOUSING AUTHORITY INVESTMENT POLICIES AND PROCEDURES

- k. The HPHA may instruct its auditors to review investment activity to determine if it is in compliance with policies and procedures.
- F. Quarterly Reporting
1. The Chief Financial Management Advisor shall prepare and submit to the Executive Director a signed quarterly investment report for all funds.
 2. This report will be prepared on a quarterly basis.
 3. The report shall list the following information:
 - a. A description of all investments purchased by the HPHA.
 - b. The date of purchase, the maturity date, and yield.
 - c. The current market value.
 - d. The weighted average portfolio return.
- G. Authorized Investments
1. Acceptable investments under this policy shall be limited to HUD and State approved investments. In cases where there are discrepancies between HUD authorized investments and that of the State of Hawaii, the more restrictive of the two shall prevail.
 2. Examples of acceptable investment instruments include, without limitation, the following:
 - a. Direct obligations of the Federal Government which are backed by the full faith and credit of the United States. These include U.S. Treasury bills, notes and bonds.
 - b. Obligations of federal government agencies. This includes issuances by the Federal Financial Bank (FFB), Government National Mortgage Association (GNMA), Maritime Administration Merchant Marine Bonds, Notes and Obligations, Small Business Administration (SBA), and the Tennessee Valley Authority (TVA).
 - c. Securities of federal government sponsored agencies. These include issuances by the Farm Credit Consolidated System, Federal Farm Credit Banks, Federal Home Loan Banks, FHLMC Mortgage Obligations, and Student Loan Marketing Association.
NOTE: Before investments are made in these institutions, a determination of credit risk should be completed.
 - d. Demand and savings deposits at commercial banks, mutual savings banks, savings and loan associations, and credit unions if deposits are insured by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF)
 - A deposit in excess of the insurance coverage may be made at a depository Institution provided that it is 100% collateralized by any of the securities issued by the federal government.
 - Care will be taken to ensure that withdrawals may be made on demand without loss interest and without penalty.*NOTE: Before investing in these institutions, a determination of credit risk should be completed, (i.e. What is the institution's status on the Federal Reserve stress test?).*
 - e. Municipal depository fund or local government investment pool can be established by the State of Hawaii or other state chartered municipality as long as it complies with the following:
 - The securities purchased by the fund are on the list of HUD approved investments when HUD funds are involved.
 - The HPHA has either an undivided or divided interest in the securities comprising the funds.

Attachment A

HAWAII PUBLIC HOUSING AUTHORITY INVESTMENT POLICIES AND PROCEDURES

- The fund is under the control of the Investment Company Act of 1940.
 - The investment objectives of the fund are to obtain as much income as possible consistent with the preservation and conservation of capital.
 - The fund discloses clearly the basic of earnings and how they are distributed.
 - The fund provides a statement of potential risk and a clear demonstration that withdrawals from the fund will not be so restricted as to impair the HPHA's day-to-day cash management.
- f. Money market deposit accounts are to not exceed 30% of the investment funds at depository institutions that may not be insured by the FDIC or NCUSIF, provided that the certificates are fully backed by 100% collateral consisting of securities backed by the federal government and when amounts exceed the \$250,000 insurance limitation, the HPHA has control of the underlying collateral which is clearly identified (not polled) U.S. Government securities.
- g. Super NOW account as long as they meet the insurance and collateral requirements as stated in the bullet directly above.
- h. Certificates of deposit if issued by institutions that are issued by and agency of the federal government and when federal funds are involved, the financial institution executes Form HUD-51999, General Depository Agreement.
- Certificates of deposit can exceed the \$250,000 federal insurance limitation provided that the excess is 100% collateralized by clearly identified (not polled) U.S. Government securities.
- i. Repurchase agreements for a term not exceeding 30 days when issued by federally insured depositories for securities issues by the U.S. Government and provided that the seller meets the additional requirements of HUD Notice PIH 96-33 as extended.
- j. Sweep account provided that the agreements include all the requirements of "Certificates of deposit..." – 2 bullets above.
- k. Mutual funds provided that they are organized as a no-load, open-end, diversified management company with share registered under Securities Act of 1933 and are under the control of the Securities Exchange Act of 1934, Investment Advisors Act of 1940, and the Investment Act of 1940.
- The securities purchased by the fund must be on the HUD approved list of investment securities as listed in Notice PIH 96-33 as extended.
 - The HPHA shall limit the amount of funds invested in the fund to no more than 20% of the HPHA's available investment funds.
 - In addition, the investment shall be authorized by the Board Resolution and a certified copy of the resolution shall accompany the initial application for the fund
 - The fund shall also be required to execute Form HUD-5199, General Depository Agreement as modified per HUD Notice PIH 99-33 as extended.

Attachment A

HAWAII PUBLIC HOUSING AUTHORITY INVESTMENT POLICIES AND PROCEDURES

- H. Authorized Financial Dealers and Institution
1. All investments made by the HPHA will be made through with the HPHA's primary depository, a primary dealer, or a financial advisor, if appropriate.
 2. Securities broker/dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve as primary dealers.
 3. The following additional criteria must be provided by firms wishing to manage the HPHA's Investment Portfolio:
 - a. An audited financial statement for the most recent period.
 - b. Proof of certification by the National Association of Securities Dealers (NASD).
 - c. Proof of current registration with the State Securities Commission.
 4. Every dealer with whom the HPHA transacts business shall be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program.
- I. Safekeeping and Collateralization
1. All safekeeping arrangements shall be designated by the Chief Financial Management Advisor and approved by the Executive Director.
 2. Any third party custodian shall be required to issue safekeeping receipts to the HPHA listing each specific security, rate, description, maturity, CUSIP number, and any other pertinent information required to identify the investments of the HPHA.
 3. All securities pledged to the HPHA as collateral for investments shall be held by an independent third party institution domiciled in Hawaii.
 4. The safekeeping institution may be the same holding company as the institution from which the securities are pledged.
- J. Investment Policy Adoption by Board of Directors
1. The HPHA's investment policy shall be adopted by the Board of Directors.
 2. This investment policy shall be reviewed on an annual basis by the Executive Director. Any recommendations for change shall be presented and adopted as changes when approved by the Board of Directors.
- K. Amendments
1. In the event state or federal laws and regulations change, this policy shall be conformed to the existing law.

May 21, 2015

FOR ACTION

MOTION: To Adopt Property Specific Utility Allowance Rates Provided by National Facility Consultants for the Fiscal Year July 1, 2015 to June 30, 2016 for the Federal Low Income Public Housing Program and Authorize the Executive Director to Implement the Utility Allowance Rates Effective July 1, 2015

I. FACTS

- A. Under the provisions of the U.S. Housing Act of 1937, to keep assisted housing affordable for lower-income households, federal housing law directs that the resident's share of rent in federally assisted public housing should equal 30 percent of the household's adjusted monthly income. In interpreting the federal housing law, the U.S. Department of Housing and Urban Development (HUD) has defined the total resident payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a Public Housing Agency (PHA) determines is necessary to cover the resident's reasonable utility costs is the "utility allowance."
- B. Section 17-2028-7(f), Hawaii Administrative Rules authorizes the HPHA to develop property specific allowances for its properties which takes into account actual utility consumption at each property, rather than island wide usage at an aggregate level.
- C. In 2013, the Hawaii Public Housing Authority (HPHA) contracted with National Facility Consultants (NFC) to develop site-specific allowances in accordance with the requirements set forth in 24 CFR Part 965, Subpart E, Resident Allowances for Utilities utilizing the methodology previously employed by the HPHA regarding the application of rates and associated adjustments. The newly established allowances for each property as established and studied by our consultant reflect the actual reasonable utility consumption for an energy conservative household, which may include energy saving lighting and fixtures and solar hot water with back-up gas heaters.
- D. NFC is a national professional firm providing consulting services in the areas of planning, operations, facilities, grants and energy to affordable housing providers. NFC assists the Hawaii Public Housing Authority (HPHA) with the annual update of utility allowances for tenant-purchased

utilities, based on a survey conducted in 2003 (that is updated annually) using the current utility rates.

II. DISCUSSION

- A. NFC worked with HPHA to obtain actual utility charges from the utility companies for each property to use in their calculations of the updated utility allowance rates. NFC determined the new utility allowance rate adjustment for each property.
- B. The attached charts by specific properties shows that some allowances have remained the same, others either decreased or increased due to fluctuating utility rate charges.
- C. The sample-highlighted chart below shows that the utility allowance for a one-bedroom tenant-paid electric will increase by \$1.00. Which means the tenant portion of their rent to HPHA will decrease by \$1.00.

AMP		Project	Customer	Electric	kwh		Total	Total	2015	2014
			Charge	Basic	Cooking	Ind HW	Electric	Utility	Allow	Allow
30	HI001026	Puuwai Momi								
	48	1 bedroom	incl. basic	51.59	25.98	29.10	\$106.67	\$106.67	\$107.00	\$106.00
	86	2 bedroom	incl. basic	58.43	25.98	58.18	\$142.59	\$142.59	\$143.00	\$143.00
	88	3 bedroom	incl. basic	65.82	31.88	87.28	\$184.98	\$184.98	\$185.00	\$185.00
	38	4 bedroom	incl. basic	73.33	31.88	116.39	\$221.60	\$221.60	\$222.00	\$222.00

A tenant whose total tenant payment (TTP) is determined to be \$250.00 per month, will have this amount reduced by the allowable utility amount as shown:

Total Tenant Payment	\$250.00
Utility Allowance	<u>-107.00</u>
Payment to HPHA	\$143.00

- D. Hawaii Energy's Community Outreach Specialist, Helen Wai is continuing to provide energy efficient workshops at all public housing projects throughout the state of Hawaii to encourage families to implement energy conservation measures (use of incandescent bulbs, adding timers, use of

power strips to eliminate waste, etc.) which will help to reduce their utility consumption and cost.

- E. The HPHA will provide notification of the proposed changes in utility allowances to the tenants through letter, publication in the newspaper, posted notices at the AMPs and through information shared at resident association meetings and the Resident Advisory Board meetings.

III. RECOMMENDATION

That the Board of Directors Approve the Property Specific Utility Allowance Rates Provided by National Facility Consultants for the Fiscal Year July 1, 2015 to June 30, 2016 for the Federal Low Income Public Housing Program and Authorize the Executive Director to Implement the Utility Allowance Rates Effective July 1, 2015.

Prepared by: Joanna Renken, Public Housing Supervisor 

Attachment: 2015 Site Specific Utility Allowance Rates for the Federal Low Income Public Housing Program

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



David Gierlach, Chairperson

AMP	Project	Customer Charge	Electric Basic	kwh Cooking	Ind HW	Ind Solar	Ind HP	Total Electric	Customer Charge	SNG Cooking	Therms Ind HW	LPN Cooking	Therms Ind HW	Total Gas	Total Utility	2015 Allow	2014 Allow	Diff 15 & 14	
30	HI001026 Puuwai Momi																		
	48 1 bedroom	incl. basic	51.59	25.98	29.10			\$106.67							\$106.67	\$107.00	\$106.00	1.00	
	86 2 bedroom	incl. basic	58.43	25.98	58.18			\$142.59							\$142.59	\$143.00	\$143.00	0.00	
	88 3 bedroom	incl. basic	65.82	31.88	87.28			\$184.98							\$184.98	\$185.00	\$185.00	0.00	
	38 4 bedroom	incl. basic	73.33	31.88	116.39			\$221.60							\$221.60	\$222.00	\$222.00	0.00	
	HI001027 Hale Laulima																		
	20 2 bedroom	incl. basic	61.00	25.98	58.18			\$145.16							\$145.16	\$145.00	\$145.00	0.00	
	16 3 bedroom	incl. basic	67.79	31.88	87.28			\$186.95							\$186.95	\$187.00	\$187.00	0.00	
	HI001066 Salt Lake																		
	28 1 bedroom	incl. basic	53.08	26.25	29.40			\$108.73							\$108.73	\$109.00	\$109.00	0.00	
	HI001038 Waipahu I																		
	13 2 bedroom	incl. basic	58.42	25.98				\$84.40							\$84.40	\$84.00	\$84.00	0.00	
	6 3 bedroom	incl. basic	65.95	31.88				\$97.83							\$97.83	\$98.00	\$97.00	1.00	
	HI001039 Waipahu II																		
	16 2 bedroom	incl. basic	61.20	25.98				\$87.18							\$87.18	\$87.00	\$87.00	0.00	
	4 3 bedroom	incl. basic	65.68	31.88				\$97.56							\$97.56	\$98.00	\$97.00	1.00	
31	HI001005 Kalihi Valley Homes																		
	Non-Mod Units																		
	24 1 bedroom	incl. basic	52.07	25.98	29.10			\$107.15							\$107.15	\$107.00	\$107.00	0.00	
	28 2 bedroom	incl. basic	60.24	25.98	58.18			\$144.40							\$144.40	\$144.00	\$144.00	0.00	
	55 3 bedroom	incl. basic	66.57	31.88	87.28			\$185.73							\$185.73	\$186.00	\$186.00	0.00	
	52 4 bedroom	incl. basic	74.20	31.88	116.39			\$222.47							\$222.47	\$222.00	\$223.00	-1.00	
	12 5 bedroom	incl. basic	75.74	31.88	145.46			\$253.08							\$253.08	\$253.00	\$254.00	-1.00	
	Mod Units																		
	28 1 bedroom	incl. basic	65.55	25.98		10.39		\$101.92							\$101.92	\$102.00	\$102.00	0.00	
	32 2 bedroom	incl. basic	73.97	25.98		15.74		\$115.69							\$115.69	\$116.00	\$115.00	1.00	
	68 3 bedroom	incl. basic	83.66	31.88		26.12		\$141.66							\$141.66	\$142.00	\$142.00	0.00	
	60 4 bedroom	incl. basic	97.01	31.88		36.67		\$165.56							\$165.56	\$166.00	\$166.00	0.00	
	14 5 bedroom	incl. basic	98.15	31.88		47.21		\$177.24							\$177.24	\$177.00	\$178.00	-1.00	
32	HI001003 Mayor Wright Homes																		
	24 1 bedroom	incl. basic	53.00					\$53.00							\$53.00	\$53.00	\$52.00	1.00	
	114 2 bedroom	incl. basic	60.60					\$60.60							\$60.60	\$61.00	\$60.00	1.00	
	168 3 bedroom	incl. basic	67.31					\$67.31							\$67.31	\$67.00	\$67.00	0.00	
	50 4 bedroom	incl. basic	80.01					\$80.01							\$80.01	\$80.00	\$79.00	1.00	
	8 5 bedroom	incl. basic	79.39					\$79.39							\$79.39	\$79.00	\$79.00	0.00	
33	HI001009 Kaahumanu Homes																		
	116 2 bedroom	incl. basic	63.76					\$63.76							\$63.76	\$64.00	\$63.00	1.00	
	36 3 bedroom	incl. basic	71.19					\$71.19							\$71.19	\$71.00	\$71.00	0.00	
	HI001099 Kamehameha Homes																		
	62 1 bedroom	incl. basic	55.86					\$55.86	incl cooking	32.79	39.82				\$72.61	\$128.47	\$128.00	\$127.00	1.00
	123 2 bedroom	incl. basic	63.76					\$63.76	incl cooking	32.79	63.71				\$96.50	\$160.26	\$160.00	\$159.00	1.00
	36 3 bedroom	incl. basic	71.83					\$71.83	incl cooking	38.10	88.05				\$126.15	\$197.98	\$198.00	\$196.00	2.00
34	HI001062 Kalakaua Homes high rise																		
	123 1 bedroom	incl. basic	56.46	25.98				\$82.44							\$82.44	\$82.00	\$82.00	0.00	
	HI001062 Kalakaua Homes low rise																		
	4 1 bedroom	incl. basic	53.59	25.98				\$79.57							\$79.57	\$80.00	\$79.00	1.00	
	58 2 bedroom	incl. basic	60.80	25.98				\$86.78							\$86.78	\$87.00	\$86.00	1.00	
	36 3 bedroom	incl. basic	68.16	31.88				\$100.04							\$100.04	\$100.00	\$100.00	0.00	
35	HI001073 Spencer House																		
	1 2 bedroom	incl. basic	59.88					\$59.88							\$59.88	\$60.00	\$59.00	1.00	
	16 3 bedroom	incl. basic	66.87					\$66.87							\$66.87	\$67.00	\$66.00	1.00	
37	HI001004 Lanakila Homes I																		
	6 1 bedroom	incl. basic	70.83					\$70.83	incl cooking			30.69	36.31	\$67.00	\$137.83	\$138.00	\$132.00	6.00	
	14 2 bedroom	incl. basic	81.14					\$81.14	incl cooking			30.69	58.10	\$88.79	\$169.93	\$170.00	\$163.00	7.00	
	18 3 bedroom	incl. basic	92.13					\$92.13	incl cooking			35.53	80.29	\$115.82	\$207.95	\$208.00	\$199.00	9.00	
	4 4 bedroom	incl. basic	103.74					\$103.74	incl cooking			35.53	102.07	\$137.60	\$241.34	\$241.00	\$231.00	10.00	
	HI001013 Lanakila Homes II																		
	2 1 bedroom	incl. basic	70.83					\$70.83	incl cooking			30.69	36.31	\$67.00	\$137.83	\$138.00	\$132.00	6.00	
	18 2 bedroom	incl. basic	81.14					\$81.14	incl cooking			30.69	58.10	\$88.79	\$169.93	\$170.00	\$163.00	7.00	
	18 3 bedroom	incl. basic	92.13					\$92.13	incl cooking			35.53	80.29	\$115.82	\$207.95	\$208.00	\$199.00	9.00	

