



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

December 27, 2012

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

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

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

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

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

Enclosure

Hawaii Public Housing Authority

**Annual Report
Fiscal Year 2012
July 1, 2011 - June 30, 2012**

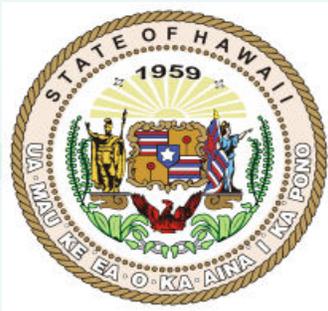


Table of Contents



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

Board of Directors

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

David J. Gierlach
Chairperson
Oahu

Matilda A. Yoshioka
Vice-Chair
Kauai

Jason Espero
Secretary
Oahu

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

Trevor N. Tokishi
Maui

George Yokoyama
Hawaii

Roger Godfrey
Oahu

Desiree Kihano
Resident Member

Vacant

Patricia McManaman
Ex-Officio
Director, Department of Human Services

Debbie Shimizu
Ex-Officio, Legislative Coordinator
Designee of Governor Neil Abercrombie

Message from the Chairperson of the Board of Directors



Aloha mai kakou,

On behalf of the Hawaii Public Housing Authority Board of Directors, we are most grateful for the support of the Legislature, both in terms of funding and legislative enactments providing the agency with greater flexibility in hiring and enforcement of laws, rules, and regulations. The support of the Legislature is crucial in ensuring that the HPHA can continue to provide safe, decent, sanitary, and temporary affordable housing for extremely low income residents of the State of Hawaii. We are humbled and grateful for the significant increase in capital funds allocated in the supplemental year's budget. We are unique among public housing agencies nationwide for

having such a committed Legislature that sees the inherent value of investing in its resources to serve the neediest among us and we are committed to using these funds wisely, efficiently and effectively.

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

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

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

Respectfully,

David J. Gierlach
Chairperson of the
Board of Directors
Hawaii Public Housing Authority

Message from the Executive Director



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

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

services to the poorest families in the State of Hawaii.

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

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

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

Respectfully,

Hakim Ouansafi
Executive Director
Hawaii Public Housing Authority

Agency Timeline

1935

The Hawaii Housing Authority was created by the Territorial Legislature to provide safe and sanitary housing for low-income residents of Hawaii.