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AMP	Project	Customer Charge	Electric Basic	kwh Cooking	Ind HW	Ind Solar	Ind HP	Total Electric	Customer Charge	SNG Cooking	Therms Ind HW	LPN Cooking	Therms Ind HW	Total Gas	Total Utility	2015 Allow	2014 Allow	Diff 15 & 14
	6 4 bedroom	incl. basic	103.74					\$103.74	incl cooking			35.53	102.07	\$137.60	\$241.34	\$241.00	\$231.00	10.00
HI001028	Punahele Homes																	
30	2 bedroom	incl. basic	77.13					\$77.13	incl cooking			30.69	58.10	\$88.79	\$165.92	\$166.00	\$159.00	7.00
HI001097	Kauhale O'Hanakahl																	
20	3 bedroom	incl. basic	85.28					\$85.28				35.53	80.29	\$115.82	\$201.10	\$201.00	\$192.00	9.00
HI001104	Lanakila Homes IV																	
2	1 bedroom	incl. basic	70.83					\$70.83	incl cooking			30.69	36.31	\$67.00	\$137.83	\$138.00	\$132.00	6.00
18	2 bedroom	incl. basic	81.14					\$81.14	incl cooking			30.69	58.10	\$88.79	\$169.93	\$170.00	\$163.00	7.00
20	3 bedroom	incl. basic	92.13					\$92.13	incl cooking			35.53	80.29	\$115.82	\$207.95	\$208.00	\$199.00	9.00
8	4 bedroom	incl. basic	103.74					\$103.74	incl cooking			35.53	102.07	\$137.60	\$241.34	\$242.00	\$231.00	11.00
HI001105	Lanakila Homes IIIA																	
	ADA Units																	
4	1 bedroom (ADA units)	incl. basic	68.90	31.78				\$100.68					9.08	\$9.08	\$109.76	\$110.00	\$99.00	11.00
6	2 bedroom (ADA units)	incl. basic	79.21	31.78				\$110.99					14.52	\$14.52	\$125.51	\$126.00	\$109.00	17.00
4	3 bedroom (ADA units)	incl. basic	88.29	38.99				\$127.28					20.07	\$20.07	\$147.35	\$147.00	\$126.00	21.00
	Lanakila Homes IIIA																	
6	2 bedroom	incl. basic	80.50					\$80.50				30.69	14.52	\$45.21	\$125.71	\$126.00	\$122.00	4.00
38	HI001018	Kapaa																
6	1 bedroom	incl. basic	66.04					\$66.04							\$66.04	\$66.00	\$68.00	-2.00
8	2 bedroom	incl. basic	75.41					\$75.41							\$75.41	\$75.00	\$77.00	-2.00
12	3 bedroom	incl. basic	83.87					\$83.87							\$83.87	\$84.00	\$86.00	-2.00
10	4 bedroom	incl. basic	102.09					\$102.09							\$102.09	\$102.00	\$105.00	-3.00
HI001020	Eleele Homes																	
2	1 bedroom	incl. basic	65.09					\$65.09							\$65.09	\$65.00	\$67.00	-2.00
6	2 bedroom	incl. basic	74.95					\$74.95							\$74.95	\$75.00	\$77.00	-2.00
10	3 bedroom	incl. basic	83.90					\$83.90							\$83.90	\$84.00	\$86.00	-2.00
6	4 bedroom	incl. basic	98.61					\$98.61							\$98.61	\$99.00	\$101.00	-2.00
HI001021	Hui O Hanamaulu																	
6	1 bedroom	incl. basic	64.52					\$64.52							\$64.52	\$65.00	\$66.00	-1.00
12	2 bedroom	incl. basic	74.38					\$74.38							\$74.38	\$74.00	\$76.00	-2.00
16	3 bedroom	incl. basic	82.80					\$82.80							\$82.80	\$83.00	\$85.00	-2.00
12	4 bedroom	incl. basic	92.49					\$92.49							\$92.49	\$92.00	\$95.00	-3.00
HI001022	Kalaheo																	
2	2 bedroom	incl. basic	74.21					\$74.21							\$74.21	\$74.00	\$76.00	-2.00
4	3 bedroom	incl. basic	83.03					\$83.03							\$83.03	\$83.00	\$85.00	-2.00
2	4 bedroom	incl. basic	94.59					\$94.59							\$94.59	\$95.00	\$97.00	-2.00
HI001064	Kekaha Ha'aheo																	
42	1 bedroom	incl. basic	68.19					\$68.19	incl cooking					\$0.00	\$68.19	\$70.00	\$70.00	0.00
12	2 bedroom	incl. basic	78.54					\$78.54	incl cooking			28.93	53.41	\$82.34	\$160.88	\$161.00	\$157.00	4.00
24	3 bedroom	incl. basic	88.80					\$88.80	incl cooking			33.38	73.81	\$107.19	\$195.99	\$196.00	\$191.00	5.00
HI001086	Kawalehaha - Federal																	
25	3 bedroom	incl. basic	86.80					\$86.80	incl cooking			33.38	73.81	\$107.19	\$193.99	\$194.00	\$189.00	5.00
39	HI001088	Kahale Mua - Federal																
25	3 bedroom	incl. basic	89.87					\$89.87	incl cooking			33.38	73.81	\$107.19	\$197.06	\$197.00	\$190.00	7.00
HI001092	Makani Kal Hale																	
25	3 bedroom	incl. basic	85.05					\$85.05							\$85.05	\$85.00	\$84.00	1.00
HI001097	Makani Kal Hale II																	
4	3 bedroom	incl. basic	85.05					\$85.05							\$85.05	\$85.00	\$84.00	1.00
40	HI001007	Kuhio Homes																
20	1 bedroom	incl. basic	51.98					\$51.98				32.79	39.82	\$72.61	\$124.59	\$125.00	\$123.00	2.00
32	2 bedroom	incl. basic	59.61					\$59.61				32.79	63.71	\$96.50	\$156.11	\$156.00	\$155.00	1.00
37	3 bedroom	incl. basic	66.08					\$66.08				38.10	88.05	\$126.15	\$192.23	\$192.00	\$190.00	2.00
37	4 bedroom	incl. basic	75.04					\$75.04				38.10	111.94	\$150.04	\$225.08	\$225.00	\$223.00	2.00
8	5 bedroom	incl. basic	77.11					\$77.11				38.10	136.27	\$174.37	\$251.48	\$251.00	\$249.00	2.00
HI001010	Kuhio Homes Low Rise																	
40	4 bedroom	incl. basic	74.41					\$74.41				37.83	110.88	\$148.71	\$223.12	\$223.00	\$223.00	0.00
43	HI001053	Hale Hookipa																
20	0 bedroom	incl. basic	60.54	31.78				\$92.32							\$92.32	\$92.00	\$91.00	
12	1 bedroom	incl. basic	60.60	31.78				\$92.38							\$92.38	\$92.00	\$91.00	
HI001032	Kaimallno																	

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AMP	Project	Customer Charge	Electric Basic	kwh Cooking	Ind HW	Ind Solar	Ind HP	Total Electric	Customer Charge	SNG Cooking	Thrms Ind HW	LPN Cooking	Thrms Ind HW	Total Gas	Total Utility	2015 Allow	2014 Allow	Diff 15 & 14
	10 1 bedroom	incl. basic	63.52					\$63.52							\$63.52	\$64.00	\$62.00	2.00
	14 2 bedroom	incl. basic	72.43					\$72.43							\$72.43	\$72.00	\$71.00	1.00
	14 3 bedroom	incl. basic	80.52					\$80.52							\$80.52	\$81.00	\$79.00	2.00
	2 4 bedroom	incl. basic	88.24					\$88.24							\$88.24	\$88.00	\$87.00	1.00
HI001061	Ka Hale Kahaluu																	
	8 1 bedroom	incl. basic	65.46	31.78				\$97.24							\$97.24	\$97.00	\$96.00	1.00
	12 2 bedroom	incl. basic	75.12	31.78				\$106.90							\$106.90	\$107.00	\$105.00	2.00
	22 3 bedroom	incl. basic	85.14	38.99				\$124.13							\$124.13	\$124.00	\$122.00	2.00
	8 4 bedroom	incl. basic	94.80	38.99				\$133.79							\$133.79	\$134.00	\$132.00	2.00
HI001063	Nani Olu (E)																	
	32 1 bedroom	incl. basic	61.81	31.78	35.60			\$129.19							\$129.19	\$129.00	\$128.00	1.00
HI001070	Kealakehe																	
	16 1 bedroom	incl. basic	67.03	31.78				\$98.81							\$98.81	\$99.00	\$97.00	2.00
	16 2 bedroom	incl. basic	76.37	31.78				\$108.15							\$108.15	\$108.00	\$107.00	1.00
	16 3 bedroom	incl. basic	85.08	38.99				\$124.07							\$124.07	\$124.00	\$122.00	2.00
44	HI001033 Mall I																	
	7 2 bedroom	incl. basic	65.91	25.98		15.74		\$107.63							\$107.63	\$108.00	\$107.00	1.00
	13 3 bedroom	incl. basic	72.23	31.88		26.12		\$130.23							\$130.23	\$130.00	\$130.00	0.00
	HI001035 Nanakuli Homes																	
	36 3 bedroom	incl. basic	80.70	31.88		26.12		\$138.70							\$138.70	\$139.00	\$139.00	0.00
HI001057	Waimaha-Sunflower Ph I																	
	8 1 bedroom	incl. basic	52.40	25.98	29.10			\$107.48							\$107.48	\$107.00	\$107.00	0.00
	6 2 bedroom	incl. basic	62.15	25.98	58.18			\$146.31							\$146.31	\$146.00	\$146.00	0.00
	8 3 bedroom	incl. basic	68.95	31.88	87.28			\$188.11							\$188.11	\$188.00	\$189.00	-1.00
HI001057	Waimaha-Sunflower Ph II																	
	32 1 bedroom	incl. basic	54.96	25.98		10.39		\$91.33							\$91.33	\$91.00	\$91.00	0.00
	16 2 bedroom	incl. basic	63.39	25.98		15.74		\$105.11							\$105.11	\$105.00	\$105.00	0.00
HI001057	Waimaha-Sunflower Ph III																	
	12 1 bedroom	incl. basic	56.68	25.98		10.39		\$93.05							\$93.05	\$93.00	\$93.00	0.00
	24 2 bedroom	incl. basic	64.84	25.98		15.74		\$106.56							\$106.56	\$107.00	\$106.00	1.00
	24 3 bedroom	incl. basic	73.77	31.88		26.12		\$131.77							\$131.77	\$132.00	\$132.00	0.00
HI001091	Kau'lokalani																	
	50 3 bedroom	incl. basic	71.38					\$71.38				38.10	88.05	\$126.15	\$197.53	\$198.00	\$196.00	2.00
HI001108	Mall II																	
	12 2 bedroom	incl. basic	73.40	25.98		15.74		\$115.12							\$115.12	\$115.00	\$115.00	0.00
	12 4 bedroom	incl. basic	96.08	31.88		36.67		\$164.63							\$164.63	\$165.00	\$165.00	0.00
45	HI001025 Waimanalo Homes																	
	6 2 bedroom	incl. basic	74.62					\$74.62	incl cooking			40.56	88.79	\$129.35	\$203.97	\$204.00	\$202.00	2.00
	10 3 bedroom	incl. basic	83.42					\$83.42	incl cooking			47.94	121.94	\$169.88	\$253.30	\$253.00	\$252.00	1.00
	3 4 bedroom	incl. basic	91.30					\$91.30	incl cooking			47.94	155.66	\$203.60	\$294.90	\$295.00	\$293.00	2.00
HI001030	Koolau Village																	
	8 1 bedroom	incl. basic	59.90					\$59.90	incl cooking			40.56	55.07	\$95.63	\$155.53	\$156.00	\$154.00	2.00
	24 2 bedroom	incl. basic	68.53					\$68.53	incl cooking			40.56	88.79	\$129.35	\$197.88	\$198.00	\$196.00	2.00
	36 3 bedroom	incl. basic	80.15					\$80.15	incl cooking			47.94	121.94	\$169.88	\$250.03	\$250.00	\$248.00	2.00
	12 4 bedroom	incl. basic	88.89					\$88.89	incl cooking			47.94	155.66	\$203.60	\$292.49	\$293.00	\$290.00	3.00
HI001069	Kaneohe Apartments																	
	5 1 bedroom	incl. basic	54.96	25.98	29.10			\$110.04							\$110.04	\$110.00	\$110.00	0.00
	19 2 bedroom	incl. basic	64.90	25.98	58.18			\$149.06							\$149.06	\$149.00	\$149.00	0.00
HI001072	Hookipa Kahaluu																	
	8 1 bedroom	incl. basic	55.22	25.98	29.10	10.39		\$120.69							\$120.69	\$121.00	\$121.00	0.00
	32 2 bedroom	incl. basic	60.92	25.98	58.18	15.74		\$160.82							\$160.82	\$161.00	\$161.00	0.00
	16 3 bedroom	incl. basic	69.98	31.88	87.28	26.12		\$215.26							\$215.26	\$215.00	\$216.00	-1.00
HI001090	Kauhale O'Hana																	
	25 3 bedroom	incl. basic	68.22					\$68.22				38.10	88.05	\$126.15	\$194.37	\$194.00	\$193.00	1.00
HI001107	Waimanalo Homes II																	
	14 2 bedroom	incl. basic	74.62					\$74.62	incl cooking			40.56	88.79	\$129.35	\$203.97	\$204.00	\$202.00	2.00
	7 3 bedroom	incl. basic	83.42					\$83.42	incl cooking			47.94	121.94	\$169.88	\$253.30	\$253.00	\$252.00	1.00
	1 4 bedroom	incl. basic	91.30					\$91.30	incl cooking			47.94	155.66	\$203.60	\$294.90	\$295.00	\$293.00	2.00
46	HI001071 Noelani I																	
	7 1 bedroom	incl. basic	65.22	31.78	35.60			\$132.60							\$132.60	\$133.00	\$131.00	2.00

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AMP	Project	Customer Charge	Electric Basic	kwh Cooking	Ind HW	Ind Solar	Ind HP	Total Electric	Customer Charge	SNG Cooking	Therms Ind HW	LPN Cooking	Therms Ind HW	Total Gas	Total Utility	2015 Allow	2014 Allow	Diff 15 & 14	
	12 2 bedroom	incl. basic	75.53	31.78	71.16			\$178.47							\$178.47	\$178.00	\$177.00	1.00	
HI001078	Noelani II																		
	24 3 bedroom	incl. basic	83.76	38.99	106.75			\$229.50							\$229.50	\$230.00	\$228.00	2.00	
HI001097	Ke Kumu 'Ekolu																		
	20 3 bedroom	incl. basic	89.57					\$89.57				35.53	12.04	\$47.57	\$137.14	\$137.00	\$133.00	4.00	
49	HI001015 Wahiawa Terrace																		
	12 1 bedroom	incl. basic	52.88					\$52.88				40.56		\$40.56	\$93.44	\$92.00	\$92.00	0.00	
	16 2 bedroom	incl. basic	63.52					\$63.52				40.56		\$40.56	\$104.08	\$103.00	\$103.00	0.00	
	24 3 bedroom	incl. basic	73.63					\$73.63				47.94		\$47.94	\$121.57	\$122.00	\$121.00	1.00	
	8 4 bedroom	incl. basic	84.42					\$84.42				47.94		\$47.94	\$132.36	\$132.00	\$132.00	0.00	
HI001056	Kauhale Nani																		
	14 1 bedroom	incl. basic	53.98					\$53.98	incl cooking			40.56	55.07	\$95.63	\$149.61	\$150.00	\$148.00	2.00	
	16 2 bedroom	incl. basic	61.74					\$61.74	incl cooking			40.56	88.79	\$129.35	\$191.09	\$191.00	\$189.00	2.00	
	20 3 bedroom	incl. basic	69.13					\$69.13	incl cooking			47.94	121.94	\$169.88	\$239.01	\$239.00	\$237.00	2.00	
50	HI001008 Palolo Homes																		
	Non-Mod Units																		
	8 1 bedroom	incl. basic	50.35		29.10			\$79.45	incl cooking			32.79		\$32.79	\$112.24	\$112.00	\$111.00	1.00	
	26 2 bedroom	incl. basic	57.72		58.18			\$115.90	incl cooking			32.79		\$32.79	\$148.69	\$149.00	\$148.00	1.00	
	34 3 bedroom	incl. basic	65.20		87.28			\$152.48	incl cooking			38.10		\$38.10	\$190.58	\$191.00	\$190.00	1.00	
	26 4 bedroom	incl. basic	72.12		116.39			\$188.51	incl cooking			38.10		\$38.10	\$226.61	\$227.00	\$227.00	0.00	
	4 5 bedroom	incl. basic	72.73		145.46			\$218.19	incl cooking			38.10		\$38.10	\$256.29	\$256.00	\$257.00	-1.00	
	Mod Units																		
	8 2 bedroom	incl. basic	60.01					\$60.01	incl cooking			32.79	9.56	\$42.35	\$102.36	\$102.00	\$69.00	33.00	
	6 3 bedroom	incl. basic	66.64					\$66.64	incl cooking			38.10	13.21	\$51.31	\$117.95	\$118.00	\$79.00	39.00	
	6 4 bedroom	incl. basic	76.90					\$76.90	incl cooking			38.10	16.79	\$54.89	\$131.79	\$132.00	\$93.00	39.00	

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FOR ACTION

MOTION: To Approve the Increase in Payment Standard From 95% up to 110% of the Fair Market Rents for the Section 8 Housing Choice Voucher Program; to Request a Regulatory Waiver from the U.S. Department of Housing and Urban Development to Increase the Payment Standard Up to 120% for Hard to House Families Where Appropriate; and to Authorize the Executive Director to Take All Necessary Steps to Implement the New Payment Standards Effective June 1, 2015 or as soon as Practicable

I. FACTS

- A. The Hawaii Public Housing Authority (HPHA) operates the Section 8 Housing Choice Voucher (Section 8) Program on Oahu. Under the Section 8 program, a very low-income family is determined to be eligible, issued a voucher and is allowed to select housing in the private rental market.
- B. The housing voucher issued to a family is based on the eligible family's size and composition.
- C. Under the Section 8 program, the payment standard is the amount generally needed to rent a moderately-priced dwelling unit in the local housing market and is used to calculate the amount of housing assistance a family will receive.
- D. When issuing a voucher, the HPHA calculates the maximum amount of Section 8 housing assistance allowable which is generally the lesser of: 1) the payment standard minus 30% of the family's monthly adjusted income; or 2) the gross rent for the unit minus 30% of monthly adjusted income.
- E. The payment standard does not limit the amount of rent a landlord may charge or the family may pay. A family which receives a housing voucher can select a unit with a rent that is below or above the payment standard. The housing voucher family must pay 30% of its monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard the family is required to pay the additional amount. By law, whenever a family moves to a new unit where the rent exceeds the payment standard, the family may not pay more than 40% of its adjusted monthly income for rent.

- F. For tenants that require hard to find accommodations, such as ADA accessible units, HUD grants approval to public housing agencies up to 120% of the payment standard in order to accommodate such disabled families.
- G. Under the U.S. Department of Housing and Urban Development (HUD) rules, the range of possible payment standard amounts is based on HUD's published fair market rent (FMR) schedule for the FMR area in which the HPHA has jurisdiction. The HPHA may set its payment standard amounts from 90% to 110% of the published FMRs, and may set them higher or lower with HUD approval. The HPHA is required to establish payment standard amounts for each unit size in an FMR area.
- H. The level at which the payment standard amount is set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants. If the family leases a unit with a gross rent at or below the payment standard for the family, the family's share of the rent will be its total tenant payment (TTP). If the rent for the unit is higher than the payment standard, the family's share will be higher than the TTP.
- I. The payment standard amount for a family is the *lower* of:
- Payment standard amount for the family unit size, or
 - Payment standard amount for the size of the unit leased by the family.
- J. HUD subsidy for the section 8 program is based on the last 12 months budget utilization. The proposed increase in the payment standard will increase housing assistance payments this year, and next year HPHA will be eligible to receive increased subsidy from HUD.
- K. Currently 236 people with section 8 vouchers are looking for housing and landlords are often hesitant to rent their units to section 8 recipients. The proposed increase will be an incentive to prospective landlords as they will be able to charge our tenants rents that are comparable to other units in the area.

II. DISCUSSION

- A. As an example, the table below lists the 2015 FMR and the HPHA's current payment standard at 95% of the FMR and the proposed payment standard at 110% of the FMR.

Unit Size Bedrooms	0	1	2	3	4	5	6
2015 FMR (100%)	\$1,260	\$1,374	\$1,810	\$2,667	\$3,061	\$3,520	\$4,048
Current 95% Payment Standard for 2015	\$1,197	\$1,305	\$1,720	\$2,534	\$2,908	\$3,344	\$3846
Proposed Up to 110% Payment Standard for 2015	\$1386	\$1511	\$1991	\$2934	\$3367	\$3872	\$4453

- B. The HPHA established the payment standard amounts on the payment standard schedule at 95% of the published FMR in 2015. The HPHA is proposing to increase the payment standard up to 110% of the FMR published for 2015. The current Section 8 Administrative Plan indicates that the HPHA will establish a payment standard between 90% and 110%.
- C. Like HUD's FMR, the payment standard schedule is established by bedroom size category. The payment standard schedule applies to all voucher units administered by the HPHA regardless of the source of funding (e.g., formula allocation, or vouchers targeted to specific groups of recipients) or the date on which the vouchers were awarded by HUD.
- D. If the payment standard amount is too *low*:
- Families may need to pay more than they can afford; or
 - Families may have a hard time finding acceptable units or units in more desirable areas;
 - Housing choices will be narrowed and the PHA's efforts to affirmatively further fair housing will be undermined.

If the payment standard amount is too *high*, owners may be encouraged to ask for higher than reasonable rents. If owners did ask for higher rents the rent comparability study would still determine if the rents are fair based on similar rentals in the area.

- E. Payment standard amounts should be high enough to allow families a reasonable selection of modest, decent, safe, and sanitary housing in a range of neighborhoods in the HPHA's jurisdiction.

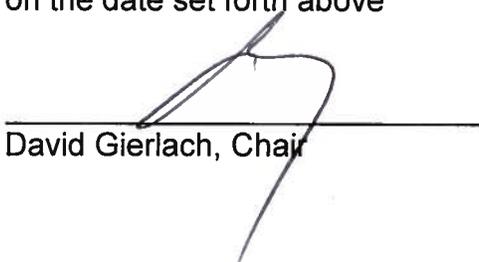
- F. According to rentjungle.com the rent trend data in Honolulu, Hawaii and Honolulu Average Rent are as follows:
- As of March 2015, average apartment rent within 10 miles of Honolulu, HI is \$2106. One bedroom apartments in Honolulu rent for \$1844 a month on average and two bedroom apartment rents average \$2429.
 - The average apartment rent over the prior 6 months in Honolulu has increased by \$56 (6%). One bedroom units have increased by \$103.50 (12%) and two bedroom apartments have increased by \$92 (8%).
- G. The increase in the payment standard will benefit the existing voucher holders by keeping their portion of the rental payments close to 30% of their adjusted income. Currently there approximately 100 voucher families paying above 30% of their income. If the payment standard is increased it will lower the tenants rent payment and not hinder HPHA from leasing additional vouchers to families off of the waiting list.
- H. The proposed increase in payment standard would benefit all housing choice voucher holders under the following programs: Section 8 Housing Choice Voucher, Tenant Protection Vouchers, Veterans Affairs Supportive Housing Vouchers, and Non-Elderly Disabled (NED) vouchers.

III. RECOMMENDATION

That the HPHA's Board of Directors approve the increase in payment standard from 95% up to 110% of the fair market rents for the Section 8 Housing Choice Voucher program; to request a regulatory waiver from the U.S. Department of Housing and Urban Development to increase the payment standard up to 120% for hard to house families where appropriate; and to authorize the Executive Director to take all necessary steps to implement the new payment standards effective June 1, 2015 or as soon as practicable

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

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



David Gierlach, Chair

Hawaii Public Housing Authority Report for the Month of April 2015

I. Planning

A. Wellness & Public Health

On April 1 and 24, 2015, the HPHA met with representatives from the Public Health Nursing Branch and Tobacco Prevention and Education Program of the Department of Health, and Hawaii Public Health Institute to discuss and formulate approaches to address public health concerns in public housing, including tobacco use, domestic violence, diabetes, etc.

B. Redevelopment Activities

On April 8, 22 and 29, 2015, the HPHA development team met with Hunt Development Group to continue negotiations and discussions on the master developer agreement for the redevelopment of Mayor Wright Homes.

HPHA staff continues to provide due diligence on all aspects of the proposed redevelopment, in consultation with the legal team from the Department of the Attorney General and Goldfarb & Lipman.

C. Hawaii Housing Development and Services, Inc.

HPHA continues to work with outside counsel with expertise in public housing nonprofit development and the Department of the Attorney General to create the proposed Hawaii Housing Development and Services, Inc. nonprofit corporation as approved by the Board.

D. 2015 Legislative Session

The HPHA monitored legislation and met with legislators on HPHA issues at the State Capitol.

At the closing of the legislative session, the budget bill (House Bill 500), which passed out of the legislature and is subject to the Governor's approval, includes \$3 million in A funds for the first year of the biennium; \$4.15M in CIP funds for each of the next two biennium years, with \$850,000 for positions; and including \$10,000 for fiscal year 2015-2016 toward sidewalk safety improvements and repairs at Hale Hauoli Public Housing.

II. Fiscal Management

A. FMO Re-organization

1. The proposed re-organization was reviewed by DHS at the end of February and was submitted to the Department of Budget and Finance (B&F) for acknowledgement. B&F and the Department of Human Resource Development completed their review, DHS personnel staff is finalizing a letter to the union for consultation.

B. Preparation for audit

1. HPHA conducted an internal monitoring review of the single audit findings for the last five years in order to strengthen internal controls.
2. HPHA established new procedures including a reporting sub-system for managing construction expenditures. FMO continues carrying the task of updating CIP/FA schedules on a monthly basis and projects that reconciliation will be completed in July. As there was no audit finding during the last audit, it is expected that the current practice is sufficient to produce ever improved results.

C. Variance Report for March 2015

1. Revenues for the Month of March

HUD Operating Subsidies \$638,267 or 10% greater than budget

The favorable variance consists mainly of \$664,285 more HUD money received for Section 8 Contract Administration program for the month of March; the favorable variance is offset by \$35,500 and \$5,116 less subsidies for federal low income and Section 8 Voucher programs, respectively, for the month of March.

CFP Grant Income \$132,373 or 100% less than budget

CFP grant income is recognized when i) CFP drawing on soft cost (BLI numbers 1406, 1408 and 1410) is made; ii) CFP drawing on hard cost (BLI number larger than 1410) that funds a contract either does not meet HPHA capitalization threshold, or the contract is of general repair and maintenance in nature instead of capital improvement. All the actual drawing of \$339,637 in March is for capital expenditures therefore there is no revenue for this line item. Notice capitalized expenditure is added to Construction in Progress on balance sheet.

Out of the CFP drawings of \$6,274,399 year-to-date, only \$24,830 meets the revenue recognition criteria mentioned in March variance explanation of this line item, the rest is capitalized.

State CIP Fund \$227,295 or 90% less than budget

State CIP Fund income is recognized when appropriated and released State CIP fund pays i) contract of general repair and maintenance; ii) unit turnarounds and work orders. Similar to CFP Grant Income, budgeted income is spread out among the 12 months, but the actual payment varies based on contract performance and processing. The actual expenditures in March of \$1,481,261 has only \$26,299 recognized for this line item, the rest is capitalized as addition to Construction in Progress on balance sheet. YTD revenue for State CIP is also less than budgeted.

Grant Income \$84,791 or 20% less than budget

The Grant Income is recognized when State general funds are released for State Rent Supplemental program, and for payment of protective services and repair and maintenance contracts for federal and state housing units. Actual released fund for state rent supplement program is \$84,791 less than budget in March. Year-to-date released general fund is less than budget.

Other Income \$372,262 or 57% less than budget

The variance consists of \$416,997 less income than budget in COCC, which indicates less income from work orders / front line services actually charged to beneficiary AMPs and State housing programs; the unfavorable variance is offset by \$50,312 more income than budget for Housing Voucher program for the month. YTD variances are for similar reasons, including a reclassification of Section 8 port in income of \$384,240

2. Expenses for the Month of March

Administrative \$380,660 or 24% less than budget

Administrative expenses consists of budget savings of salary and fringe benefit of \$206,912 and \$62,938 for COCC and HPHA-managed AMPs, respectively; Legal Expense of \$32,052 at COCC, and Administrative – Other of \$55,800. The favorable variances are partially offset by budget overruns of \$17,086 for Salary and Benefit of private-managed AMPs.

Housing Assistance Payments \$811,882 or 21% greater than budget

Mainly due to \$759,411 more payments than budget for Section 8 Contract Administration program, related to \$664,285 more HUD

subsidy received than budget, and \$52,472 more payments for Section 8 Voucher program in the efforts to issuing more vouchers for the month of March. This increase will continue through the end of the fiscal year.

Tenant Services \$90,872 or 84% less than budget

It is mainly because of \$52,571 budget savings of relocation cost for federal housing program, and \$39,038 budget savings of Other Tenant Services for State Supplement program.

Utilities \$193,837 or 17% less than budget

The favorable variance includes budget savings of \$39,732 of Water, \$84,634 of Electricity and \$47,195 of Gas for federal housing program.

Maintenance \$337,308 or 18% less than budget

The favorable variance mainly consists of \$189,866 budget savings of maintenance salary and benefits, \$115,589 budget savings of maintenance materials.

Protective Services \$20,252 or 10% less than budget

The favorable variance mainly consists of \$11,238 budget savings of protective payroll benefits for privately-managed AMPs, and Other Protective Services budget savings of \$8,448.

Insurance \$15,304 or 21% greater than budget

The variance is mainly a result of reconciliation and adjustment of all types of insurance expenses.

Depreciation Expense \$143,290 or 11% greater than budget

As shown on Consolidated Balance Sheet, HPHA has completed and put into use of \$11,251,044 capital projects year-to-date. Completed capital projects were reclassified from Construction in Progress to Fixed Asset. Depreciation started based on the time completed project put into use and expected economic life. The variance mainly due to the fact that budgeted depreciation was based on then existing fixed assets. The depreciation amount will increase as more projects completed and put into use in the future.

Bad Debt Expense \$24,377 or 100% less than budget

Mainly because change in the Elite set up has switched from direct charge method to allowance methods in compliance with GAAP. As the allowance balance is adequate for uncollectible, there is no addition to bad debt expenses for the month.

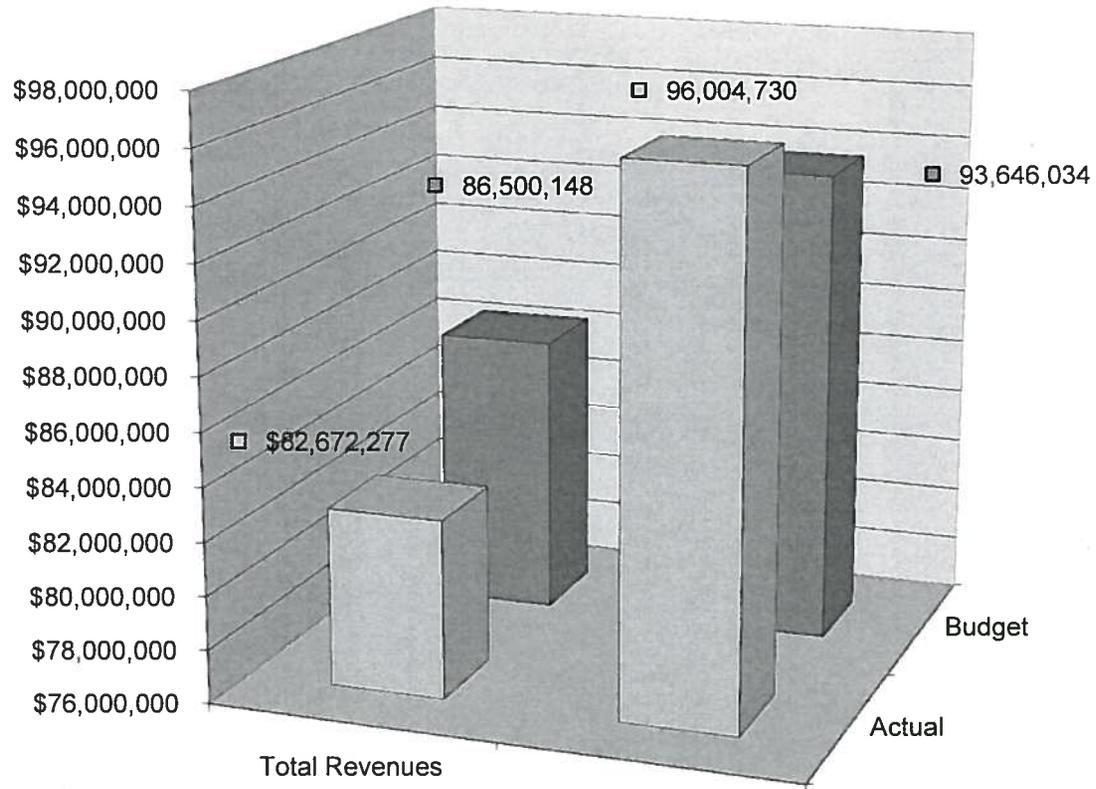
General Expenses \$29,996 or 249% more than budget

The major component in this line item is clearing account for Pcard expenditure. As Pcard payment cycle is tight, HPHA normally pays and books the entire amount into the clearing account. Allocation of expenses to proper expense accounts is made as detail information obtained.

HAWAII PUBLIC HOUSING AUTHORITY
Agency Total
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>
				REVENUES							
1,476,338	1,417,929	58,409	4%	Dwelling Rental Income	13,053,837	12,739,621	314,216	2%	10,733,685	2,320,151	22%
6,766,441	6,128,174	638,267	10%	HUD Operating Subsidies	58,709,285	55,153,566	3,555,719	6%	47,732,049	10,977,236	23%
-	132,373	(132,373)	-100%	CFP Grant Income	24,830	1,446,559	(1,421,729)	-98%	-	24,830	100%
371,787	388,780	(16,993)	-4%	COCC Fee Income	3,380,358	3,499,020	(118,662)	-3%	3,058,504	321,855	11%
26,299	253,594	(227,295)	-90%	State CIP Fund	1,126,711	2,795,559	(1,668,848)	-60%	-	1,126,711	100%
346,496	431,287	(84,791)	-20%	Grant Income	3,257,401	3,782,449	(525,048)	-14%	3,423,288	(165,886)	-5%
277,506	649,768	(372,262)	-57%	Other Income	3,119,854	7,083,374	(3,963,520)	-56%	2,694,177	425,677	16%
\$ 9,264,866	9,401,905	(137,039)	-1%	Total Revenues	\$ 82,672,277	86,500,148	(3,827,871)	-4%	67,641,702	15,030,574	22%
				EXPENSES							
1,179,115	1,559,775	380,660	24%	Administrative	11,198,090	13,002,566	1,804,476	14%	9,024,290	(2,173,800)	-24%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
391,064	403,469	12,405	3%	Management Fees	3,547,894	3,644,888	96,994	3%	3,204,790	(343,104)	-11%
53,960	56,252	2,293	4%	Bookkeeping Fees	490,006	507,851	17,845	4%	441,229	(48,777)	-11%
4,673,252	3,861,370	(811,882)	-21%	Housing Assistance Payments	40,850,331	34,752,330	(6,098,001)	-18%	34,130,561	(6,719,770)	-20%
17,072	107,944	90,872	84%	Tenant Services	394,295	727,655	333,360	46%	244,313	(149,983)	-61%
937,886	1,131,723	193,837	17%	Utilities	10,081,752	10,480,774	399,022	4%	9,058,413	(1,023,338)	-11%
1,491,568	1,828,876	337,308	18%	Maintenance	14,619,149	16,270,182	1,651,033	10%	11,397,167	(3,221,982)	-28%
174,339	194,591	20,252	10%	Protective Services	1,625,856	1,738,913	113,057	7%	1,295,966	(329,890)	-25%
86,886	71,582	(15,304)	-21%	Insurance	715,339	644,162	(71,177)	-11%	665,125	(50,213)	-8%
1,445,836	1,302,546	(143,290)	-11%	Depreciation Expense	12,009,494	11,722,914	(286,580)	-2%	9,853,258	(2,156,236)	-22%
-	24,377	24,377	100%	Bad Debt Expense	92,215	219,393	127,178	58%	(12,386)	(104,601)	
42,045	12,049	(29,996)	-249%	General Expenses	380,310	153,799	(226,511)	-147%	743,848	363,537	49%
10,493,022	10,554,554	61,532	1%	Total Expenses	96,004,730	93,865,427	(2,139,303)	2%	80,046,574	(15,958,157)	-20%
(1,228,156)	(1,152,649)	(75,507)	-7%	Net Income(Loss)	\$ (13,332,454)	\$ (7,365,279)	(5,967,175)	-81%	(12,404,871)	(927,582)	-7%
				CASH BASIS:							
(1,228,156)	(1,152,649)	(75,507)	-7%	Net Income(loss) per Above	(13,332,454)	(7,365,279)	(5,967,175)	-81%	(12,404,871)	927,582	-7%
				Add back non cash items:							
1,445,836	1,302,546	143,290	11%	Depreciation Expense	12,009,494	11,722,914	286,580	-2%	9,853,258	2,156,236	22%
-	24,377	(24,377)	100%	Bad Debt Expense	92,215	219,393	(127,178)	58%	(12,386)	104,601	845%
\$ 217,680	174,274	43,406	25%	TOTAL CASH BASIS	\$ (1,230,745)	4,577,028	(5,807,773)	-127%	(2,564,000)	3,188,420	52%

HPHA March 31, 2015 Actual vs Budget



	Total Revenues	
Actual	\$82,672,277	96,004,730
Budget	86,500,148	93,646,034

HAWAII PUBLIC HOUSING AUTHORITY
Consolidated Balance Sheet
Agency Total (Funds 130 To 150, 007, 020, 024, 181, 265, 318 & 337)
As of March 31, 2015 and February 28, 2015

	As of March 31 2015	As of February 28 2015	Increase (Decrease)
ASSETS:			
Cash	62,925,963	65,021,784	(2,095,821)
Receivables:			
Tenant Receivables	2,042,923	1,923,384	119,539
Other	1,099,276	1,080,314	18,962
Less Allowance for Doubtful Accounts	(3,364,678)	(3,359,289)	(5,389)
Total receivables	<u>(222,479)</u>	<u>(355,591)</u>	133,112
Accrued Interest	2,041,173	2,040,891	282
Prepaid Expenses	2,261,713	2,326,614	(64,900)
Inventories	567,792	567,755	37
Interprogram Due From	<u>14,420,045</u>	<u>13,203,457</u>	1,216,588
Total Current Assets	<u>81,994,208</u>	<u>82,804,910</u>	(810,702)
Property, Plant & Equipment:			
Land	21,451,327	21,451,327	-
Buildings	570,131,866	570,131,866	-
Furniture & Equipment	5,440,075	5,440,075	-
Motor vehicles	494,167	494,167	-
Construction in Progress	26,156,419	25,048,420	1,107,999
Less: Accumulated Depreciation	(341,696,876)	(340,251,040)	(1,445,836)
Notes, Loans & Mortgage Receivable-Non Current	8,716,630	8,716,630	-
Other Long term assets	-	-	-
Total Assets	<u>\$ 372,687,817</u>	<u>373,836,356</u>	<u>(1,148,539)</u>
LIABILITIES AND NET ASSETS			
Accounts Payable	2,507,129	3,052,433	(545,304)
Accrued Expenses	-	-	-
Accrued Salaries & Wages	766,146	766,146	-
Accrued Vacation	2,446,189	2,446,189	-
Tenant Security Deposits	774,098	774,131	(33)
Other Liabilities & Deferred Income	1,926,725	2,406,578	(479,852)
Interprogram Due To	<u>10,662,251</u>	<u>10,662,251</u>	-
Total Current Liabilities	<u>19,082,538</u>	<u>20,107,727</u>	<u>(1,025,189)</u>
Accrued Pension and OPEB Liability	16,343,577	16,343,577	-
Accrued Liabilities - Long Term	86,377	86,373	4
Net Assets			
Investment in capital assets	281,976,979	282,314,816	(337,837)
Restricted Net Assets	(21,189,937)	(21,189,937)	-
Unrestricted Net Assets	89,720,736	88,278,097	1,442,640
Net Income Year to Date	<u>(13,332,454)</u>	<u>(12,104,298)</u>	<u>(1,228,156)</u>
Total Net Assets	<u>337,175,324</u>	<u>337,298,678</u>	<u>(123,354)</u>
Total Liabilities & Net Assets	<u>\$ 372,687,817</u>	<u>373,836,356</u>	<u>(1,148,539)</u>

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

Month of March 2015				Year to Date ended March 31, 2015										
Actual	Budget	Variance												
				Actual	Budget	Variance				Variance				
				Amount	%			Prior Year	Amount	%				
				REVENUES										
1,216,213	1,173,864	42,349	4%	Dwelling Rental Income	10,755,695	10,543,036	212,659	2%	8,688,611	2,067,084	24%			
1,886,019	1,921,519	(35,500)	-2%	HUD Operating Subsidies	16,342,344	17,293,671	(951,327)	-6%	12,914,306	3,428,038	27%			
-	132,373	(132,373)	-100%	CFP Grant Income	24,830	1,446,559	(1,421,729)	-98%	-	24,830	100%			
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%			
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%			
23,412	253,594	(230,182)	-91%	State CIP Fund	1,062,225	2,795,559	(1,733,334)	-62%	-	1,062,225	100%			
73,945	183,349	(109,404)	-60%	Grant Income	1,137,728	1,500,141	(362,413)	-24%	-	1,137,728	100%			
34,028	37,874	(3,846)	-10%	Other Income	378,706	338,008	40,698	12%	1,251,216	(872,509)	-70%			
\$ 3,233,617	3,702,573	(468,956)	-13%	Total Revenues	\$ 29,701,528	33,916,974	(4,215,446)	-12%	22,854,133	6,847,396	30%			
				EXPENSES										
410,747	484,527	73,780	15%	Administrative	4,116,187	4,149,355	33,168	1%	3,513,248	(602,939)	-17%			
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%			
243,413	252,471	9,058	4%	Management Fees	2,217,274	2,285,969	68,695	3%	2,011,328	(205,946)	-10%			
33,210	34,598	1,388	4%	Bookkeeping Fees	301,988	312,973	10,986	4%	273,510	(28,478)	-10%			
-	-	-	0%	Housing Assistance Payments	3,789	-	(3,789)	-100%	13,388	9,599	72%			
5,234	67,088	61,854	92%	Tenant Services	276,089	311,281	35,192	11%	74,294	(201,795)	-272%			
766,707	967,521	200,814	21%	Utilities	8,347,430	9,002,860	655,430	7%	7,504,591	(842,839)	-11%			
1,128,641	1,253,929	125,288	10%	Maintenance	11,026,286	11,434,600	408,314	4%	8,242,345	(2,783,941)	-34%			
173,474	193,492	20,018	10%	Protective Services	1,617,367	1,729,022	111,655	6%	1,242,695	(374,672)	-30%			
63,105	57,262	(5,843)	-10%	Insurance	577,078	515,290	(61,788)	-12%	514,247	(62,831)	-12%			
1,248,998	1,105,722	(143,276)	-13%	Depreciation Expense	10,238,050	9,951,498	(286,552)	-3%	8,356,464	(1,881,586)	-23%			
-	19,497	19,497	100%	Bad Debt Expense	92,215	175,473	83,258	47%	(12,386)	(104,601)	-845%			
19,810	7,341	(12,469)	-170%	General Expenses	100,805	66,069	(34,736)	-53%	435,476	334,671	77%			
4,093,339	4,443,448	350,109	8%	Total Expenses	38,914,557	39,934,390	1,019,833	3%	32,169,199	(6,745,358)	-21%			
\$ (859,722)	(740,875)	(118,847)	-16%	Net Income(Loss)	\$ (9,213,029)	(6,017,416)	(3,195,613)	-53%	(9,315,067)	102,038	1%			
				CASH BASIS:										
(859,722)	(740,875)	(118,847)	-16%	Net Income(loss) per Above	(9,213,029)	(6,017,416)	(3,195,613)	-53%	(9,315,067)	102,038	1%			
				Add back non cash items:										
1,248,998	1,105,722	143,276	13%	Depreciation Expense	10,238,050	9,951,498	286,552	3%	8,356,464	1,881,586	23%			
-	19,497	(19,497)	100%	Bad Debt Expense	92,215	175,473	(83,258)	47%	(12,386)	104,601	845%			
\$ 389,276	384,344	4,932	1%	TOTAL CASH BASIS	\$ 1,117,236	4,109,555	(2,992,319)	-73%	(970,988)	2,088,225	215%			