1987

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

1997

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

2005

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

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

2006

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

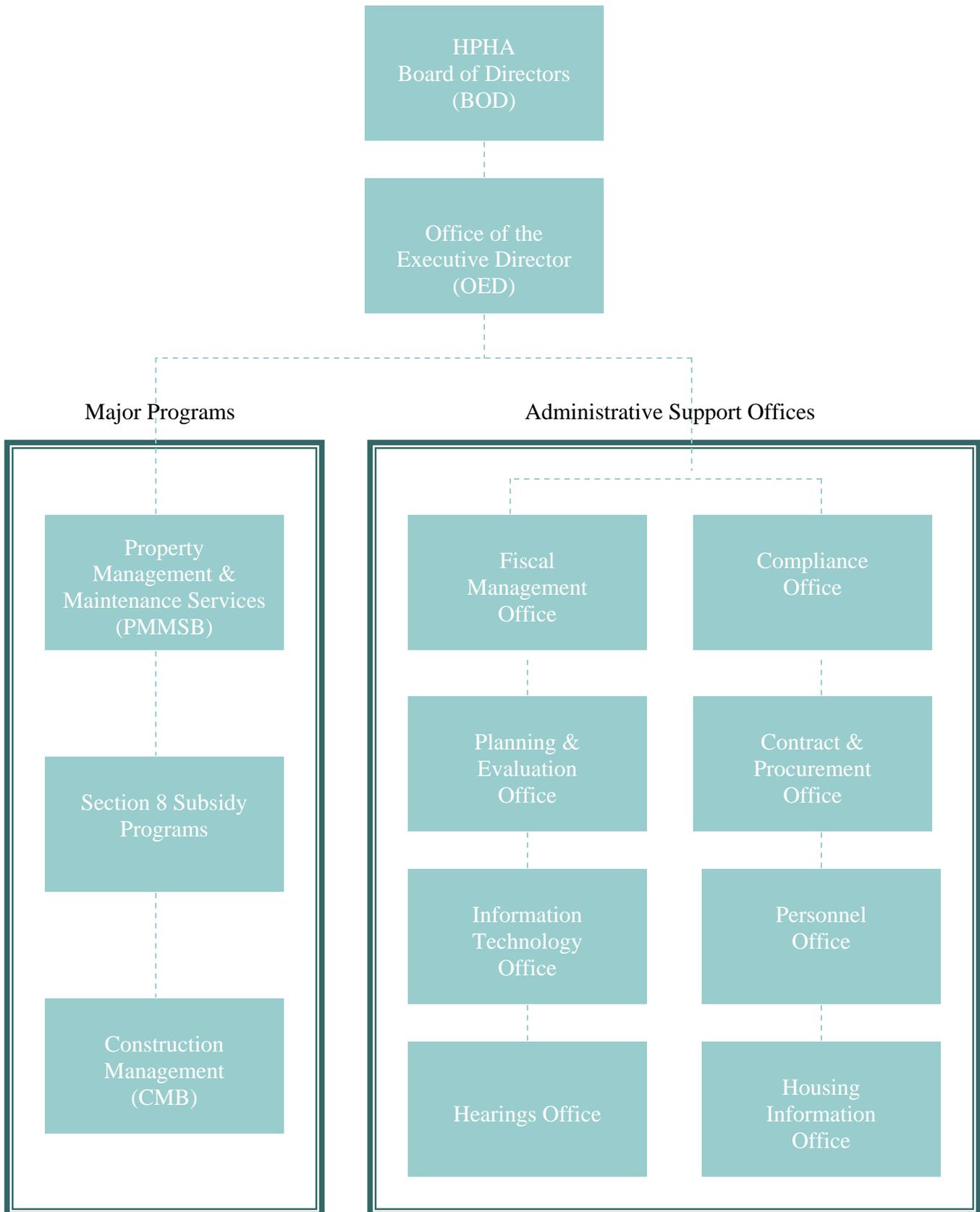
2010

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

2012

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

HPHA Organization



Federal and State Low Income Public Housing Program

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

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

Portfolio of **85 properties** consisting of **6,195*** units of public housing

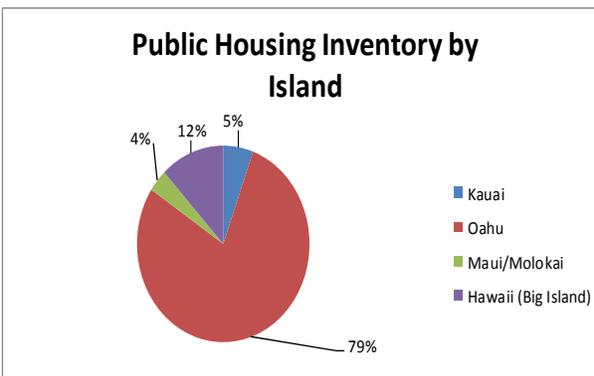
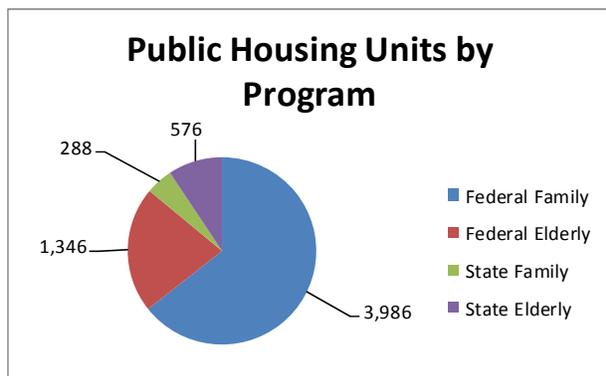
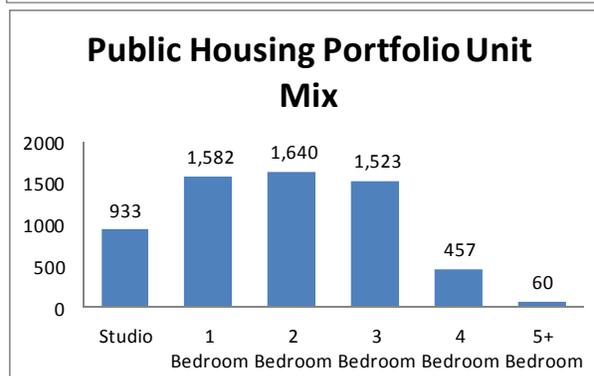
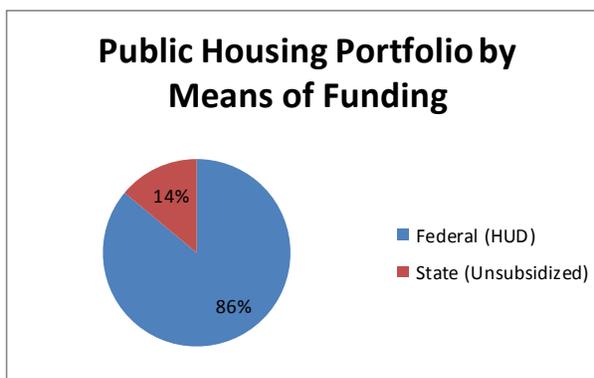
- **5,331*** units HUD subsidized
- **864 units** State (no subsidy)
- Units on Kaua'i, O'ahu, Moloka'i, Mau'i, and Hawai'i