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program by AMPs
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>								
<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Amount</u>	<u>%</u>	<u>ACCRUAL BASIS</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Amount</u>	<u>Variance</u> <u>%</u>	
				REVENUES								
289,150	393,391	(104,241)	-26%	Asset Management Project - 30	2,842,598	3,571,821	(729,223)	-20%	2,482,603	359,994	15%	
286,437	339,830	(53,393)	-16%	Asset Management Project - 31	2,575,933	3,108,470	(532,537)	-17%	1,930,136	645,798	33%	
336,410	419,648	(83,238)	-20%	Asset Management Project - 32	2,911,397	3,728,058	(816,661)	-22%	2,154,150	757,247	35%	
250,031	270,358	(20,327)	-8%	Asset Management Project - 33	2,183,450	2,433,222	(249,772)	-10%	1,689,387	494,063	29%	
348,279	384,188	(35,909)	-9%	Asset Management Project - 34	3,382,680	3,457,692	(75,012)	-2%	2,692,131	690,549	26%	
362,648	415,832	(53,184)	-13%	Asset Management Project - 35	3,744,687	3,742,483	2,204	0%	2,783,131	961,557	35%	
178,633	181,041	(2,408)	-1%	Asset Management Project - 37	1,494,801	1,725,633	(230,832)	-13%	1,114,249	380,553	34%	
197,589	220,097	(22,508)	-10%	Asset Management Project - 38	1,750,671	2,219,806	(469,135)	-21%	1,401,300	349,371	25%	
136,321	165,882	(29,561)	-18%	Asset Management Project - 39	1,259,517	1,492,928	(233,411)	-16%	961,221	298,296	31%	
155,238	175,638	(20,400)	-12%	Asset Management Project - 40	1,372,058	1,582,882	(210,824)	-13%	1,107,789	264,269	24%	
119,724	139,314	(19,590)	-14%	Asset Management Project - 43	1,093,235	1,464,772	(371,537)	-25%	876,530	216,705	25%	
186,305	201,909	(15,604)	-8%	Asset Management Project - 44	1,697,066	1,826,401	(129,335)	-7%	1,133,116	563,950	50%	
140,181	148,615	(8,434)	-6%	Asset Management Project - 45	1,187,334	1,302,027	(114,693)	-9%	855,590	331,744	39%	
60,035	57,157	2,878	5%	Asset Management Project - 46	526,302	539,631	(13,329)	-2%	401,526	124,776	31%	
100,992	104,752	(3,760)	-4%	Asset Management Project - 49	881,883	953,973	(72,090)	-8%	678,123	203,760	30%	
85,642	84,921	721	1%	Asset Management Project - 50	797,916	767,175	30,741	4%	593,152	204,763	35%	
\$ 3,233,617	3,702,573	(468,956)	-13%	Total Revenues	\$ 29,701,528	33,916,974	(4,215,446)	-12%	22,854,133	6,847,396	30%	
				NET INCOME(LOSS)								
(41,093)	(7,273)	(33,820)	-465%	Asset Management Project - 30	(704,797)	(335,887)	(368,910)	-110%	(834,461)	129,664	16%	
(128,735)	(107,844)	(20,891)	-19%	Asset Management Project - 31	(1,831,725)	(845,386)	(986,339)	-117%	(1,213,409)	(618,316)	-51%	
(68,981)	87,000	(155,981)	-179%	Asset Management Project - 32	(516,490)	734,208	(1,250,698)	-170%	(289,808)	(226,682)	-78%	
(7,603)	(42,234)	34,631	82%	Asset Management Project - 33	(425,368)	(446,792)	21,424	5%	(611,538)	186,170	30%	
(9,002)	(9,046)	44	0%	Asset Management Project - 34	(78,681)	(122,924)	44,243	36%	(78,752)	71	0%	
(18,483)	(28,859)	10,376	36%	Asset Management Project - 35	(134,474)	(252,649)	118,175	47%	(320,716)	186,242	58%	
(168,579)	(156,661)	(11,918)	-8%	Asset Management Project - 37	(1,394,537)	(1,297,005)	(97,532)	-8%	(1,504,862)	110,325	7%	
(25,493)	(83,738)	58,245	70%	Asset Management Project - 38	(441,048)	(494,863)	53,815	11%	(328,435)	(112,613)	-34%	
(86,436)	(63,805)	(22,631)	-35%	Asset Management Project - 39	(562,935)	(485,834)	(77,101)	-16%	(587,266)	24,330	4%	
(6,411)	(2,426)	(3,985)	-164%	Asset Management Project - 40	(271,315)	(5,830)	(265,485)	-4554%	(352,534)	81,218	23%	
(90,821)	(95,415)	4,594	5%	Asset Management Project - 43	(712,988)	(664,244)	(48,744)	-7%	(802,763)	89,775	11%	
(73,925)	(100,111)	26,186	26%	Asset Management Project - 44	(706,937)	(646,800)	(60,137)	-9%	(877,435)	170,498	19%	
(28,448)	(43,201)	14,753	34%	Asset Management Project - 45	(577,499)	(379,847)	(197,652)	-52%	(627,607)	50,108	8%	
(41,324)	(49,495)	8,171	17%	Asset Management Project - 46	(490,541)	(436,181)	(54,360)	-12%	(426,588)	(63,953)	-15%	
(50,484)	(49,272)	(1,212)	-2%	Asset Management Project - 49	(473,815)	(430,997)	(42,818)	-10%	(516,945)	43,129	8%	
(13,903)	11,505	(25,408)	-221%	Asset Management Project - 50	110,121	93,615	16,506	18%	58,050	52,071	90%	
\$ (859,722)	(740,875)	(118,847)	-16%	Total Net Income(Loss)	\$ (9,213,029)	(6,017,416)	(3,195,613)	-53%	(9,315,067)	102,038	1%	

HAWAII PUBLIC HOUSING AUTHORITY
Federal Low Rent Program by AMPs
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>CASH BASIS</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Amount</u>	<u>Variance</u>
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>			<u>%</u>
REVENUES											
289,150	393,391	(104,241)	-26%	Asset Management Project - 30	2,842,598	3,571,821	(729,223)	-20%	2,482,603	359,994	15%
286,437	339,830	(53,393)	-16%	Asset Management Project - 31	2,575,933	3,108,470	(532,537)	-17%	1,930,136	645,798	33%
336,410	419,648	(83,238)	-20%	Asset Management Project - 32	2,911,397	3,728,058	(816,661)	-22%	2,154,150	757,247	35%
250,031	270,358	(20,327)	-8%	Asset Management Project - 33	2,183,450	2,433,222	(249,772)	-10%	1,689,387	494,063	29%
348,279	384,188	(35,909)	-9%	Asset Management Project - 34	3,382,680	3,457,692	(75,012)	-2%	2,692,131	690,549	26%
362,648	415,832	(53,184)	-13%	Asset Management Project - 35	3,744,687	3,742,483	2,204	0%	2,783,131	961,557	35%
178,633	181,041	(2,408)	-1%	Asset Management Project - 37	1,494,801	1,725,633	(230,832)	-13%	1,114,249	380,553	34%
197,589	220,097	(22,508)	-10%	Asset Management Project - 38	1,750,671	2,219,806	(469,135)	-21%	1,401,300	349,371	25%
136,321	165,882	(29,561)	-18%	Asset Management Project - 39	1,259,517	1,492,928	(233,411)	-16%	961,221	298,296	31%
155,238	175,638	(20,400)	-12%	Asset Management Project - 40	1,372,058	1,582,882	(210,824)	-13%	1,107,789	264,269	24%
119,724	139,314	(19,590)	-14%	Asset Management Project - 43	1,093,235	1,464,772	(371,537)	-25%	876,530	216,705	25%
186,305	201,909	(15,604)	-8%	Asset Management Project - 44	1,697,066	1,826,401	(129,335)	-7%	1,133,116	563,950	50%
140,181	148,615	(8,434)	-6%	Asset Management Project - 45	1,187,334	1,302,027	(114,693)	-9%	855,590	331,744	39%
60,035	57,157	2,878	5%	Asset Management Project - 46	526,302	539,631	(13,329)	-2%	401,526	124,776	31%
100,992	104,752	(3,760)	-4%	Asset Management Project - 49	881,883	953,973	(72,090)	-8%	678,123	203,760	30%
85,642	84,921	721	1%	Asset Management Project - 50	797,916	767,175	30,741	4%	593,152	204,763	35%
\$ 3,233,617	3,702,573	(468,956)	-13%	Total Revenues	\$ 29,701,528	33,916,974	(4,215,446)	-12%	22,854,133	6,847,396	30%
NET INCOME(LOSS)											
58,021	92,506	(34,485)	-37%	Asset Management Project - 30	187,229	562,124	(374,895)	-67%	(28,656)	215,885	753%
56,947	72,000	(15,053)	-21%	Asset Management Project - 31	(215,103)	773,210	(988,313)	-128%	83,250	(298,352)	-358%
(40,685)	112,396	(153,081)	-136%	Asset Management Project - 32	(286,157)	962,772	(1,248,929)	-130%	(126,509)	(159,647)	-126%
55,084	22,775	32,309	142%	Asset Management Project - 33	144,305	138,289	6,016	4%	(115,935)	260,240	224%
63,484	53,156	10,328	19%	Asset Management Project - 34	503,999	436,894	67,105	15%	284,901	219,098	77%
58,962	55,643	3,319	6%	Asset Management Project - 35	592,347	507,869	84,478	17%	240,996	351,352	146%
31,614	(7,908)	39,522	500%	Asset Management Project - 37	39,418	41,772	(2,354)	-6%	(168,272)	207,691	123%
49,552	(25,617)	75,169	293%	Asset Management Project - 38	116,949	28,226	88,723	314%	21,632	95,317	441%
(28,655)	(4,748)	(23,907)	-504%	Asset Management Project - 39	(42,906)	45,679	(88,585)	-194%	(128,424)	85,518	67%
(4,227)	995	(5,222)	-525%	Asset Management Project - 40	(251,659)	24,959	(276,618)	-1108%	(339,891)	88,231	26%
(17,051)	(20,845)	3,794	18%	Asset Management Project - 43	(37,208)	6,886	(44,094)	-640%	(221,324)	184,116	83%
22,331	(4,924)	27,255	554%	Asset Management Project - 44	177,722	209,883	(32,161)	-15%	(183,679)	361,400	197%
35,933	22,207	13,726	62%	Asset Management Project - 45	8,819	208,825	(200,006)	-96%	(112,568)	121,387	108%
7,947	146	7,801	5343%	Asset Management Project - 46	(47,102)	10,588	(57,690)	-545%	(112,413)	65,311	58%
5,355	2,008	3,347	167%	Asset Management Project - 49	700	30,523	(29,823)	-98%	(133,483)	134,182	101%
34,665	14,554	20,111	138%	Asset Management Project - 50	225,884	121,056	104,828	87%	69,389	156,495	226%
\$ 389,276	384,344	4,932	1%	Total Net Income(Loss)	\$ 1,117,236	4,109,555	(2,992,319)	-73%	(970,988)	2,088,225	215%

HAWAII PUBLIC HOUSING AUTHORITY
Housing Choice Voucher Program
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>			<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>
				REVENUES							
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
2,146,882	2,151,998	(5,116)	0%	HUD Operating Subsidies	18,845,988	19,367,982	(521,994)	-3%	16,248,072	2,597,916	16%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
-	-	-	0%	Grant Income	-	-	-	0%	-	-	0%
51,234	922	50,312	5457%	Other Income	468,312	8,298	460,014	5544%	326,663	141,649	43%
\$ 2,198,116	2,152,920	45,196	2%	Total Revenues	\$ 19,314,300	19,376,280	(61,980)	0%	16,574,735	2,739,565	17%
				EXPENSES							
90,544	117,676	27,132	23%	Administrative	788,635	992,214	203,579	21%	605,380	(183,254)	-30%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
22,956	23,724	768	3%	Management Fees	208,140	213,516	5,376	3%	183,468	(24,672)	-13%
14,348	14,828	481	3%	Bookkeeping Fees	130,088	133,452	3,365	3%	114,668	(15,420)	-13%
2,050,675	1,998,203	(52,472)	-3%	Housing Assistance Payments	18,125,265	17,983,827	(141,438)	-1%	16,007,840	(2,117,424)	-13%
11,646	150	(11,496)	-7664%	Tenant Services	117,205	1,350	(115,855)	-8582%	169,589	52,385	31%
2,764	2,948	184	6%	Utilities	33,642	26,532	(7,110)	-27%	26,576	(7,066)	-27%
645	349	(296)	-85%	Maintenance	10,968	2,841	(8,127)	-286%	6,016	(4,952)	-82%
67	45	(22)	-49%	Protective Services	538	405	(133)	-33%	471	(67)	-14%
261	471	210	45%	Insurance	3,271	4,239	968	23%	8,458	5,187	61%
5,595	2,327	(3,268)	-140%	General Expenses	66,406	37,349	(29,057)	-78%	82,337	15,931	19%
2,199,500	2,160,721	(38,779)	-2%	Total Expenses	19,484,156	19,395,725	(88,431)	0%	17,204,804	(2,279,352)	-13%
\$ (1,384)	(7,801)	6,417	82%	Net Income(Loss)	\$ (169,856)	(19,445)	(150,411)	-774%	(630,069)	460,213	73%
				CASH BASIS:							
(1,384)	(7,801)	6,417	82%	Net Income(loss) per Above	(169,856)	(19,445)	(150,411)	-774%	(630,069)	\$ 460,213	73%
-	-	-	0%	Add back non cash items:							
-	-	-	0%	Depreciation Expense	-	-	-	0%	-	-	0%
				Bad Debt Expense	-	-	-	0%	-	-	0%
\$ (1,384)	(7,801)	6,417	82%	TOTAL CASH BASIS	\$ (169,856)	(19,445)	(150,411)	-774%	(630,069)	460,213	73%

HAWAII PUBLIC HOUSING AUTHORITY
State Low Rent
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance Amount</u>	<u>%</u>	<u>Prior Year</u>	<u>Variance Amount</u>	<u>%</u>
					REVENUES						
89,207	75,383	13,824	18%	Dwelling Rental Income	771,421	678,447	\$ 92,974	14%	695,629	\$ 75,792	11%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
-	-	-	0%	State CIP Fund	44,020	-	44,020	100%	-	44,020	100%
1,715	31,962	(30,247)	-95%	Grant Income	45,270	338,524	(293,254)	-87%	-	45,270	100%
1,431	2,311	(880)	-38%	Other Income	3,554	4,622	(1,068)	-23%	33,702	(30,148)	-89%
\$ 92,352	109,656	(17,304)	-16%	Total Revenues	\$ 864,265	1,021,593	(157,328)	-15%	729,331	134,934	19%
					EXPENSES						
21,260	31,096	9,836	32%	Administrative	222,021	262,307	40,286	15%	206,007	(16,014)	-8%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
15,502	17,941	2,439	14%	Management Fees	141,648	161,406	19,758	12%	133,709	(7,939)	-6%
1,860	2,153	293	14%	Bookkeeping Fees	16,995	19,369	2,374	12%	16,043	(953)	-6%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	406	406	100%	Tenant Services	89	52,324	52,235	100%	-	(89)	-100%
61,724	30,666	(31,058)	-101%	Utilities	597,806	275,994	(321,812)	-117%	540,313	(57,493)	-11%
44,326	76,408	32,082	42%	Maintenance	507,298	698,867	191,569	27%	545,211	37,912	7%
-	-	-	0%	Protective Services	241	-	(241)	-100%	-	(241)	-100%
3,217	2,774	(443)	-16%	Insurance	28,949	24,966	(3,983)	-16%	24,292	(4,657)	-19%
76,893	76,879	(14)	0%	Depreciation Expense	691,939	691,911	(28)	0%	557,318	(134,621)	-24%
-	1,507	1,507	100%	Bad Debt Expense	-	13,563	13,563	100%	-	-	0%
-	749	749	100%	General Expenses	-	6,741	6,741	100%	17,456	17,456	100%
224,782	240,579	15,797	7%	Total Expenses	2,206,985	2,207,448	463	0%	2,040,348	(166,637)	-8%
\$ (132,430)	(130,923)	(33,101)	-1%	Net Income(Loss)	\$ (1,342,720)	(1,185,855)	(156,865)	-13%	(1,311,017)	(31,703)	-2%
					CASH BASIS:						
(132,430)	(130,923)	(33,101)	-1%	Net Income(loss) per Above	(1,342,720)	(1,185,855)	(156,865)	-13%	(1,311,017)	(31,703)	-2%
				Add back non cash items:							
76,893	76,879	14	0%	Depreciation Expense	691,939	691,911	28	0%	557,318	134,621	24%
-	1,507	(1,507)	100%	Bad Debt Expense	-	13,563	(13,563)	100%	-	-	0%
\$ (55,537)	(52,537)	(34,594)	-6%	TOTAL CASH BASIS	\$ (650,781)	(480,381)	(170,400)	-35%	(753,699)	102,918	14%

HAWAII PUBLIC HOUSING AUTHORITY
State Elderly Program
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>			<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>
				REVENUES							
170,918	168,682	2,236	1%	Dwelling Rental Income	1,526,721	1,518,138	\$ 8,583	1%	1,349,445	177,276	13%
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%
2,887	-	2,887	100%	State CIP Fund	20,466	-	20,466	100%	-	20,466	100%
19,610	133,000	(113,390)	-85%	Grant Income	176,000	1,197,000	(1,021,000)	-85%	-	176,000	100%
3,491	4,357	(866)	-20%	Other Income	203,002	39,213	163,789	418%	1,037,226	(834,224)	-80%
\$ 196,907	306,039	(109,132)	-36%	Total Revenues	\$ 1,926,189	2,754,351	(828,162)	-30%	2,386,671	(460,482)	-19%
				EXPENSES							
40,479	25,977	(14,502)	-56%	Administrative	226,779	233,793	7,014	3%	195,326	(31,453)	-16%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
35,506	36,006	500	1%	Management Fees	319,051	324,054	5,003	2%	284,108	(34,943)	-12%
4,260	4,321	61	1%	Bookkeeping Fees	38,280	38,889	609	2%	34,088	(4,193)	-12%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
-	585	585	100%	Tenant Services	193	5,265	5,072	96%	-	(193)	-100%
99,513	115,543	16,030	14%	Utilities	1,018,821	1,039,887	21,066	2%	899,510	(119,311)	-13%
64,874	147,966	83,092	56%	Maintenance	833,118	1,331,694	498,576	37%	880,831	47,713	5%
-	200	200	100%	Protective Services	387	1,800	1,413	79%	731	344	47%
8,179	7,093	(1,086)	-15%	Insurance	73,284	63,837	(9,447)	-15%	82,113	8,828	11%
118,314	118,314	-	0%	Depreciation Expense	1,064,826	1,064,826	-	0%	932,816	(132,010)	-14%
-	3,373	3,373	100%	Bad Debt Expense	-	30,357	30,357	100%	-	-	0%
-	-	-	0%	General Expenses	-	-	-	0%	17,220	17,220	100%
371,125	459,378	88,253	19%	Total Expenses	3,574,740	4,134,402	559,662	14%	3,326,742	(247,998)	-7%
\$ (174,219)	(153,339)	(20,880)	-14%	Net Income(Loss)	\$ (1,648,550)	(1,380,051)	(268,499)	-19%	(940,071)	(708,480)	-75%
				CASH BASIS:							
(174,219)	(153,339)	(20,880)	-14%	Net Income(loss) per Above	(1,648,550)	(1,380,051)	(268,499)	-19%	(940,071)	(708,480)	-75%
118,314	118,314	-	0%	Add back non cash items:							
-	3,373	(3,373)	100%	Depreciation Expense	1,064,826	1,064,826	-	0%	932,816	132,010	14%
				Bad Debt Expense	-	30,357	30,357	100%	-	-	0%
\$ (55,905)	(31,652)	(24,253)	-77%	TOTAL CASH BASIS	\$ (583,724)	(284,868)	(238,142)	-105%	(7,255)	(576,470)	-7946%