*Authorized units

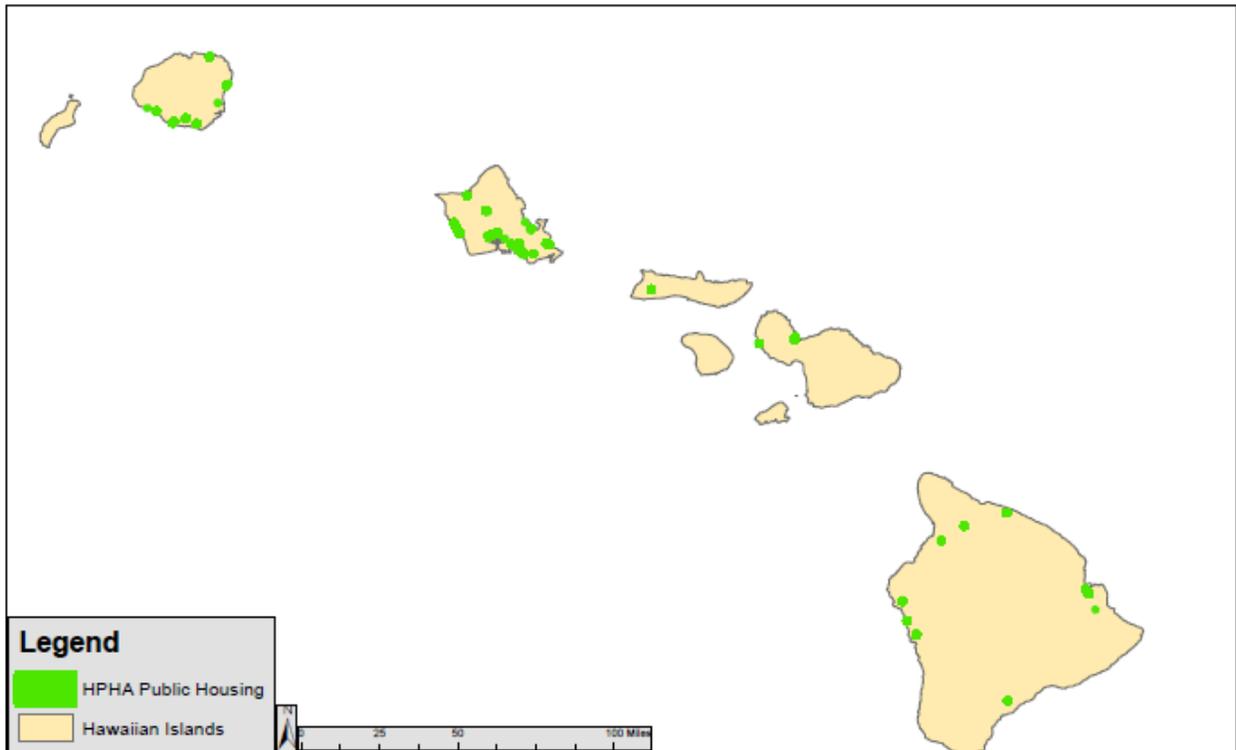
Unit sizes range from zero (0) bedrooms (e.g. studios) to five (5) bedrooms

85 properties are grouped into **Sixteen (16) Asset Management Projects (AMPs)**

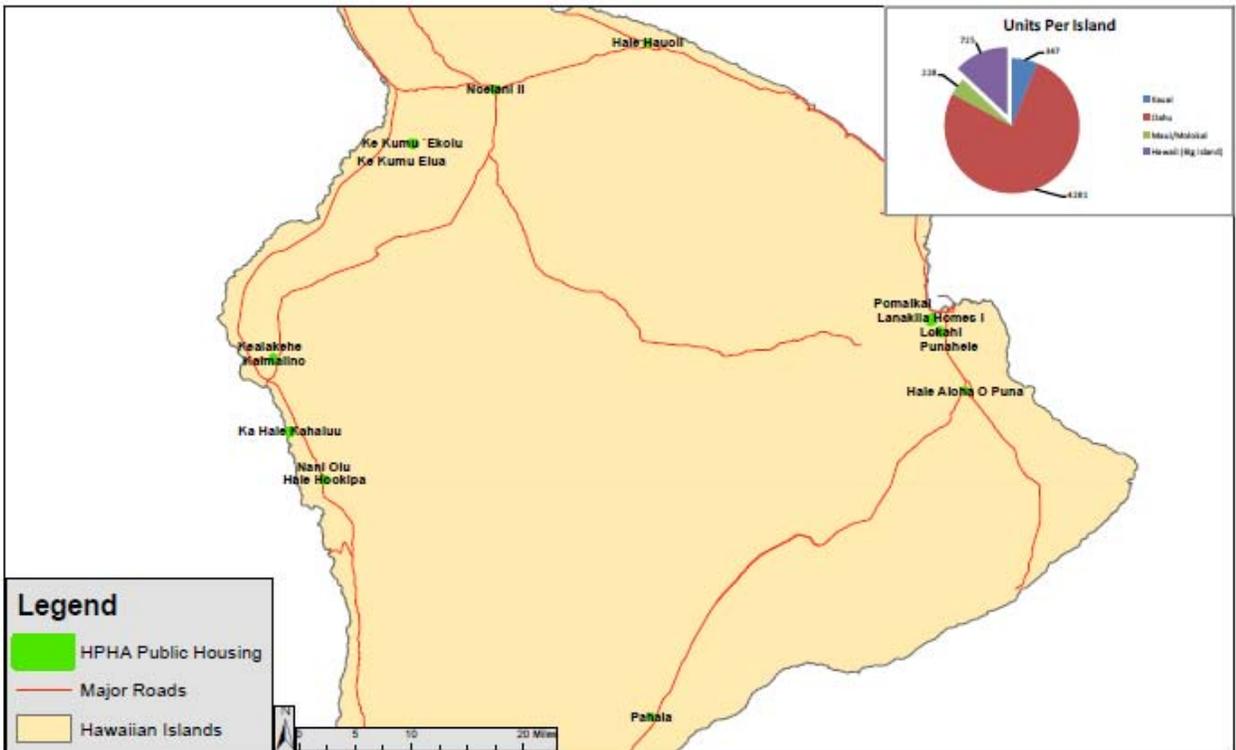
- **8 AMPs** managed by State employees
- **8 AMPs** managed by private contractors
- Accounting, budgeting, management, oversight, and evaluation performed by AMP with Central Office assistance, known as **Asset Management**