HAWAII PUBLIC HOUSING AUTHORITY
State Rent Supplement Program
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

Month of March 2015				Year to Date ended March 31, 2015									
Actual	Budget	Variance			Actual	Budget	Variance		Prior Year	Variance			
		Amount	%				Amount	%		Amount	%		
-	-	-	0%	REVENUES	-	-	-	0%	-	-	0%		
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%		
-	-	-	0%	HUD Operating Subsidies	-	-	-	0%	-	-	0%		
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%		
-	-	-	0%	COCC Fee Income	-	-	-	0%	-	-	0%		
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%		
79,706	82,976	(3,270)	-4%	Grant Income	715,818	746,784	(30,966)	-4%	692,452	23,366	3%		
-	-	-	0%	Other Income	-	-	-	0%	9,375	(9,375)	-100%		
\$ 79,706	82,976	(3,270)	-4%	Total Revenues	\$ 715,818	746,784	(30,966)	-4%	701,826	13,992	2%		
6,651	7,834	1,183	15%	EXPENSES	54,500	73,506	19,006	26%	34,327	(20,174)	-59%		
-	-	-	0%	Administrative	-	-	-	0%	-	-	0%		
450	561	111	20%	Asset Management Fees	4,239	5,049	810	16%	4,662	423	9%		
282	352	70	20%	Management Fees	2,656	3,168	512	16%	2,922	265	9%		
-	-	-	0%	Bookkeeping Fees	289,009	-	(289,009)	-100%	311,661	22,652	7%		
-	39,030	39,030	100%	Housing Assistance Payments	-	351,270	351,270	100%	-	-	0%		
406	680	274	40%	Tenant Services	4,937	6,120	1,183	19%	5,411	474	9%		
591	-	(591)	-100%	Utilities	4,133	-	(4,133)	-100%	21	(4,113)	-19888%		
-	-	-	0%	Maintenance	-	-	-	0%	-	-	0%		
-	18	18	100%	Protective Services	-	162	162	100%	167	167	100%		
-	-	-	0%	Insurance	-	-	-	0%	-	-	0%		
-	-	-	0%	General Expenses	-	-	-	0%	-	-	0%		
8,380	48,475	40,095	83%	Total Expenses	359,476	439,275	79,799	18%	359,170	(306)	0%		
\$ 71,326	34,501	36,825	107%	Net Income(Loss)	\$ 356,342	307,509	48,833	16%	342,657	13,686	4%		
71,326	\$ 34,501	\$ 36,825	107%	CASH BASIS:	356,342	\$ 307,509	\$ 48,833	16%	342,657	\$ 13,686	4%		
-	-	-	0%	Net Income(loss) per Above	-	-	-	0%	-	-	0%		
-	-	-	0%	Add back non cash items:	-	-	-	0%	-	-	0%		
				Depreciation Expense	-	-	-	0%	-	-	0%		
				Bad Debt Expense	-	-	-	0%	-	-	0%		
\$ 71,326	34,501	36,825	107%	TOTAL CASH BASIS	\$ 356,342	307,509	48,833	16%	342,657	13,686	4%		

HAWAII PUBLIC HOUSING AUTHORITY
Section 8 Contract Administration
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

Month of March 2015			
Actual	Budget	Variance	
		Amount	%
-	-	-	0%
2,718,942	2,054,657	664,285	32%
-	-	-	0%
-	-	-	0%
-	-	-	0%
(12,804)	-	(12,804)	-100%
16	-	16	100%
\$ 2,706,154	2,054,657	651,497	32%
8,909	4,797	(4,112)	-86%
-	-	-	0%
73,237	72,766	(471)	-1%
-	-	-	0%
2,622,578	1,863,167	(759,411)	-41%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
2,704,723	1,940,730	(763,993)	-39%
\$ 1,431	113,927	(112,496)	-99%
1,431	\$ 113,927	\$ (112,496)	-99%
-	-	-	0%
-	-	-	0%
\$ 1,431	113,927	(112,496)	-99%

Year to Date ended March 31, 2015										
				Variance						
Actual	Budget	Amount	%	Prior Year	Amount	Variance				
						Amount	%			
REVENUES										
Dwelling Rental Income	-	-	0%	-	-	-	0%			
HUD Operating Subsidies	23,489,175	18,491,913	4,997,262	27%	18,569,671	4,919,504	26%			
CFP Grant Income	-	-	0%	-	-	-	0%			
COCC Fee Income	-	-	0%	-	-	-	0%			
General Fund	-	-	0%	-	-	-	0%			
Grant Income	(143,193)	-	(143,193)	-100%	-	(143,193)	-100%			
Other Income	145	-	145	100%	(138,357)	138,502	100%			
Total Revenues	\$ 23,346,127	18,491,913	4,854,214	26%	18,431,314	4,914,813	27%			
EXPENSES										
Administrative	82,550	55,213	(27,337)	-50%	43,447	(39,103)	-90%			
Asset Management Fees	-	-	-	0%	-	-	0%			
Management Fees	657,542	654,894	(2,648)	0%	587,516	(70,026)	-12%			
Bookkeeping Fees	-	-	-	0%	-	-	0%			
Housing Assistance Payments	22,432,268	16,768,503	(5,663,765)	-34%	17,797,671	(4,634,597)	-26%			
Tenant Services	-	-	-	0%	-	-	0%			
Utilities	-	-	-	0%	-	-	0%			
Maintenance	-	-	-	0%	-	-	0%			
Protective Services	-	-	-	0%	-	-	0%			
Insurance	-	-	-	0%	-	-	0%			
General Expenses	3,303	-	(3,303)	-100%	1,350	(1,953)	-145%			
Total Expenses	23,175,663	17,478,610	(5,697,053)	-33%	18,429,985	(4,745,679)	-26%			
Net Income(Loss)	\$ 170,464	1,013,303	(842,839)	-83%	1,329	169,135	12725%			
CASH BASIS:										
Net Income(loss) per Above	170,464	\$ 1,013,303	\$ (842,839)	-83%	1,329	\$ 169,135	12725%			
Add back non cash items:										
Depreciation Expense	-	-	-	0%	-	-	0%			
Bad Debt Expense	-	-	-	0%	-	-	0%			
TOTAL CASH BASIS	\$ 170,464	1,013,303	(842,839)	-83%	1,329	169,135	12725%			

HAWAII PUBLIC HOUSING AUTHORITY
Central Office Cost Center
Actual vs Budget Comparison
For the Month of March 2015, and the 9 Months ended March 31, 2015
(Amounts in Full Dollars)

<u>Month of March 2015</u>				<u>Year to Date ended March 31, 2015</u>							
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>			<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Prior Year</u>	<u>Variance</u>	
		<u>Amount</u>	<u>%</u>				<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>
				REVENUES							
-	-	-	0%	Dwelling Rental Income	-	-	-	0%	-	-	0%
14,598	-	14,598	100%	Ongoing Admin Fee Earned	31,778	-	31,778	100%	-	31,778	100%
-	-	-	0%	CFP Grant Income	-	-	-	0%	-	-	0%
371,787	388,780	(16,993)	-4%	COCC Fee Income	3,380,358	3,499,020	(118,662)	-3%	3,058,504	321,855	11%
-	-	-	0%	General Fund	-	-	-	0%	-	-	0%
19,451	-	19,451	100%	Grant Income	(113,176)	-	(113,176)	-100%	-	(113,176)	-100%
187,307	604,304	(416,997)	-69%	Other Income	2,007,363	6,677,056	(4,669,693)	-70%	1,738,828	268,534	15%
\$ 593,142	993,084	(399,942)	-40%	Total Revenues	\$ 5,306,323	10,176,076	(4,869,753)	-48%	4,797,332	508,992	11%
				EXPENSES							
600,016	887,868	287,852	32%	Administrative	5,641,428	7,236,178	1,594,750	22%	4,422,986	(1,218,442)	-28%
-	-	-	0%	Asset Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Management Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Bookkeeping Fees	-	-	-	0%	-	-	0%
-	-	-	0%	Housing Assistance Payments	-	-	-	0%	-	-	0%
192	685	493	72%	Tenant Services	719	6,165	5,446	88%	429	(290)	-68%
6,773	14,365	7,592	53%	Utilities	79,115	129,381	50,266	39%	82,012	2,897	4%
252,491	350,224	97,733	28%	Maintenance	2,237,346	2,802,180	564,834	20%	1,690,148	(547,198)	-32%
798	854	56	7%	Protective Services	7,323	7,686	363	5%	8,600	1,277	15%
12,123	3,964	(8,159)	-206%	Insurance	32,757	35,668	2,911	8%	35,848	3,092	9%
1,631	1,631	-	0%	Depreciation Expense	14,679	14,679	-	0%	6,660	(8,019)	-120%
16,640	1,632	(15,008)	-920%	General Expenses	209,797	43,640	(166,157)	-381%	190,009	(19,788)	-10%
890,663	1,261,223	370,560	29%	Total Expenses	8,223,164	10,275,577	2,052,413	20%	6,436,692	(1,786,472)	-28%
\$ (297,521)	(268,139)	(29,382)	-11%	Net Income(Loss)	\$ (2,916,841)	(99,501)	(2,817,340)	-2831%	(1,639,360)	(1,277,481)	-78%
				CASH BASIS:							
(297,521)	(268,139)	(29,382)	-11%	Net Income(loss) per Above	(2,916,841)	(99,501)	(2,817,340)	-2831%	(1,639,360)	\$ (1,277,481)	-78%
				Add back non cash items:							
1,631	1,631	-	0%	Depreciation Expense	14,679	14,679	-	0%	6,660	8,019	120%
-	-	-	0%	Bad Debt Expense	-	-	-	0%	-	-	0%
\$ (295,890)	(266,508)	(29,382)	-11%	TOTAL CASH BASIS	\$ (2,902,162)	(84,822)	(2,817,340)	-3321%	(1,632,700)	(1,269,461)	-78%

III. Contract & Procurement

A. Solicitation(s) Issued in April 2015:

Solicitation No.	Title	Due Date
IFB-CMB-2015-02	Preventive Maintenance Services for the Sewage Lift Pump Station (SLPS) at Wahiawa Terrace; HPHA Job No. 15-001-115-F	4/21/2015
IFB-CMB-2015-03	Preventive Maintenance Services for the Sewage Treatment Plant (STP) at Kupuna Home O'Waialua; HPHA Job No. 15-002-150-F	4/21/2015

B. Protest(s) Received In April 2015:

Solicitation No./Title	Protester	Status
IFB CMB-2014-29 Improvements to Major Systems at Various Sites and Federal Projects – Phase I; HPHA Job No. 12-006-000	Starcom Builders, Inc.	Decision pending completion of review

C. Contract(s) Executed in April 2015:

Contract No.	Contractor & Description	Supp. Amount
CMS 15-04	T. Iida Contracting, Ltd. Provide Labor, Materials, and Equipment for Modernization of Buildings 4, 5, and 6 at Puahala Homes (AMP 31) on the Island of Oahu Completion Date: 300 Calendar Days from Notice To Proceed	Total Amount: \$4,918,000.00
CMS 15-03	StarCom Builders, Inc. Provide Labor, Materials, and Equipment for Trash Chute Repair at Makua Alii (AMP 34) on the Island of Oahu Completion Date: 240 Calendar Days from Notice To Proceed	Total Amount: \$725,400.00
CMS 14-33-SC01	Artistic Builders Corporation Provide Additional Labor, Materials, and Equipment, Amend Special Conditions and Extension of Time of 7 Calendar Days for ADA Accessibility Compliance at Home Nani and Kekaha Haaheo (AMP 38) on the Island of Kauai Completion Date: October 6, 2015	Suppl Amount: \$85,156.33 Total Amount: \$2,134,080.10

C. Contract(s) Executed in April 2015 (cont.):

Contract No.	Contractor & Description	Supp. Amount
CMS 14-32-SC01	Artistic Builders Corporation Provide Additional Labor, Materials, and Equipment, Amend Special Conditions and Extension of Time of 7 Calendar Days for ADA Accessibility Compliance at Hale Hoonanea (AMP 38) on the Island of Kauai Completion Date: October 6, 2015	Suppl Amount: \$9,926.60 Total Amount: \$959,915.26
CMS 14-31-SC01	Artistic Builders Corporation Provide Additional Labor, Materials, and Equipment and Amend Special Conditions for ADA Accessibility Compliance at Eleele Homes (AMP 38) on the Island of Kauai Completion Date: September 29, 2015	Suppl Amount: \$11,292.54 Total Amount: \$1,405,682.37
CMS 14-27-SC01	T. Iida Contracting, Ltd Provide Additional Labor, Materials, and Equipment for Accessibility and Site Improvements at Koolau Village (AMP 45) on the Island of Oahu Completion Date: November 5, 2015	Suppl Amount: \$11,253.48 Total Amount: \$5,729,253.48
CMS 14-19-CO03	Starcom Builders Provide Additional Labor, Materials, and Equipment and Extension of Time of 60 Calendar Days for ReRoofing (Group B) at Kalihi Valley Homes (AMP 31) on the Island of Oahu Completion Date: June 23, 2015	Suppl Amount: \$6,035.12 Total Amount: \$928,960.88
CMS 14-02-SC02	Bowers + Kubota Consulting, Inc. No-Cost Amendment to the Scope of Services and Special Conditions for Modernization of Mayor Wright Homes (AMP 32) on the Island of Oahu End Date: May 5, 2016	Suppl Amount: n/a Total Amount: \$501,219.00
CMS 13-22-SC02	GYA Architects, Inc. Provide Additional Design and Consultant Services for Site & Dwelling Improvements at David Malo Circle (AMP 39) on the Island of Maui End Date: August 21, 2016	Suppl Amount: \$6,163.47 Total Amount: \$372,808.00

C. Contract(s) Executed in April 2015 (cont.):

Contract No.	Contractor & Description	Supp. Amount
CMS 13-05-SC02	<p>The Limtiaco Consulting Group, Inc. Provide Additional Design and Consultant Services for Sewer Improvements and Electrical Upgrades at Kapaa (AMP 38) on the Island of Kauai End Date: February 10, 2016</p>	<p>Suppl Amount: \$18,328.01</p> <p>Total Amount: \$197,621.15</p>
SPB-15-01	<p>Housing Authority of the City of Bremerton Provide Section 8 Performance Based Contract Administration Services End Date: December 31, 2017</p> <p>*The Base Fee is 2% of the 2 bedroom Fair Market Rent (FMR) for the Island where the property is located. The FMR for the current contract period is based on the current FMR.</p> <p>Note: The estimated HPHA total administrative fee from HUD for the contract period will be \$3,180,012.00.</p>	<p>Total Amount: Est. \$2,970,000.00</p> <p>*Base Fee – 76%</p>

D. Planned Solicitation/Contract Activities for May/June 2015

Solicitation(s):

- Issue Invitation-for-Bids for Laundry Services for AMP 35 on the Island of Oahu.

Contract(s)

- Execute Contract to Provide Property Management and Maintenance Services for the Ka Hale Kamehaikana Community Resource Center on the Island of Oahu.
- Execute Contract to Provide Laundry Services for AMP 37 on the Island of Hawaii and AMP 39 on the Islands of Maui and Molokai.
- Execute Supplemental Contract to Continue to Provide Property Management, Maintenance and Resident Services for AMP 43 on the Island of Hawaii.
- 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 Property Management, Maintenance and Resident Services for AMP 46 on the Island of Hawaii.
- Execute Supplemental Contract to Continue to Provide Property Management, Maintenance and Resident Services for MU 42 on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Security Services for Kalihi Valley Homes (AMP 31), Mayor Wright Homes (AMP 32), and Kalanihuia, Punchbowl Homes, Makamae (AMP 35) on the Island of Oahu.
- Execute Supplemental Contract to Continue to Provide Refrigerators for Various State and Federal Low Income Public Housing Properties Statewide.
- Execute Supplemental Contract to Continue to Provide Gas and Electric Ranges for Various State and Federal Low Income Public Housing Properties Statewide.
- Execute Supplemental Contracts to Continue to Provide Refuse Collection Services for Various State and Federal Low Income Public Housing Properties Statewide.
- Execute Supplemental Contract to Continue to Provide Custodial Services for the HPHA's Administrative Offices.

IV. Property Management and Maintenance Services

A. Total Move Ins: 59 units
Vacancies: 39 units
 Net gain/loss: 20 units

B. Formal Grievance Hearings

Island	Federal Public Housing (no. of cases)	Type of Grievance Hearing Request
Oahu	7	Consumption of alcohol on property, smoking on property, noise disturbance, domestic argument and denial to include additions to the household.

The formal grievance process continues to be essential in affording our tenants an opportunity for a fair hearing when the tenant disputes HPHA's action or failure to act, involving the tenant's rental agreement with the

HPHA, or HPHA's regulations which adversely affects the individual tenant's rights, duties, welfare or status.

HPHA received and scheduled seven grievance hearing requests in the month of April 2015.

C. Hearing/Evictions

Eviction cases heard for the month of April 2015, totaled 24 cases: 16 for rent, and 8 for non-rent.

Total Cases Heard in April 2015 = 24 cases

Decisions Rendered	Rent Violations	Other Lease Violations
Eviction	3	1
Evict with conditions	9	4
10-day cure	0	0
Withdrawn/dismiss	0	1
Continued	4	2
Total	16	8

D. Rent Collection

HPHA continues to focus on rent collection as one of our top priorities and is working diligently with the AMPs to monitor current and vacated tenants account receivables (TAR) to reduce the overall delinquency. For FY 2014, our collection ratio increased from 89.28% in July 2014 to 92.18% in April 2015.

E. Program Activities

1. Continuing to focus on filling our vacant units to reach our new goal of 99% occupancy.
2. The Pet Policy was sent to all the federal public housing residents for their comments on the revised Pet Policy. HPHA is reviewing all comments received and will take those into consideration prior to implementation.
3. Coordination and collaboration on draft of HPHA's Rental Agreement is being reviewed and finalized.
4. Due to the loss of the Special Teams because Act 159 was not extended, all departments and AMPs are redoing their budgets based on the new facts.
5. Continuing to audit tenant files for accuracy on rent calculations and program compliance.
6. On-going budget reviews with the AMPs.

7. Updating the Utility Allowance for implementation effective July 2015.
8. Training to the LIPH staff on Documenting Eligibility of Families in Tenant Files. HPHA's goal is to eliminate any audit findings of the tenant files during placement and annual recertification.
9. HPHA partnered with Make-A-Wish Hawaii and held an event on Tuesday, April 28, 2015 from 2:30 p.m.– 4:30 p.m. at the Mayor Wright Homes property to make a 5 year old recipient's dream come true. His dream was to be a police officer for a day. (See attached photo)

F. Planned Activities for May 2015

1. AMP 50 Palolo Valley Homes is scheduled for REAC on May 13, 2015 and AMP 49 Wahiawa Terrace is scheduled on May 14, 2015. PMMSB staff is involved by providing technical support to improve the AMPs' scores.
2. Hawaii Energy continues to provide workshops to the remaining AMPs to encourage families to accept the idea of energy conservation behaviors and to implement efficiency measures (use of incandescent bulbs, adding timers, use of power strips to eliminate waste, etc.) which will help to reduce their utility consumption and cost.

Make-A-Wish® Hawaii
P.O. Box 1877
Honolulu, HI 96805
808-537-3118
fax 808-536-5566
www.hawaii.wish.org

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RECEIVED
HAWAII PUBLIC
HOUSING AUTHORITY



Dear Hakim Ouansafi,

Make-A-Wish Hawaii would like to thank you for helping to grant Daidap's wish.

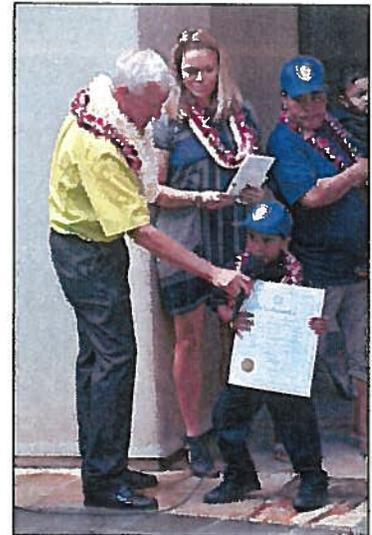
At just 5 years old, Daidap already knows what he wants to do when he grows up – to become an officer in the Honolulu Police Department with his very own police cruiser.

When we came to him with the opportunity for a wish, Daidap wanted nothing more than to have his own mini police cruiser. But thanks to the support of the Honolulu Police Department, the Mayor and the local community, his wish turned into a day-long event transforming him into an official police officer.



It began with a special police escort from his home to the HPD's Main Station in downtown where he was sworn in by the Chief of Police and presented with an official badge by Honolulu Mayor Kirk Caldwell, who also proclaimed April 28th "Officer Daidap Day."

After revealing Daidap's PowerWheels police cruiser, he and his family were off to Mayor Wright Housing to celebrate his wish come true with his tight-knit community.



"In just 5 years of life, Daidap has undergone nine open heart surgeries and will continue to require more as he grows into a strong healthy young man," said Honolulu Mayor Kirk Caldwell. "Through all his medical ordeals, Daidap has remained positive, determined and brave – all traits of a good police officer."

Because of the support of many in the Honolulu community, Daidap became Hawaii's newest junior officer. Thank you for supporting the children we serve at Make-A-Wish Hawaii. **It is your generosity that fills our wishes with hope, strength and joy!**

Sincerely,

Siana Austin Hunt
President & CEO

Mahalo Hakim -- It was a magical wish to share with Daidap's community!

Share the Power of a Wish®

**Federal LIPH
 HPHA Island Overview Report
 as of 04/30/2015**

Island	Non Vacated Delinquencies*				Collection Rate			LIPH and Elderly Waiting List**				
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	24	\$ 5,553.35	9	\$ 4,848.42	\$ 134,378.00	\$ 122,368.65	91.06%	Average Income	38	0.39%	7.77	3.79
Kauai	25	\$ 8,702.79	17	\$ 12,641.28	\$ 90,196.00	\$ 79,806.85	88.48%	Low Income (80%)	63	0.65%	2.80	1.85
Maui	6	\$ 323.00	4	\$ 2,582.50	\$ 63,200.00	\$ 59,775.00	94.58%	Very Low Inc. (50%)	379	3.91%	2.54	1.73
Oahu	97	\$ 41,582.92	56	\$ 42,408.12	\$ 1,001,825.00	\$ 926,743.13	92.51%	Extremely Low Inc. (30%)	9,214	95.05%	2.43	1.64
Total	152	\$ 56,162.06	86	\$ 62,480.32	\$ 1,289,599.00	\$ 1,188,693.63	92.18%		9,694	100.00%	2.45	1.66

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

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

**Federal LIPH
HPHA Project Overview Report
as of 04/30/2015**

AMP	Occupancy*							Units Rent Ready
	Total Available Units	Total Occupied Units	Total Vacant Units (excludes rent ready)	Occupancy Ratio	Move-Ins	Move-Outs	Transfers	
30P-Aiea	363	310	51	85.40%	2	3	1	1
31P-KVH	373	341	30	91.42%	2	10	6	2
32P-MWH	364	349	12	95.88%	5	4	2	3
33P-Kam/Kaamanu	373	359	10	96.25%	2	6	5	4
34P-Kalakaua	583	571	11	97.94%	8	4	0	1
35P-Kalanihiua	587	577	8	98.30%	6	6	1	2
37P-Hilo	384	293	28	76.30%	3	1	0	0
38P-Kauai	321	299	21	93.15%	7	8	1	0
39P-Maui	196	178	18	90.82%	3	2	0	0
40P-KPT	174	164	5	94.25%	0	2	2	1
43P-Kona	202	197	2	97.52%	2	2	1	3
44P-Leeward Oahu	260	235	25	90.38%	7	5	2	0
45P-Windward Oahu	226	211	15	93.36%	1	3	1	0
46P-Kamuela	103	102	0	99.03%	5	1	0	0
49P-Central Oahu	150	139	10	92.67%	2	0	0	1
50P-Palolo	118	96	22	81.36%	2	1	1	0
Total	4,777	4,421	268	92.55%	57	58	23	18

AMP	Non Vacated Delinquencies**				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	3	1,432.00	3	5,872.00	\$ 95,239.00	\$ 93,721.00	98.41%
31P-KVH	15	491.05	12	-17.52	\$ 112,359.00	\$ 108,271.10	96.36%
32P-MWH	15	8,721.50	8	6,284.00	\$ 117,123.00	\$ 100,055.50	85.43%
33P-Kam/Kaamanu	12	5,045.00	5	2,811.44	\$ 100,628.00	\$ 91,333.00	90.76%
34P-Kalakaua	16	6,152.00	6	6,730.20	\$ 149,936.00	\$ 142,805.00	95.24%
35P-Kalanihiua	6	3,180.00	3	1,920.19	\$ 159,485.00	\$ 154,617.00	96.95%
37P-Hilo	14	3,831.00	3	611.00	\$ 69,794.00	\$ 63,885.00	91.53%
38P-Kauai	25	8,702.79	17	12,641.28	\$ 90,196.00	\$ 79,806.85	88.48%
39P-Maui	6	323.00	4	2,582.50	\$ 63,200.00	\$ 59,775.00	94.58%
40P-KPT	10	6,314.87	6	5,225.54	\$ 74,348.00	\$ 60,611.76	81.52%
43P-Kona	4	509.00	2	60.00	\$ 42,179.00	\$ 38,432.50	91.12%
44P-Leeward Oahu	8	4,231.00	3	2,322.00	\$ 62,975.00	\$ 56,423.63	89.60%
45P-Windward Oahu	7	2,074.50	9	9,839.27	\$ 59,321.00	\$ 55,580.00	93.69%
46P-Kamuela	6	1,213.35	4	4,177.42	\$ 22,405.00	\$ 20,051.15	89.49%
49P-Central Oahu	4	1,352.00	1	1,421.00	\$ 41,561.00	\$ 37,034.00	89.11%
50P-Palolo	2	2,589.00	0	0.00	\$ 28,850.00	\$ 26,291.14	91.13%
Total	152	\$ 56,162.06	86	\$ 62,480.32	\$ 1,289,599.00	\$ 1,188,693.63	92.18%

* Occupancy also counts Scheduled for Modernization Units.

** Occupancy reflects removal of KPT Units.

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

FEDERAL PUBLIC HOUSING

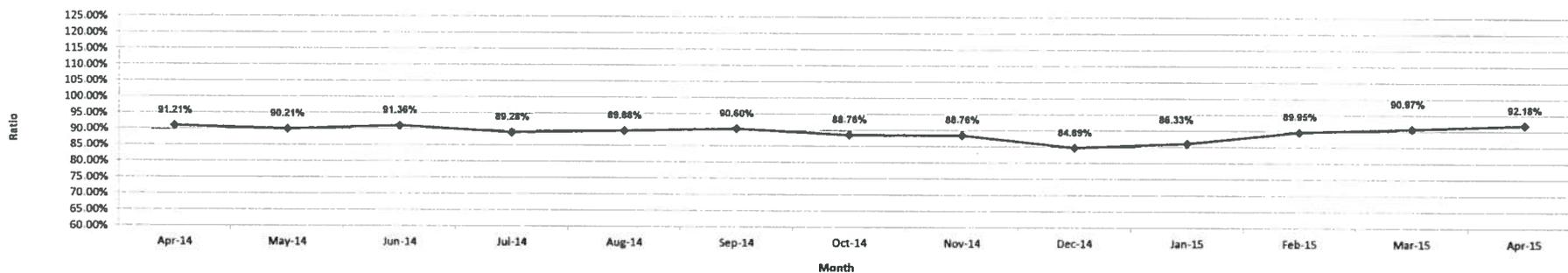
Rent Collection from April 2014 to April 2015

	Apr-14			May-14			Jun-14			Jul-14			Aug-14			Sep-14		
	Charges	Collected	Ratio															
Hawaii	\$126,402.27	\$114,646.17	90.70%	\$123,475.00	\$113,584.58	91.99%	\$123,583.00	\$113,942.72	92.20%	\$129,330.00	\$112,127.37	86.70%	\$125,430.00	\$112,928.59	90.03%	\$139,552.03	\$127,618.75	91.45%
Kauai	\$82,499.04	\$65,286.79	79.14%	\$84,630.00	\$65,839.42	77.80%	\$85,270.00	\$68,708.92	80.58%	\$85,123.00	\$66,101.50	77.65%	\$83,519.00	\$63,160.34	75.62%	\$94,212.00	\$69,361.09	73.62%
Mauai	\$63,783.00	\$44,324.27	69.49%	\$62,753.00	\$44,190.61	70.42%	\$63,046.00	\$46,740.36	74.15%	\$59,328.00	\$44,071.25	74.28%	\$62,696.00	\$48,735.61	77.73%	\$64,139.00	\$51,426.30	80.18%
Oahu	\$951,720.58	\$892,530.64	93.78%	\$946,606.00	\$874,695.01	92.40%	\$981,873.27	\$916,106.50	93.30%	\$947,295.09	\$867,690.14	91.62%	\$963,934.24	\$885,733.35	91.89%	\$1,021,850.86	\$947,244.42	92.70%
Total	\$ 1,224,404.89	\$ 1,116,787.87	91.21%	\$ 1,217,464.00	\$ 1,098,310.02	90.21%	\$ 1,253,772.27	\$ 1,145,597.50	91.38%	\$ 1,221,078.09	\$ 1,090,190.28	89.28%	\$ 1,235,579.24	\$ 1,110,557.89	89.89%	\$ 1,319,781.89	\$ 1,185,648.85	90.60%

Cumulative (12 Months)	
04/14 - 04/15	
Charges	\$ 16,283,326.86
Collections	\$ 14,551,045.02
Total	\$ (1,732,281.84)
Ratio	89.36%

	Oct-14			Nov-14			Dec-14			Jan-15			Feb-15			Mar-15			Apr-15		
	Charges	Collected	Ratio																		
Hawaii	\$134,474.00	\$117,897.37	87.67%	\$131,524.00	\$114,722.43	87.27%	\$131,498.00	\$110,539.92	84.06%	\$133,851.00	\$111,628.52	83.40%	\$135,429.00	\$119,713.42	88.40%	\$137,279.00	\$119,388.47	86.97%	\$134,378.00	\$122,368.65	91.06%
Kauai	\$93,714.00	\$63,739.90	68.02%	\$91,837.00	\$63,801.44	69.02%	\$90,786.00	\$60,950.89	67.14%	\$90,149.20	\$60,792.62	67.34%	\$90,571.00	\$69,392.83	76.62%	\$93,846.71	\$75,608.34	80.48%	\$90,196.00	\$79,606.85	88.48%
Mauai	\$63,934.00	\$49,541.25	77.49%	\$69,263.00	\$52,954.61	77.49%	\$69,940.52	\$57,718.89	82.53%	\$63,305.00	\$50,885.37	80.38%	\$64,495.00	\$54,483.61	84.48%	\$63,398.00	\$56,091.61	88.48%	\$63,200.00	\$59,775.00	94.58%
Oahu	\$1,039,885.47	\$951,162.11	91.47%	\$1,039,407.76	\$917,671.98	91.47%	\$1,000,645.99	\$868,347.12	86.78%	\$996,338.72	\$884,931.59	88.82%	\$997,480.07	\$914,961.62	91.73%	\$997,875.01	\$924,650.80	92.66%	\$1,001,825.00	\$926,743.13	92.51%
Total	\$ 1,332,007.47	\$ 1,182,340.63	88.78%	\$ 1,332,673.79	\$ 1,083,086.95	80.76%	\$ 1,292,870.51	\$ 1,097,556.82	84.89%	\$ 1,283,643.92	\$ 1,108,148.90	86.33%	\$ 1,287,975.07	\$ 1,150,551.48	89.35%	\$ 1,292,498.72	\$ 1,175,745.22	90.97%	\$ 1,289,589.00	\$ 1,188,093.63	92.18%

Rent Collection Rate



**State LIPH
 HPHA Island Overview Report
 as of 04/30/2015**

Island	Non Vacated Delinquencies*				Collection Rate			LIPH and Elderly Waiting List**				
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio	HUD Income Limit	# of HoH	% of WL	Avg Family Size	Avg Bedroom Size
Hawaii	11	\$ 1,716.91	6	\$ 2,300.00	\$ 18,605.00	\$ 16,003.09	86.01%	Average Income	24	0.36%	7.62	3.92
Kauai	4	\$ 2,331.50	3	\$ 1,585.30	\$ 7,666.00	\$ 5,650.00	73.70%	Low Income (80%)	40	0.60%	2.16	1.29
Maui	3	\$ 713.00	2	\$ 12,921.00	\$ 3,151.00	\$ 2,696.00	85.56%	Very Low Inc. (50%)	318	4.79%	2.35	1.41
Oahu	7	\$ 5,041.88	6	\$ 5,223.00	\$ 235,377.00	\$ 229,788.00	97.63%	Extremely Low Inc. (30%)	6,250	94.24%	2.27	1.44
Total	25	\$ 9,803.29	17	\$ 22,029.30	\$ 264,799.00	\$ 254,137.09	95.97%		6,632	100.00%	2.29	1.45

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

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

**State LIPH
HPHA Project Overview Report
as of 04/30/2015**

Project	Non Vacated Delinquencies*				Collection Rate		
	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	1	\$ -	1	\$ -	\$ 21,229.00	\$ 20,879.00	98.35%
2202-Puahala Homes	5	\$ 4,610.88	4	\$ 5,004.00	\$ 42,380.00	\$ 37,998.00	89.66%
2204-Kawailehua	4	\$ 2,331.50	3	\$ 1,585.30	\$ 7,666.00	\$ 5,650.00	73.70%
2205-Kahale Mua	3	\$ 713.00	2	\$ 12,921.00	\$ 3,151.00	\$ 2,696.00	85.56%
2206-Lokahi	3	\$ (186.00)	1	\$ 338.00	\$ 11,504.00	\$ 11,064.00	96.18%
2207-Ke Kumu Elua	8	\$ 1,902.91	5	\$ 1,962.00	\$ 7,101.00	\$ 4,939.09	69.55%
2401-Hale Po'ai	0	\$ -	0	\$ -	\$ 60,267.00	\$ 59,922.00	99.43%
2402-La'ioia	1	\$ 431.00	0	\$ -	\$ 34,980.00	\$ 34,889.00	99.74%
2403-Kamalu-Ho'olulu	0	\$ -	1	\$ 219.00	\$ 66,250.00	\$ 65,829.00	99.36%
2404-Halia Hale	0	\$ -	0	\$ -	\$ 10,271.00	\$ 10,271.00	100.00%
Total	25	\$ 9,803.29	17	\$ 22,029.30	\$ 264,799.00	\$ 254,137.09	95.97%

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

STATE PUBLIC HOUSING

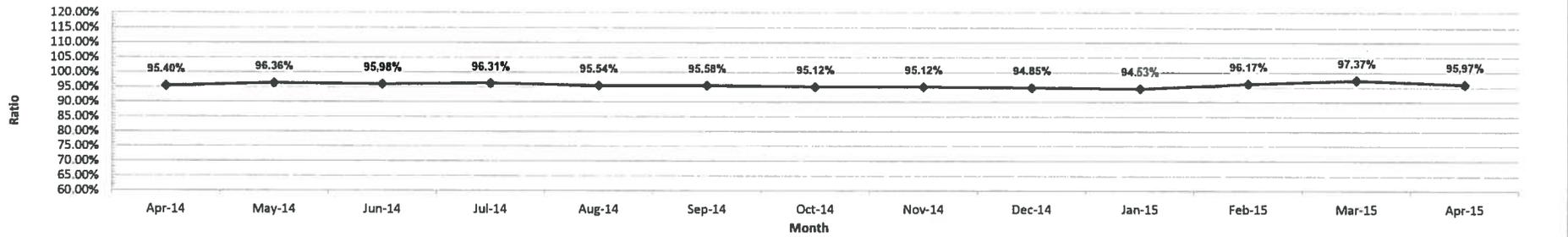
Rent Collection from April 2014 to April 2015

	Apr-14			May-14			Jun-14			Jul-14			Aug-14			Sep-14		
	Charges	Collected	Ratio															
Hawaii	\$ 19,664.00	\$ 16,795.67	85.41%	\$ 19,543.00	\$ 17,733.75	90.74%	\$ 19,536.00	\$ 17,436.00	89.25%	\$ 19,647.00	\$ 17,020.25	86.63%	\$ 19,459.00	\$ 16,465.77	84.62%	\$ 20,062.00	\$ 16,085.77	80.18%
Kauai	\$ 6,177.00	\$ 5,150.00	83.37%	\$ 6,054.00	\$ 5,329.00	88.02%	\$ 6,016.00	\$ 4,455.00	74.05%	\$ 6,130.00	\$ 3,962.00	64.63%	\$ 6,130.00	\$ 3,973.00	64.81%	\$ 6,130.00	\$ 4,942.00	80.62%
Mauai	\$ 4,670.00	\$ 3,176.00	68.01%	\$ 4,370.00	\$ 3,054.00	69.89%	\$ 3,793.00	\$ 2,707.00	71.37%	\$ 3,796.00	\$ 2,943.00	77.53%	\$ 3,707.00	\$ 2,749.00	74.16%	\$ 3,736.00	\$ 2,784.00	74.52%
Oahu	\$ 235,822.52	\$ 228,961.56	97.09%	\$ 233,115.00	\$ 227,394.30	97.55%	\$ 250,959.24	\$ 244,448.24	97.41%	\$ 235,217.24	\$ 231,082.58	98.24%	\$ 230,552.00	\$ 225,075.87	97.62%	\$ 232,453.50	\$ 226,959.66	97.64%
Total	\$ 266,333.52	\$ 254,083.23	95.40%	\$ 263,082.00	\$ 253,611.05	96.36%	\$ 280,304.24	\$ 269,046.24	95.98%	\$ 264,790.24	\$ 255,007.83	96.31%	\$ 259,846.00	\$ 248,263.64	95.54%	\$ 262,381.50	\$ 250,771.43	95.58%

Cumulative (12 Months)	
04/14 - 04/15	
Charges	\$ 3,404,976.34
Collections	\$ 3,258,147.33
Total	\$ (146,829.01)
Ratio	95.69%

	Oct-14			Nov-14			Dec-14			Jan-15			Feb-15			Mar-15			Apr-15		
	Charges	Collected	Ratio																		
Hawaii	\$ 19,403.00	\$ 15,632.71	80.57%	\$ 19,997.00	\$ 14,733.71	80.57%	\$ 19,213.00	\$ 14,146.56	73.63%	\$ 19,298.00	\$ 12,716.56	73.63%	\$ 19,270.00	\$ 14,133.00	73.34%	\$ 18,765.00	\$ 17,346.00	92.44%	\$ 18,605.00	\$ 16,003.09	86.01%
Kauai	\$ 6,775.00	\$ 5,515.00	81.40%	\$ 6,760.00	\$ 4,955.00	81.40%	\$ 6,278.00	\$ 4,253.00	67.74%	\$ 6,832.00	\$ 5,370.00	67.74%	\$ 7,052.00	\$ 6,260.00	88.77%	\$ 7,666.00	\$ 6,413.50	83.66%	\$ 7,666.00	\$ 5,650.00	73.70%
Mauai	\$ 3,608.00	\$ 2,212.00	61.31%	\$ 3,587.00	\$ 2,568.00	61.31%	\$ 3,762.00	\$ 2,526.00	67.15%	\$ 3,231.00	\$ 2,108.00	67.15%	\$ 3,231.00	\$ 2,538.00	78.55%	\$ 3,151.00	\$ 2,220.00	70.45%	\$ 3,151.00	\$ 2,696.00	85.56%
Oahu	\$ 231,286.00	\$ 224,966.47	97.27%	\$ 231,753.86	\$ 223,517.45	97.27%	\$ 231,494.48	\$ 226,403.53	97.80%	\$ 231,097.00	\$ 226,023.95	97.80%	\$ 232,708.00	\$ 229,283.00	98.53%	\$ 233,737.00	\$ 230,425.00	98.58%	\$ 235,377.00	\$ 229,788.00	97.63%
Total	\$ 261,072.00	\$ 248,326.18	95.12%	\$ 236,600.36	\$ 222,634.54	95.12%	\$ 260,747.48	\$ 247,329.09	94.86%	\$ 260,458.00	\$ 246,218.51	94.53%	\$ 262,281.00	\$ 252,214.00	96.17%	\$ 263,319.00	\$ 256,404.50	97.37%	\$ 264,799.00	\$ 254,137.09	95.97%

Rent Collection Rate



V. Construction Management

A. Program Activities and Major Projects

1. Lanakila Homes
 - a. Demolition of Phase IIIb & IV (HA 1004) – Demolition is on hold due to the discovery of arsenic and termiticide in the soil. No new update is available as HPHA continues to work on the soil mitigation plan.
 - b. All the existing structures are still standing and the site has been completely fenced in. Trespassing, unauthorized entry and vandalism are increasing.
 - c. Fair Housing Improvements at Lanakila Homes (HA 1004) – Consultant has submitted pre-final drawings and specifications for review and comment.
 - d. Reroof Community Center at Lanakila Homes (HA 1004) – The work started on 04/20/15 and is 90% complete.
2. Palolo Valley Homes Major Modernization – 22 Units
 - a. The major modernization includes 44 units. Phase I & II includes 22 units (in buildings 14 – 19).
 - b. Building 18 and 19 – Units 18A-F, 19A-F (12 units): A new consultant is being contracted to replace the consultant that went out of business. Estimated restart is June 2015.
3. Modernization at Salt Lake Apartments Phase 2:
 - a. Water lines were discovered to be non-compliant and leaking. Replacement of waterlines will require HPHA to bring it to code which will require a backflow preventer, booster pump, excavation and electrical upgrade.
4. Vacant Units: C Units:

On-going construction and design continues on vacant “C” units totaling 238 of which 15 are State units and 223 are Federal units.