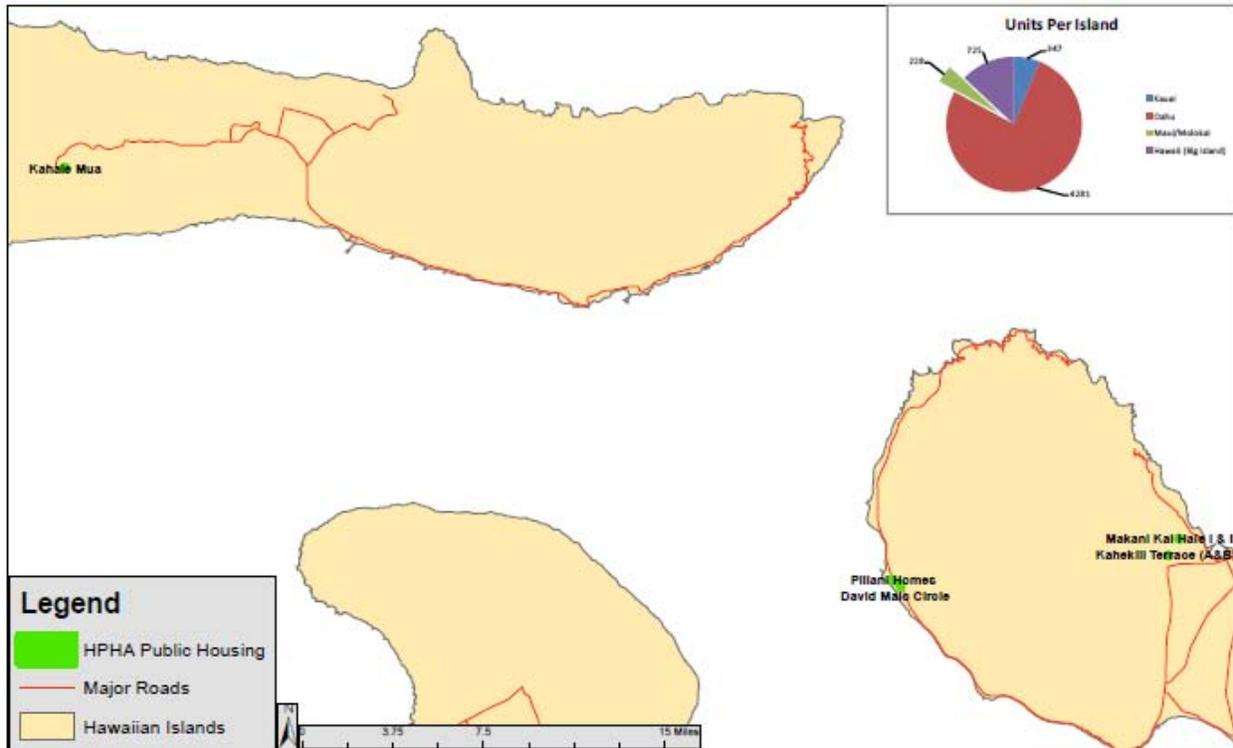
Federal and State Low Income Public Housing Locations



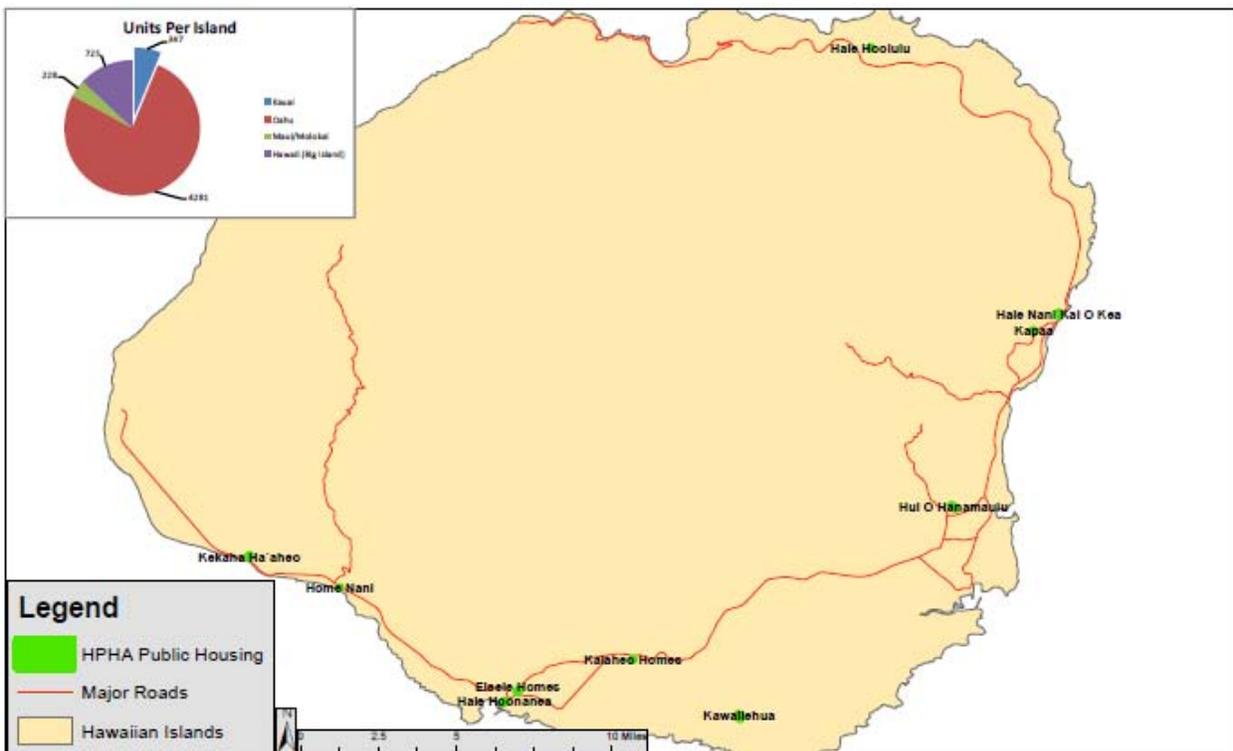
County of Hawaii (Big Island)