Vacant Units under construction or design Status by County:

 - a. O`ahu: 104 units total
 - b. Hawai`i: 90 units total

- c. Kauai: 17 units total
- d. Maui: 5 units total
- e. Molokai: 22 units total

5. Environmental Concerns

- a. HPHA currently has five properties in a Formerly Used Defense Site which may not have been cleared of unexploded ordinances: Ke Kumu `Ekahi, Ke Kumu `Ekolu, Ke Kumu `Eha, Noelani I and Noelani II. Of the five properties, two are currently under construction and utilizing HUD funds, Noelani I and II.
- b. The major scope of the project at Noelani I & II is to replace existing waterlines both underground and in the units, installation of a new solar hot water system, installation of a new gas-fired tankless hot water backup to the solar hot water system with the new water and gas lines being installed in the same trenches as the existing waterlines that are being removed. HPHA is currently exploring ways to complete the gas tank work of installing a concrete pad and bollards without excavating.
- c. The HPHA has procured a consultant who is in the process of preparing Environmental Reviews (ER's) on all of HPHA's Federal projects as is required by HUD every five years. The new reports should be completed by the end of the year. The environmental issues that have been raised are being addressed in the new reports.

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

HPHA is on track and working to meet all State CIP and Federal CFP deadlines. HPHA is managing approximately \$250M in capital funds (\$205M in State CIP and \$42M in Federal CFP funds). The next obligation deadline is September 2015 for the 2013 federal capital fund (CFP 723).

VI. Section 8 Subsidy Programs

Section 8 Programs 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. Voucher activity for April 2015:

1. HPHA expended a total of \$2,092,797 (99.1% of eligible HUD funds received) in housing assistance payments to private landlords on behalf of 2057 voucher holders in April 2015.
2. Twenty eight families who received a Housing Choice Voucher from the waitlist in January found homes and moved into the home in April 2015. Fourteen HCV were issued in April 2015.
3. HPHA served 149 families under the rent supplement program on Oahu in April 2015.
4. As of April 30, 2015, 299 veterans were assisted with Veterans Administration Supportive Housing Vouchers (VASH). Thirteen veterans who were searching for a home leased up. Twenty six veterans received VASH vouchers in April 2015 and three veterans were re-housed.

Waiting List	# of wait list applicants as of April 2015	Status
Housing Choice Voucher	0	Wait list closed
Kuhio Park Towers	121	Wait list closed
Palolo Homes Project Based Section 8	3586	Wait list closed
Rent Supplement Program	631	Wait list closed

5. Voucher lease up activity for April 2015:

Voucher Type	April 2015		
	# leased	# of vacancies	# in housing search
Housing Choice Vouchers	28		185
VASH	13		51
Kuhio Park Towers	0	1	
Palolo Homes Project Based Section 8	0	0	
Port-In (from other agencies)	0		0

B. Housing Quality Standards Inspections

	April 2015
Housing Quality Standards (HQS) Inspections	329
HQS Re-inspections	116 failed and were reinspected
Quality Control Inspections	52

C. Family Self Sufficiency (FSS) Program

The Family Self Sufficiency (FSS) program assisted 82 Section 8 clients in April 2015. There were 51 active escrow accounts with a total deposit of \$5495 in April 2015.

VII. Compliance

A. Program Activities

1. Approximately 61 tenant requests for reasonable accommodations 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 (6);
 - b. Transfers for other reasons (3);
 - c. Installation of air conditioning (3);
 - d. Approval of assistance animals (1);
 - e. Unit modifications for accessibility (6);
 - f. Inclusion of live-in aides (1); and
 - g. Larger voucher size (1).
2. Coordinated Fair Housing month activities, including Governor David Ige's Fair Housing Awareness Month Proclamation for the State of Hawaii, participation in City & County of Honolulu's Fair Housing training workshop, participation in Mayor Kirk Caldwell's Fair Housing Education Month Proclamation for the City & County of Honolulu, and outreach to public housing tenants regarding fair housing training on each island;
3. Coordinated training with the Property Management and Maintenance Services Branch for all recertification specialists on documenting eligibility in tenant files as corrective action for single audit finding regarding tenant eligibility;

B. Update on Status of Declaration of Trust Project

1. Releases and Declarations of Trust for additional properties were sent to the United States Department of Housing and Urban Development (HUD) for review and execution in April of 2015. There are currently several Releases pending review and execution by HUD;
2. Releases and Declarations of Trust for additional properties will be sent to HUD for review and execution in May of 2015;
3. Letters to request the cancellation of the Executive Order for one property, withdraw another property from another Executive Order, and transfer the parcels in fee simple to HPHA, were submitted to the Board of Land and Natural Resources; and

4. The Department of the Attorney General is currently working on finalizing Releases and Declarations of Trust for 17 additional properties for submission to HUD for their review and execution of the Releases.

VIII. Information Technology

A. Program Activities

1. Continued to work with vendor Emphasys and HPHA staff to improve the Elite software.
2. Recertified 40 HPHA users who access HUD's Enterprise Income Verification (EIV) System. This system is used for tenant income verification.
3. Updated HPHA's business registration under the U.S. government's System for Award Management (SAM) website, SAM.gov, to allow HPHA to continue to receive Federal funding through April 26, 2016.

IX. Personnel

A. Summary of HPHA Staffing:

Filled positions (FTE):	284
<u>Vacant positions:</u>	<u>88</u>
Total:	372

With the sunset of Act 159, SLH 2012, and the loss of the skilled Special Teams, the HPHA is preparing to manage the transitions, and continues to look for ways to maintain its current occupancy.

B. Program Activities:

1. Completed soliciting nominations for the 2015 Incentive Service Awards Program. Managers and offices have recognized and nominated their fellow employees and teams for their accomplishments in 2014 (three Sustained Superior Performance Award and four Teams of the Year Award).
2. Conducted Performance Management training for new supervisors.
3. Linked with Nan McKay and Associates, Inc. to networking and job postings. Worked directly with the Marketing Department to recruit professional and potential candidates.
4. Met with maintenance civil service and exempt staff on the status of Act 159.
5. On-going meetings with supervisors in reviewing and updating Evacuation Plans.
6. Workers Compensation: 1 injury reported with lost time.

FOR INFORMATION

SUBJECT: Jeanne A. Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03)

I. FACTS

- A. A verbal report of the case will be presented by the Department of the Attorney General.

The Board may go into executive session pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Lorrin v. Hawaii Public Housing Authority (Civil No. 14-1-0735-03)

Prepared by: Kiriko Oishi, Chief Compliance Officer 

FOR INFORMATION

SUBJECT: *Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09)*

I. FACTS

- A. A verbal report of the case will be presented by the Department of the Attorney General.

The Board may go into executive session pursuant to Hawaii Revised Statutes Sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to *Fetu Kolio v. Hawaii Public Housing Authority (CAAP-13-0000785; Civil No. 12-1-2339-09)*

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Supreme Court
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06-MAY-2015
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IN THE SUPREME COURT OF THE STATE OF HAWAI'I

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FETU KOLIO,
Petitioner/Appellant/Plaintiff-Appellant,

vs.

HAWAI'I PUBLIC HOUSING AUTHORITY,
Respondent/Appellee/Defendant-Appellee.

SCWC-13-0000785

CERTIORARI TO THE INTERMEDIATE COURT OF APPEALS
(CAAP-13-0000785; CIV. NO. 12-1-2339-09)

MAY 6, 2015

RECKTENWALD, C.J., NAKAYAMA, MCKENNA, POLLACK, AND WILSON JJ.

OPINION OF THE COURT BY NAKAYAMA, J.

This appeal concerns Fetu Kolio's (Kolio) eviction from Mayor Wright Homes (Mayor Wright), a federally-subsidized public housing project, which is owned and operated by Hawai'i Public Housing Authority (HPHA). While living at Mayor Wright, Kolio served as the president of the Mayor Wright Homes Tenant

Association (Association) and misappropriated approximately \$1,400 in Association funds. He later pled guilty to second degree theft. HPHA evicted Kolio from Mayor Wright, alleging that Kolio's theft of Association funds violated a term in his lease that stated: "Tenant . . . shall not engage in . . . any criminal activity . . . that threatens the health, safety or right to peaceful enjoyment of Management's public housing premises by other public housing residents or neighboring residents." On appeal, both the Circuit Court of the First Circuit (circuit court) and the Intermediate Court of Appeals (ICA) affirmed.

On review of the record, HPHA failed to carry its burden of showing that Kolio's theft threatened the health, safety, or peaceful enjoyment of the premises. Additionally, Kolio's theft did not meet the definition of criminal activity given in Hawai'i Administrative Rules (HAR) § 17-2020, which governs the practice and procedure for terminating the tenancy of a person occupying a unit in a project that is owned or operated by HPHA. Therefore, we hold that the ICA gravely erred in affirming the Eviction Board, and we reverse the Eviction Board's Order.

I. BACKGROUND

In 2004, Kolio entered into a rental agreement with

HPHA (Rental Agreement) under which he became a tenant of Mayor Wright, a federally-subsidized housing project. The project is under the jurisdiction of the U.S. Department of Housing and Urban Development (HUD) and under the ownership and operation of HPHA. From 2009 until 2011, Kolio served as the President of the Mayor Wright Tenant Association.¹ On July 27, 2010, Kolio received a check for \$1,400 from HPHA to be used for resident participation activities as required by HUD.² In 2011, Kolio failed to comply with HPHA's requests for financial documentation of the Association checking account, and HPHA's Financial Management Office confirmed that the check had been cashed and deposited into Kolio's personal account. Kolio was charged with Theft in the Second Degree, a Class C felony in January 2012 and he pled guilty to the charge on May 29, 2012.³

A. HPHA Proceedings

On February 27, 2012, HPHA sent Kolio a Notice of Violation of Rental Agreement and Proposed Termination of Rental

¹ The Association is referred to as a "resident council" by HUD. Pursuant to 24 C.F.R. § 964.18, housing authorities like HPHA must assist residents in establishing and maintaining a resident council upon the request of the residents. Participation in resident councils is voluntary, and the governing board is democratically elected. 24 C.F.R. § 964.115.

² These funds had been provided to the Association by HUD under 24 C.F.R. § 964.150(a)(1). These funds were to be used for purposes set forth in 24 C.F.R. § 964.

³ As a result, Kolio was sentenced to 30 days of incarceration, five years probation, and directed to pay \$1,400 in restitution to HPHA.

Agreement (Non-Rent Violation) (Notice) stating that HPHA would proceed to terminate Kolio's tenancy because he violated, among other sections, Section 8(p) (1) of the Rental Agreement.

Section 8(p) (1) stated that it was a tenant's obligation to

- (p) Assure that Tenant, any member of the household, a guest or another person under Tenant control, shall not engage in:
 - (1) Any criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of Management's public housing premises by other public housing residents or neighboring residents or employees of Management[.]

The Notice further referred to Kolio's misappropriation of Association funds.

After the parties were unable to settle the dispute through the grievance process prescribed by Hawai'i Administrative Rules (HAR) § 17-2021, a hearing was scheduled before the Oahu Eviction Board A of HPHA on September 11, 2012 to determine whether the Rental Agreement should be canceled and terminated due to the alleged violations. In addition to providing evidence of Kolio's theft and his conviction, the Manager's Report to the Eviction Board stated that "Theft in the Second Degree is defined as a felony which constitutes criminal activity in violation of Section 8(p) (1) of the Rental Agreement." The Report also stated that the "Association funds which were to be used solely for the benefit of the individual residents that Mr. Kolio represented, caused mistrust within the community causing a [threat to] health, safety or right to

peaceful enjoyment of Management's public housing premises by other public housing residents or neighboring residents."

Kolio argued that he did not violate Section 8(p)(1) of the lease because that Section referred only to activity that "(1) meets the definition of 'criminal activity' as understood in the context of public housing evictions and (2) 'threatens the health, safety, or right to peaceful enjoyment of the premises' by others." He asserted that the argument that tenant safety and health were threatened because the Association did not possess the stolen funds was purely speculative, and "[a] legal conclusion should not rest on a foundation of entirely fictitious events."

At the hearing, HPHA Project Manager Joanna Renken (Renken) testified that:

A lot of times, we feel that peaceful enjoyment or, or any kind of threat of health and safety is a lot times physical, but what people don't know [is] that it can also mean emotional as well. So, I'm speaking on behalf of the residents of Mayor Wright Homes, and Mr. Kolio did violate the Rental Agreement.

When responding to a question about what the Association funds were to be used for, Renken stated:

Usually the resident participation fund is given by the HUD . . . and that specific fund is supposed to be used to generate programs for the residents within the community to gain either employment or anything to make them become self sufficient, or to provide anything that would be a benefit to the residents within the community.

She also testified that the funds Kolio stole were supposed to be

used for any kind of services "from computer classes to sewing classes to reading classes, anything that would benefit the, not the association, the residents" and were not for personal use.

In its Findings of Fact, Conclusions of Law, Decision and Order, the Eviction Board found that Kolio violated Section 8(p) (1) of the Rental Agreement and noted that Kolio had held a position of trust and had deprived the Association and residents of "the funds and resources that could have been used for the health, safety and welfare of all the residents" The Board ordered that Kolio be evicted.

B. Circuit Court Proceedings

Kolio appealed to the circuit court.⁴ Following the notice of appeal, Kolio filed a Motion to Stay Writ of Possession Pending Appeal, which was denied by the circuit court. Kolio was evicted from his home. Following oral argument on Kolio's appeal, the circuit court affirmed the Eviction Board's Findings of Fact, Conclusions of Law, Decision and Order.

C. Proceedings Before the ICA

Kolio then appealed to the ICA, and the ICA affirmed the circuit court. The ICA held that:

Kolio's criminal theft misappropriated [Association funds] that were already allocated and were now unavailable for purposes that included the benefit of the health, safety,

⁴ The Honorable Rhonda A. Nishimura presided.

and peaceful enjoyment of the Mayor Wright Housing residents. Kolio's theft thus constituted the kind of criminal activity that posed a "threat" within the meaning of section 8(p)(1) of the Rental Agreement and provided sufficient grounds for the Eviction Order.

II. STANDARDS OF REVIEW

A. Review of Administrative Agencies' Findings and Conclusions

We review the appeal of an administrative decision for grave errors of law, applying the same standard that the ICA applied:

Review of a decision made by the circuit court upon its review of an agency's decision is a secondary appeal. The standard of review is one in which [the appellate] court must determine whether the circuit court was right or wrong in its decision, applying the standards set forth in HRS § 91-14(g) [(1993)] to the agency's decision.

HRS § 91-14, entitled "Judicial review of contested cases," provides in relevant part:

(g) Upon review of the record the court may affirm the decision of the agency or remand the case with instructions for further proceedings; or it may reverse or modify the decision and order if the substantial rights of the petitioners may have been prejudiced because the administrative findings, conclusions, decisions, or orders are:

- (1) In violation of constitutional or statutory provisions; or
- (2) In excess of the statutory authority or jurisdiction of the agency; or
- (3) Made upon unlawful procedure; or
- (4) Affected by other error of law; or
- (5) Clearly erroneous in view of the reliable, probative, and substantial evidence on the whole record; or
- (6) Arbitrary, or capricious, or characterized by abuse of discretion or clearly unwarranted exercise of discretion.

[U]nder HRS § 91-14(g), conclusions of law are reviewable under subsections (1), (2), and (4); questions regarding procedural defects under subsection (3); findings of fact under subsection (5); and an agency's exercise of discretion under subsection (6).

United Pub. Workers, AFSCME, Local 646, AFL-CIO, v. Hanneman, 106 Hawai'i 359, 363, 105 P.3d 236, 240 (2005) (quoting Paul's Elec. Serv., Inc. v. Befitel, 104 Hawai'i 412, 416, 91 P.3d 494, 498 (2004)).

When determining whether an agency abused its discretion pursuant to HRS § 91-14(g)(6), the court must first "determine whether the agency determination under review was the type of agency action within the boundaries of the agency's delegated authority." Paul's Elec. Serv., 104 Hawai'i at 417, 91 P.3d at 499. If the determination was within the agency's realm of discretion, then the court must analyze whether the agency abused that discretion. Id. If the determination was not within the agency's discretion, then it is not entitled to the deferential abuse of discretion standard of review. Id.

In regards to the abuse of discretion standard of review, this court has held that "[a]gency determinations, even if made within the agency's sphere of expertise, are not presumptively valid; however, an agency's discretionary determinations are entitled to deference, and an appellant has a high burden to surmount that deference[.]" Id. at 419, 91 P.3d at 501. This court has further described an agency's proper exercise of discretion as "not arbitrarily or willfully, but with regard to what is right and equitable under the circumstances and

the law, and directed by the reason and conscience of the judge to a just result." S. Foods Grp., L.P. v. State, Dep't of Educ., 89 Hawai'i 443, 452, 974 P.2d 1033, 1042 (1999) (internal quotations and citations omitted). Therefore, "[a] hearings officer abuses his or her discretion when he or she 'clearly exceeds bounds of reason or disregards rules or principles of law or practice to the substantial detriment of a party.'" Id. (quoting Craft v. Peebles, 78 Hawai'i 287, 301, 893 P.2d 138, 152 (1995)).

III. DISCUSSION

The issue before the court is whether the Eviction Board abused its discretion when it determined that Kolio's theft constituted criminal activity that threatened the health, safety, or peaceful enjoyment of the premises by other residents or HPHA employees.

A. The Determination of the HPHA Eviction Board Was Within Its Realm of Discretion.

This court has held that "[t]he boundaries of an agency's discretion are established by the legislature . . . and these statutory boundaries will likely assist a reviewing court in defining 'discretion' when that court examines an agency's action for an abuse of discretion." Paul's Elec. Serv., 104 Hawai'i at 417-18, 91 P.3d at 499-500 (internal citations

omitted). HRS § 356D-94(a) (2006) provides that HPHA has the discretion to terminate a public housing tenancy “[i]f it is proven to the satisfaction of the eviction board that there is cause to terminate a lease or rental agreement and evict the tenant” HRS § 356D-92(a) (2006) limits this discretion by prescribing the causes for termination of a lease. Relevant to this case, HRS § 356D-92(a) (2) allows for termination if there is a “[v]iolation of any of the provisions of a lease, rental agreement, permit, or license[.]” Additionally, HAR § 17-2020-5(a) (2004) (amended 2014) states that the examiner or eviction board “shall determine whether there are sufficient grounds for termination of the rental agreement[,],” and a “[s]erious or repeated violation of material terms of the rental agreement” is listed as a ground for termination in HAR § 17-2020-5(b) (1).