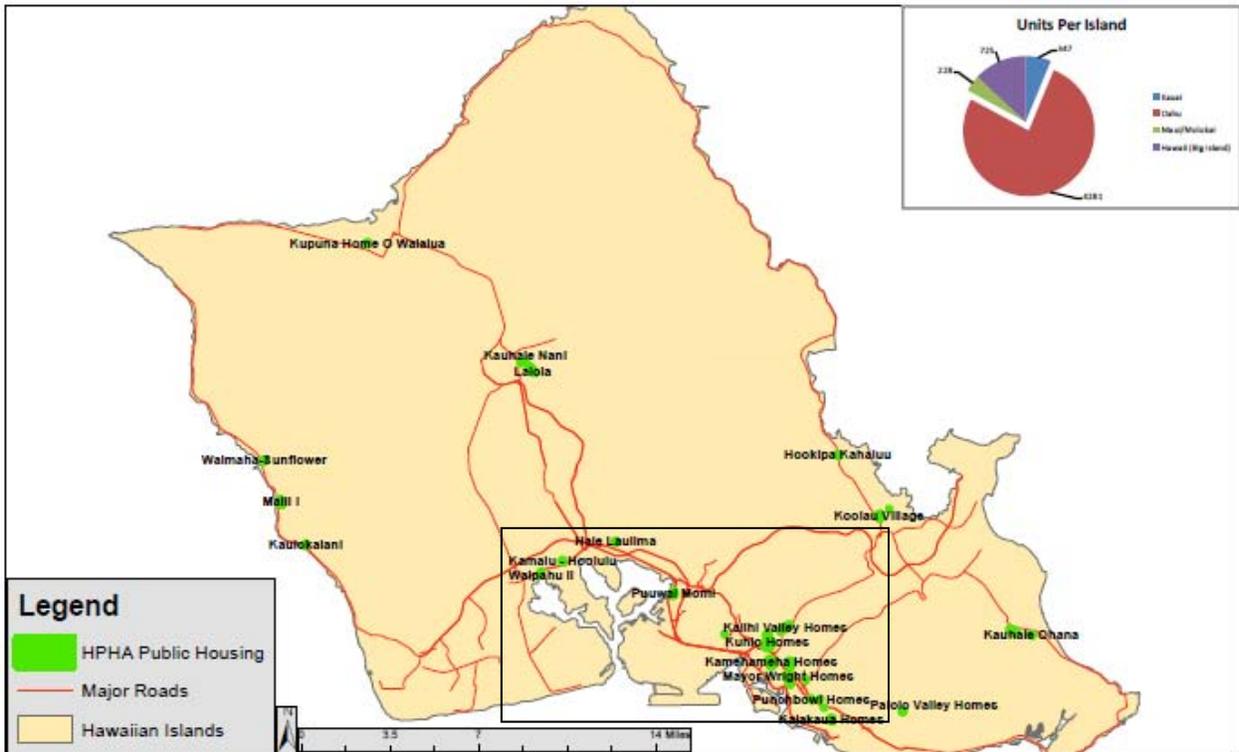
County of Maui



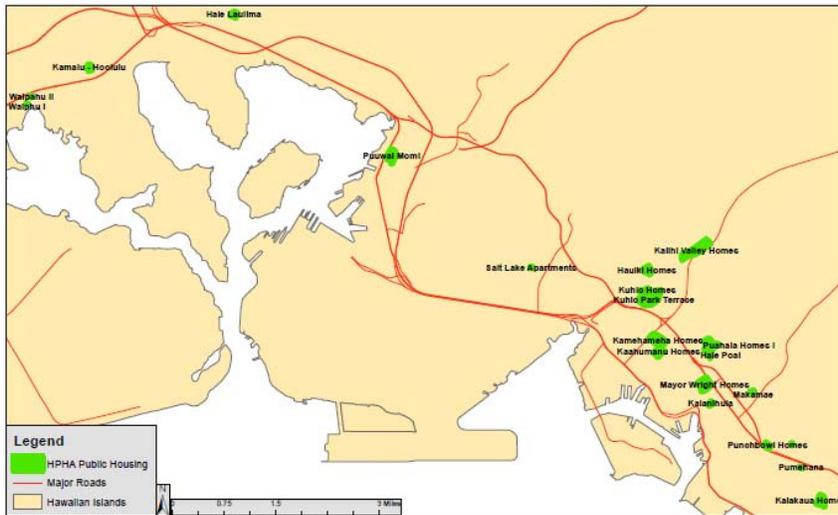
County of Kauai



City and County of Honolulu



City and County of Honolulu Inset

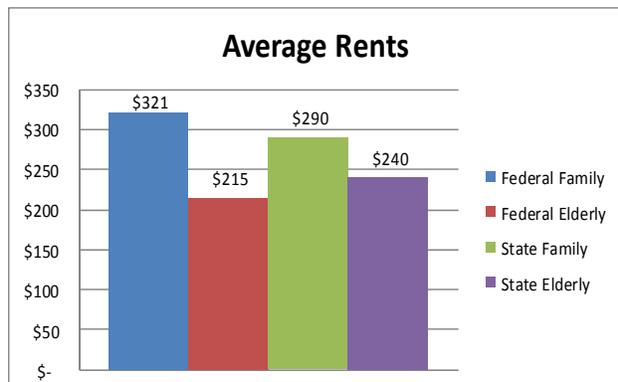
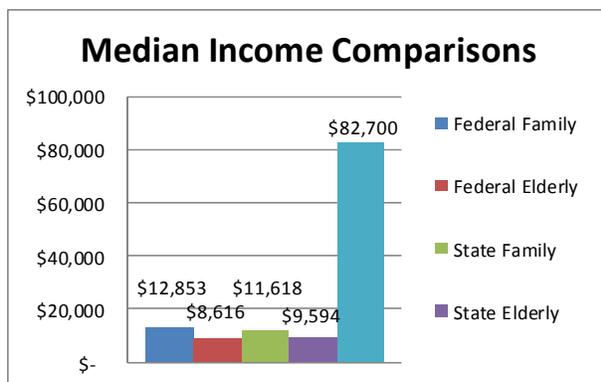
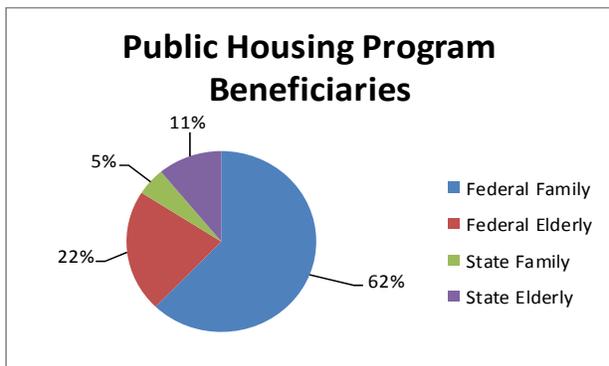


House Districts	1	2	3	5	6	7	8	10	13	14	15	16	20	24	25	16	27	28	29	30	32	35	38	43	44	45	46	48	49	51
Senate Districts	1	2	3	4	5	6	7	8	10	11	12	13	14	15	16	17	20	21	22	23	24	25								

Federal and State Low Income Public Housing Program— Tenant Characteristics

House “**Low Income**” families earning **80% Area Median Income (AMI) or less**

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



Program	Number of Families	Number of Individuals	Average Family Size
Federal Family Low Income Public Housing	3,225	10,876	3.37
Federal Elderly Low Income Public Housing	1,134	1,338	1.18
Total Federal Tenants	4,359	12,214	2.80
State Family Low Income Public Housing	256	786	3.07
State Elderly Low Income Public Housing	570	766	1.34
Total State Tenants	826	1,552	1.88
Total Tenants	5,185	13,766	2.65

Property Management & Maintenance Services Branch

As of the close of Fiscal Year 2012, the HPHA Property Management Branch had made significant improvements in a number of important areas.

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

Improvements boosted the agency to “Standard Performer” status with a “Substandard” management rating factor.

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



Improvements in the Property Management Branch have drawn positive attention from the local media outlets



Significant investments were made to improve safety and security at properties statewide, particularly at Mayor Wright Homes near Downtown Honolulu, where hot water systems and fencing improvements were implemented to correct major deficiencies. As shown in the image above, in March 2012, tenant ID cards were issued for each registered resident listed in a household at Mayor Wright Homes in order to assist with issues relating to trespassing.

Construction Management Branch

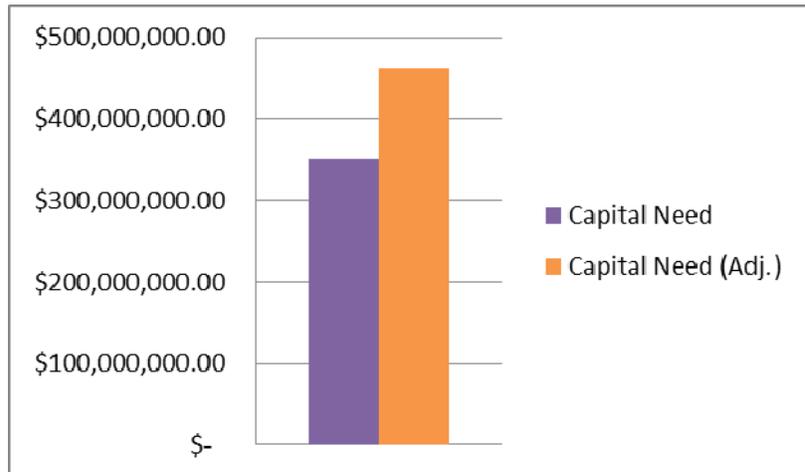
The Construction Management Branch (CMB) worked hard under a 60% professional staffing situation. During FY 2011 – 2012 the CMB was able to successfully close all large capacity cesspools which were under a corrective action and final order from the Environmental Protection Agency. It was also able to fully expend the \$16 Million in Stimulus funds provided by the American Recovery and Reinvestment Act (ARRA) with a clear financial audit of the funds by the Department of Housing and Urban Development. All Quarterly Federal Reporting for stimulus funds and the Annual Federal Section 3 Report were reported on time.

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

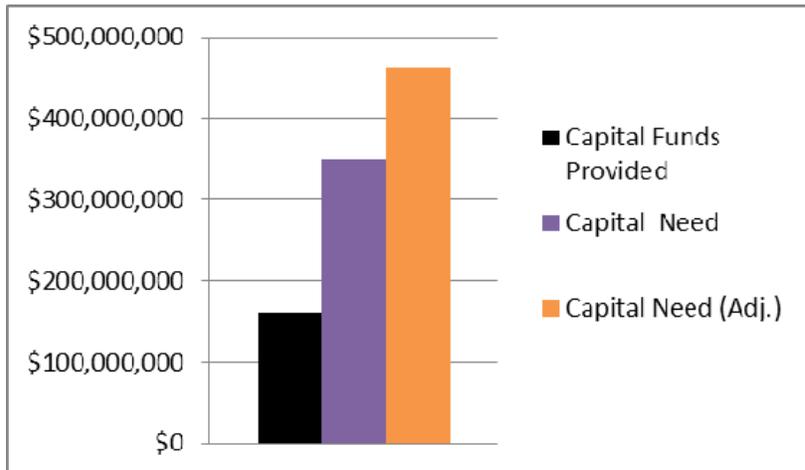
The HPHA's housing stock still has an extensive capital need that continues to be underfunded by HUD, currently estimated at approximately \$462 Million, an increase from 2009 estimates of \$350 Million in capital needs. HPHA plans to request another \$180 Million in State CIP funds this Biennium, which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

An environmental review was conducted on all 65 Federal and 20 State Public Housing Developments statewide. In addition to the construction

projects that were completed and the design and construction contracts they were able to encumber/obligate on time, the Construction Management Branch manages a little over 100 open and on-going design and construction contracts.