Pursuant to this legislative authority, it was within the Eviction Board’s delegated authority to determine whether Kolio violated the Rental Agreement and to evict him based on its conclusion that he had. See Paul’s Elec. Serv., 104 Hawai‘i at 417, 91 P.3d at 499. Thus, the next step in the analysis is to consider whether the Eviction Board nonetheless abused its discretion by making a determination that was arbitrary or capricious. See HRS § 91-14(g) (6).

B. The Eviction Board Abused Its Discretion When It Determined that Kolio's Theft Was Criminal Activity that Threatened the Health, Safety, or Peaceful Enjoyment of the Premises.

Although HPHA is given discretion to determine whether grounds for eviction exist, this discretion is not unlimited. HPHA is required to liberally construe the rules governing eviction practice and procedure so that "the rights of the parties are preserved in a just and timely resolution of every hearing." HAR § 17-2020-1. Here, Kolio was evicted from his home and has had to live apart from his wife, who was allowed to remain at Mayor Wright, because neither of them can afford to live outside of public housing. And even though HPHA has an important interest in maintaining the peace and safety of the projects, HPHA must abide by the rules and provisions that create the boundaries of its discretion, especially where the consequences of its actions are so dire. In this case, it is clear that HPHA abused its discretion when it found that Kolio's theft violated Section 8(p)(1) of the Rental Agreement.

Section 8 of the Rental Agreement lists obligations of the tenant. Section 8(p) states that it is a tenant's obligation to "[a]ssure that Tenant . . . shall not engage in: (1) Any criminal activity or alcohol abuse that threatens the health, safety or right to peaceful enjoyment of Management's public housing premises by other public housing residents or neighboring

residents or employees of Management[.]” HPHA is required by HUD to include this tenant obligation in its rental agreements, and the language of Section 8(p)(1) traces the language of 24 C.F.R. § 966.4(f)(12)(i)(A)(2001).⁵ However, neither the Rental Agreement nor HUD regulations define “criminal activity that threatens the health, safety, or right to peaceful enjoyment.”

The phrase “that threatens the health, safety, or peaceful enjoyment of the premises” clearly qualifies the kind of criminal activity that violates the provision. There must be a showing of a nexus between the tenant’s criminal activity and the threat to health, safety, or enjoyment of the premises by other residents or management employees. D.C. Hous. Auth. v. Whitfield, No. 04-LT-410, 2004 WL 1789912, at *6 (D.C. Super. Ct. Aug. 11, 2004) (“To hold [that a nexus is unnecessary] would require the court to adopt the position that a public housing agency has blanket authority to evict its residents for any criminal behavior committed anywhere, regardless of whether such behavior posed a threat to the health and safety of the other

⁵ 24 C.F.R. § 966.4 reads:

(f) Tenant’s obligations. The lease shall provide that the tenant shall be obligated:

. . . .
(12)(i) To assure that no tenant, member of the tenant’s household, or guest engages in:

(A) Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents

residents where the tenant lives . . . [and] allow [a public housing authority] to effectively evict without cause, any person who has a criminal record.").

It appears that Hawai'i courts have not defined the language of this provision, nor have they addressed HPHA evictions pursuant to it.⁶ However, because HUD requires the inclusion of this standardized provision in all lease agreements between public housing authorities and tenants of federally-subsidized projects, other jurisdictions have addressed evictions under the same or substantially similar language to Section 8(p) (1). These cases are instructive as to what a public housing authority must show in order to prove that a tenant violated this provision.

In Guste Homes Resident Management Corp. v. Thomas, Thomas leased an apartment from the Housing Authority of New Orleans, which was managed by Guste and subject to the same HUD

⁶ The closest Hawai'i case appears to be Williams v. Hawai'i Housing Authority. 5 Haw. App. 325, 690 P.2d 285 (1984). In that case, the tenants' adult sons were involved in two altercations on project premises, one of which was a fatal stabbing. Id. at 331, 690 P.2d at 290. The ICA held that the tenants were properly evicted under a lease provision that required tenants to "cause other persons who are on the premises with his consent to conduct themselves in a manner which will not disturb his neighbors' peaceful enjoyment of their accommodations and will be conducive to maintaining the project in a decent, safe, and sanitary condition" Id. at 326, 690 P.2d at 287. While the case implies that altercations on project premises are conduct that disturbs residents' "peaceful enjoyment" of their accommodations, the ICA noted that the tenants "were evicted not on account of the incidents per se, but because they failed to control the actions of their sons as evidenced by the long list of complaints" preceding and including the two altercations. Id. at 332, 690 P.2d at 290.

regulations under 24 C.F.R. § 966.4. 116 So. 3d 987, 988 (La. Ct. App. 2013). Upon investigation, Guste learned that Thomas had been charged with theft and illegal possession of stolen goods following an incident at the New Orleans Arena. Id. Guste determined that this criminal activity was a breach of the lease agreement and served Thomas with a notice of termination. Id. at 989. At a trial on the merits of the eviction, Guste's evidence of the lease violation consisted of Thomas's misdemeanor theft conviction and the testimony of the property manager. Id. at 988. The trial court concluded that the theft was not a threat to the health, safety, or peaceful enjoyment of the premises. Id. at 989. Although the property manager testified that she believed that Thomas's theft was a threat, when the trial court asked her how it specifically threatened other residents, she was unable to give support for her belief with testimony or evidence. Id. at 991. Although the record indicated that residents reported the theft to Guste after it was exposed by the local news, none of them stated that they felt threatened or concerned for their individual health, safety, or peaceful enjoyment of the premises. Id. at 991-92. The Louisiana Court of Appeal affirmed the trial court's decision holding that evidence of an actual threat was "a necessary element to demonstrate that Mr. Thomas' actions warrant eviction," and Guste failed to meet its burden of

proof to evict Thomas. Id. at 991.

In Sumet I Associates, LP v. Irizarry, the tenant's lease was terminated for "'criminal activity by a tenant . . . that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.'" 959 N.Y.S.2d 254, 255 (N.Y. App. Div. 2013). The tenant spray-painted graffiti in a common area stairwell. Id. When the tenant failed to vacate the premises, a summary holdover proceeding was brought, and a videotape from the security camera capturing the tenant's vandalism was presented as evidence. Id. The New York Supreme Court held that even though the landlord demonstrated the tenant's criminal activity, because the graffiti was on the stairwell landing leading to the roof and there was no evidence that any resident's peaceful enjoyment was threatened, the landlord failed to demonstrate that the lease term was violated. Id.

In Housing Authority of City of Bangor v. Bush, the housing authority claimed that the tenant's guest violated the same standardized lease provision when he removed a stop sign near the residence. No. AP-00-22, 2001 WL 1719230, at *2 (Me. Super. Feb. 2, 2001). The court held that this criminal activity did not threaten the health, safety, or peaceful enjoyment of the premises by other residents because there was no evidence

regarding the environment where the traffic sign had been erected. Id. The court held that although in some circumstances, the removal of a stop sign could pose a threat, in other circumstances, such as in a remote area or on a road closed to traffic, the removal of a stop sign would not be a threat. Id. ("[E]ven though [removal of the sign] was criminal, its effects on others is entirely a function of specific facts not set out in the present record.").

Kolio has cited to Boston Housing Authority v. Bryant, 693 N.E.2d 1060 (Mass. App. Ct. 1998), throughout his appeal in support of his argument that his theft did not threaten the health, safety, or peaceful enjoyment of the premises. In Bryant, the tenant committed larceny by false pretenses when she used the identity of a housing authority employee to apply for credit cards, on which she ran up substantial charges. Id. at 1061. The Boston Housing court ruled that the tenant violated the same HUD standardized lease provision prohibiting criminal activity that threatened the health, safety, or peaceful enjoyment of the premises. Id. HPHA and the ICA majority asserted that Bryant is distinguishable from the present case because the Boston Housing Authority used summary eviction proceedings pursuant to a Massachusetts statute. Id. at 1062. The court in Bryant held that summary proceedings were

inappropriate because "the right of peremptory termination of a lease is limited by statute to violations of provisions that forbid crimes that are physically destructive, violent, associated with violence, or visibly asocial[,]” and Bryant’s conduct did not fall under this statute. Id. at 1062-63. However, while the present case is somewhat distinguishable because there is no comparable Hawai’i statute allowing for summary proceedings, Bryant’s discussion of the lack of evidence supporting an actual threat is still instructive. The Boston Housing Court judge reasoned that Bryant’s crime was a threat because if the employee’s credit had been exceeded and the employee had been unable to use it in an emergency, Bryant’s conduct would have threatened the employee’s health and safety. Id. at 1062. However, the Appeals Court disagreed and reversed the Boston Housing Court stating, “[t]he difficulty with this reasoning is that it rests on a chain of conjecture about hypothetical facts . . . [a] legal conclusion should not rest on a foundation of entirely fictitious events.” Id.

Taken together, these cases all support the conclusion that the mere showing of some criminal activity is not enough to violate this provision; there must be evidence supporting a finding of an actual threat to the health, safety, or peaceful enjoyment of the premises by other residents or management. A

conclusory assertion that the removal of a stop sign is a threat to resident safety, or that graffiti is a threat to peaceful enjoyment, or that one resident's theft is a threat to the health and safety of the others is not enough. If it were enough, a violation of the provision could rest on a public housing authority's assumption of facts and circumstances not in the record and would render the limiting phrase "that threatens the health, safety, or peaceful enjoyment of the premises" inoperative. Almost any criminal activity could hypothetically pose a threat to others. Whether criminal activity actually threatens health, safety, or peaceful enjoyment of the premises is a fact-driven analysis, and there must be evidence to support these facts.

In this case, the evidence supporting a conclusion that Kolio's theft threatened the health, safety, or peaceful enjoyment of the premises was limited to Manager Renken's report to the Eviction Board asserting that Kolio's theft caused mistrust within the community and Renken's oral testimony at the eviction hearing about what the funds could have been used for.⁷ However, there was no evidence of any tenant who reported feeling threatened by Kolio's theft. Additionally, there was no evidence

⁷ See supra Part I.A regarding Renken's testimony at the eviction hearing.

as to what kind of programs the funds had been used for in the past or what programs were planned but then canceled due to the absence of funds. It cannot be assumed that Kolio's theft was or would have been a threat, and HPHA failed to carry its burden of proving that Kolio violated Section 8(p)(1) of the Rental Agreement.

Therefore, although the HPHA Eviction Board was acting within its realm of discretion when it determined that Kolio's theft violated Section 8(p)(1) of the Rental Agreement, there was no evidence on which they could have reasonably relied in making that determination. An assumption that Kolio's theft was a threat, without supporting factual evidence, is not enough. Therefore, the ICA gravely erred in affirming the Eviction Board's Order because the Eviction Board abused its discretion.

Furthermore, as a matter of public policy, it should be noted that administrative agencies are bound to abide by the administrative rules that govern that particular agency. Here, HAR § 17-2020 contains the rules governing the practice and procedure for terminating the tenancy of a person occupying a unit in a project that is owned or operated by HPHA. HAR § 17-2020-1. A definition of criminal activity can be found in HAR § 17-2020-2. Although the definition was changed in 2014, the definition of criminal activity at the time that Kolio was

evicted stated the following:

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

(1) the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug; or

(2) any illegal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage; regardless of whether there has been an arrest or conviction for such activity and without satisfying the standard of proof used for a criminal conviction.

HAR § 17-2020-2 (effective 2004-2014). Kolio's misappropriation of Association funds did not involve drugs or the use of force, and accordingly, it did not constitute criminal activity for which Kolio could have been evicted under the rules controlling evictions by HPHA.

IV. CONCLUSION

In conclusion, the Eviction Board erred when it held that Kolio violated the Rental Agreement. Accordingly, we reverse the ICA's June 25, 2014 judgment on appeal, reverse the circuit court's April 12, 2013 judgment, and reverse the HPHA's September 21, 2012 Findings of Fact, Conclusions of Law, Decision and Order.

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for respondent

/s/ Mark E. Recktenwald

/s/ Paula A. Nakayama

/s/ Sabrina S. McKenna

/s/ Richard W. Pollack

/s/ Michael D. Wilson



Approved by the Executive Director 
May 21, 2015

FOR DISCUSSION

SUBJECT: Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations

I. FACTS

A. A verbal report will be presented by Executive Director Ouansafi.

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to Personnel Matters Related to the Termination of Act 159, SLH 2012 and the Impact on HPHA's Operations

Hawaii Public Housing Authority
Summary of Capital Projects
Report As Of 04/30/15

FEDERAL BUDGET/OBLIGATION: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Budget Construction Activities (BLI 1411-1501)	Budget Operations (BLI 1406)	Budget Management Improvements (BLI 1408)	Budget Administration (BLI 1410)	Budget Contingency (BLI 1502)	CFP Obligated	% Obligated	Balance	Obligation Deadline	Notes
CFP 721	\$10,301,898	\$7,103,341	\$2,060,380	\$107,988	\$1,030,190	\$0	\$10,264,910	99.64%	\$36,988	4/17/14	Fully Obligated. LOCCS created 07-13-11
CFP 722	\$9,454,397	\$6,560,446	\$1,783,398	\$150,000	\$945,440	\$15,114	\$9,087,033	96.11%	\$367,364	4/17/14	Fully Obligated. LOCCS created 03-12-12
CFP 723	\$9,066,970	\$6,646,208	\$1,362,709	\$150,000	\$906,697	\$1,356	\$3,736,892	41.21%	\$5,330,078	9/8/15	LOCCS created 08-09-13
CFP 724	\$9,140,603	\$7,273,985	\$952,558	\$0	\$914,060	\$0	\$2,381,990	26.06%	\$6,758,613	5/12/16	LOCCS created 05-13-14
CFP 725	\$9,036,788	\$6,250,000	\$1,807,358	\$45,485	\$903,679	\$30,267	\$0	0.00%	\$9,036,788	4/12/17	LOCCS created 04-13-15
CFP Budget Totals	\$50,353,103	\$42,319,677	\$10,444,249	\$640,239	\$5,938,989	\$46,737	\$37,860,060	75.19%	\$21,529,831		TOTALS FOR ALL ACTIVE CFP GRANTS

FEDERAL EXPENDITURE: Capital Fund Program (CFP) (Operations, Admin, Mgt Improv)

	Total CFP Appropriation	Expended Construction Activities (BLI 1411-1501)	Expended Operations (BLI 1406)	Expended Management Improvements (BLI 1408)	Expended Administration (BLI 1410)	Expended Contingency (BLI 1502)	Expended to Date Total Funds	% Expended	Balance	Expenditure Deadline	Notes
CFP 721	\$10,301,898	\$6,101,369	\$2,060,380	\$41,640	\$1,030,190	\$0	\$9,233,578	89.63%	\$1,068,320	4/17/16	LOCCS created 07-13-11
CFP 722	\$9,454,397	\$2,754,942	\$1,491,147	\$1,483	\$946,440	\$0	\$5,193,011	54.29%	\$4,321,386	4/17/16	LOCCS created 03-12-12
CFP 723	\$9,066,970	\$840,507	\$0	\$0	\$0	\$0	\$840,507	9.27%	\$8,226,463	9/8/17	LOCCS created 08-09-13
CFP 724	\$9,140,603	\$1,845,539	\$0	\$0	\$0	\$0	\$1,845,539	20.19%	\$7,295,064	5/12/18	LOCCS created 05-13-14
CFP 725	\$9,036,788	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$9,036,788	4/12/19	LOCCS created 04-13-15
CFP Expenditure Totals	\$50,353,103	\$20,028,055	\$5,969,374	\$229,889	\$3,214,553	\$0	\$29,441,871	58.47%	\$20,911,232		TOTALS FOR ALL ACTIVE CFP GRANTS

STATE: Capital Improvement Program (CIP)

	State GO Bond Appropriation	HPHA Budget	HPHA Encumbered	HPHA Expended	% Expended Against Budget	HPHA Budget Balance	CIP Contract Encumbrance Deadline	Notes	ACT/SLH
FY 07-08 Elevator	\$4,939,503	\$4,591,697	\$4,591,697	\$4,227,769	92.07%	\$363,928	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 07-08 Lump Sum CIP	\$19,910,000	\$17,809,280	\$15,802,595	\$14,668,526	82.36%	\$3,140,754	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 08-09 Elevator	\$6,410,000	\$4,142,967	\$4,142,967	\$4,134,992	99.81%	\$7,975	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 08-09 Lump Sum CIP	\$10,000,000	\$3,374,706	\$3,374,706	\$2,793,122	82.77%	\$581,584	6/30/10	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 213/2007 as amended by ACT 158/2008
FY 09-10 Lump Sum CIP	\$7,913,000	\$7,898,571	\$7,882,201	\$7,393,677	93.61%	\$504,894	6/30/12	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 162/2009 as amended by ACT 180/2010
FY 10-11 Lump Sum CIP	\$4,500,000	\$4,384,799	\$4,270,030	\$3,767,238	85.92%	\$617,561	6/30/12	Allotment Granted - Blanket Encumbrance (1) & (2) & (3)	ACT 162/2009 as amended by ACT 180/2010
FY 11-12 CIP Totals	\$31,120,000	\$31,120,000	\$31,120,000	\$8,596,676	27.62%	\$22,523,324	6/30/14	Allotment Granted - Blanket Encumbrance (1)	ACT 164/2011 as amended by ACT 106/2012
FY 12-13 CIP Totals	\$60,222,000	\$60,222,000	\$60,222,000	\$12,787,221	21.23%	\$47,434,779	6/30/14	Allotment Granted - Blanket Encumbrance (1)	ACT 164/2011 as amended by ACT 106/2012
FY 13-14 Lump Sum CIP	\$45,643,000	\$45,643,000	\$7,350,148	\$354,090	0.78%	\$45,288,910	6/30/16	Allotment Granted	ACT 134/2013 as amended by ACT 122/2014
FY 14-15 Lump Sum CIP	\$26,000,000	\$26,000,000	\$2,304	\$576	0.00%	\$25,999,424	6/30/16	Partial Allotment Granted (\$19,810,350)	ACT 134/2013 as amended by ACT 122/2014
FY 15-16 Lump Sum CIP	\$4,147,000	\$4,147,000	\$0	\$0	0.00%	\$4,147,000	6/30/18	Pending Allotment	
FY 15-16 Wages & Fringe	\$850,000	\$850,000	\$0	\$0	0.00%	\$850,000	6/30/18	Pending Allotment	
FY 16-17 Lump Sum CIP	\$4,147,000	\$4,147,000	\$0	\$0	0.00%	\$4,147,000	6/30/18	Pending Allotment	
FY 16-17 Wages & Fringe	\$850,000	\$850,000	\$0	\$0	0.00%	\$850,000	6/30/18	Pending Allotment	
STATE CIP TOTALS	\$216,357,593	\$215,181,020	\$198,758,649	\$58,723,888	27.29%	\$156,457,132			TOTAL ACTIVE STATE CIP APPROPRIATIONS

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- 1411 - Audit Costs
- 1430 - Fees & Costs
- 1450 - Site Improvement
- 1460 - Dwelling Structures
- 1465 - Dwelling Equipment
- 1470 - Non-Dwelling Structures
- 1499 - Development Activities
- 1501 - Collateralization or Debt Service Paid by PHA
- 1502 - Budget Contingency

Federal Capital Fund Program Budget

These are HPHA CFP budget numbers a/o the upper left corner date. The rows reflect the CFP fund grant, the columns represent the manner in which the funds are currently budgeted. The obligation deadline indicates the date by which these funds must be at least 92% obligated.

Federal Capital Fund Program Actual

These are HPHA CFP actual expenditures a/o the upper left corner date. The rows reflect the CFP fund grant, the columns represent the manner in which these funds are currently being expended. The expenditure deadline indicates the date by which these funds must be expended.

State Capital Improvement Program Budget and Expenditure

These are HPHA CIP budget and actual expenditures a/o the upper left corner date. The rows reflect the CIP fund appropriation, the columns represent budget, encumbrance and expenditures. The encumbrance deadline indicates the date by which the funds must be encumbered.