2009 PNA Estimate v. HPHA's Current PNA Estimate



Capital Funds Provided Since 2009 v. PNA and HPHA Estimated Need

Encumbering, obligating and expending all capital improvement funds remain our top priority. Additionally, modernizing vacant units for occupancy is given focused Attention, particularly those that correct life, health and safety issues and invest in accessibility and accommodation improvements. The Construction Management Branch strives to keep its staff trained and apprised of all code and compliance changes. It is working toward developing an interactive tool providing important fixed assets inventory information and maintenance schedule to major building systems to get ahead of maintenance issues that lead to expensive remediation measures. Finally, energy and green design is an area the Construction Management Branch hopes to incorporate more aggressively as it moves forward with modernization projects.

Contracts Encumbered/Obligated

State CIP Funds Encumbered: \$7,049,221

Federal Capital Improvement Funds Program (CFP) Obligated: \$13,177,642

Total Encumbered/Obligated: \$20,226,863

Construction Projects Completed

Physical Improvements to Kahekili Terrace, Maui, \$5,079,289 (CFP ARRA), F&H Construction, 9/29/2011

Consultant: Allana Buick & Bers, \$551,929.80 (CIP)

Reroofing of Ka`ahumanu Homes, Honolulu, \$2,018,300 (CFP), Arita-Poulson General Contracting, LLC, 11/1/2011

Consultant: Mitsunaga & Associates, Inc., \$74,058.60 (CIP)

Reroof and Structural Repairs at Makua Ali`i, Phase I, Honolulu, \$2,235,868.11 (CFP ARRA), Hi-Tec Roofing, 11/2/2011

Consultant: SSFM, International, \$789,806. (CFP)

Major Modernization of Hale Hau`oli Elderly, Hawai`i, \$2,026,254 (CFP ARRA), Isemo-to Construction, 11/17/2011

Consultant: Koa Architects, LLC, \$266,031.70 (CIP)

Fire Alarm Upgrades, Reroofing, Painting, ADA Improvements at Hale Po`ai, Honolulu, \$1,672,789 (CIP), Ralph S. Inouye Company, Ltd., 12/14/2011

Consultant: Architects Pacific, \$534,021 (CIP)

Large Capacity Cesspool Conversions

at Kekaha Ha`aheo, Kaua`i, \$1,632,000 (CIP & EPA), Koga Engineering & Construction, 2/2012

at Hale Ho`olulu & Kalaheo, Kaua`i, \$1,200,000, (CIP), Goodfellow Brothers, Inc., 6/1012

Consultant: AECOM Pacific, Inc, \$351,594, (CIP)

Site Improvements to Puahala Homes, Honolulu, \$2,782,853, (CIP), Global Specialty Contractors, 2/24/2012

Consultant: Kim & Shiroma Engineers, Inc., \$177,022.95 (CIP)

Repairs to Failed Retaining Wall at Kalihi Valley Homes, Honolulu, \$570,156.37 (CIP), Prometheus Construction, 6/20/2012

Consultant: GYA Associates, \$109,833.58 (CIP)

PROJECT: REROOF AND STRUCTURAL REPAIRS TO MAKUA ALII – PHASE I
Fund: ARRA (\$2,235,868.11)

Re-roofing to the high roof, low roofs and metal roof, replacement of gutter and down spouts, structure spall and crack repairs, abatement to asbestos containing materials, removal of selected planter boxes and interior renovation of units # 1909, 1910 and 1911.



Existing metal roof



Existing main roof



New main roof at Makua Alii

PROJECT: RE-ROOF AND RENOVATION TO SENIOR HOUSING AT HALE HAU'OLI
Fund: ARRA (\$2,026,254.00)

Reroofing, residing, exterior painting, interior renovation, site improvement and ADA accessibility compliance to all eleven buildings (total of 11 buildings) at Hale Hauoli and modify 4 units to accommodate person with mobility impairments.



Existing roof at Hale Hauoli



New roofs at Hale Hauoli



Newly renovated kitchens



Newly renovated bathrooms with solar light and ventilation

PROJECT: MODERNIZATION AND MAINTENANCE TO 14 ELEVATORS AT VARIOUS LOCATIONS

Fund: CIP (\$3,172,830.78)

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



New elevators at Makua Alii



New elevators at Kalakaua Homes

PROJECT: HALE PO'AI – FIRE ALARM UPGRADES, REROOFING, PAINTING, ADA IMPROVEMENTS

Fund: CIP (\$1,672,789)

Fire alarm upgrades included replacing water lines under the building, upgrading the emergency generator, accessibility improvements and painting.



Hale Po'ai exterior (Before).



Exterior painting (After).



Hale Po'ai roofing (Before)

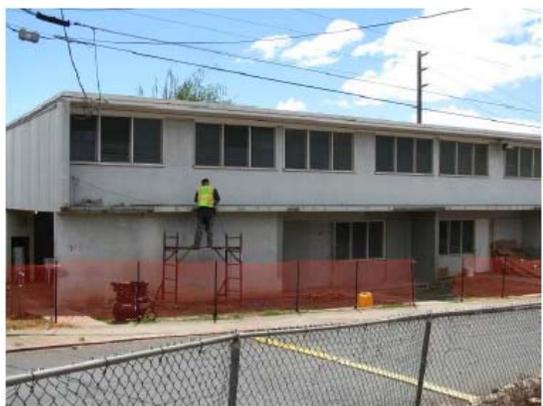


Roofing (After)

PROJECT: PHYSICAL IMPROVEMENTS TO KAHEKILI TERRACE

Fund: ARRA (\$5,438,954)

Physical improvements included replacement of the solar hot water systems and storage tanks for three 3-story buildings, eleven 2-story buildings and one office building to tankless gas-fired hot water heaters, plumbing, reroofing, spall and crack repairs, exterior painting, electrical and other incidental work.



Kahekili Terrace Lower site before renovation Kahekili Terrace Lower site after renovation



Kahekili Terrace Lower site before renovation Kahekili Terrace Lower site after renovation

PROJECT: KAWAILEHUA (FEDERAL PUBLIC HOUSING) TOTAL MODERNIZATION, INTERIOR, EXTERIOR AND SITE IMPROVEMENTS, ACCESSIBILITY IMPROVEMENTS
Fund: Federal CFP (\$2,476,702)

Total modernization to 25 units: reroofing, painting, paving seal coat and restriping. ADA improvements.



Kawailehua (Federal) Bldg E. (Before)



Kawailehua (Federal) Bldg E. (Before)



Kawailehua (Federal) Bldg H Rear (After)



Kawailehua (Federal) Bldg G (After)



Typ. Kitchen renovation (Federal) Kawailehua



Typ. Roll-in shower renovation Bldg G.(Federal)

PROJECT: KAWAILEHUA (STATE PUBLIC HOUSING) EXTERIOR AND SITE IMPROVEMENTS, ACCESSIBILITY IMPROVEMENTS

Fund: CIP (\$1,026,732)

Exterior painting, siding & window repairs, paving seal coat. Accessibility compliance improvements.



Kawailehua (State) bldg A (Rear) (Before)



Kawailehua Bldg G (Before)



Kawailehua (State) Bldg C Rear (After)



Kawailehua Bldg (State) Stairs, painting & paving seal coat (After)



Kawailehua (State) Building A (After)



Kawailehua (State) (After) Paving seal coat.

Section 8 Subsidy Programs Branch

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

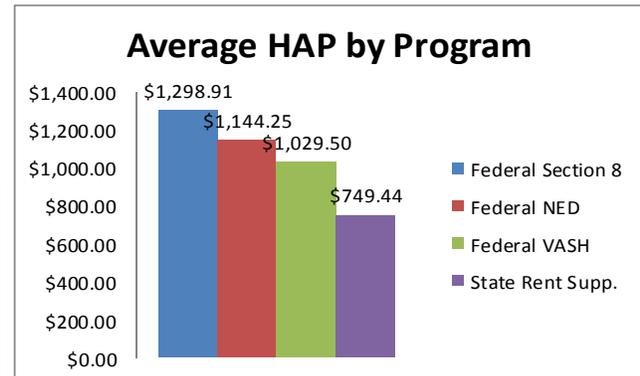
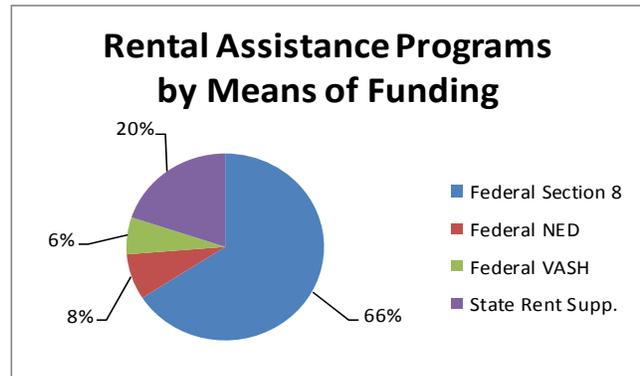
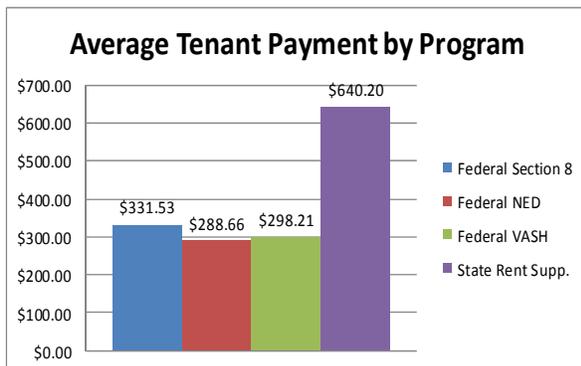
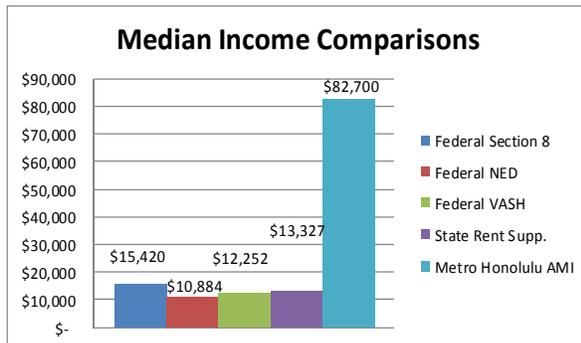
1,379 HUD HCV vouchers, Avg. Housing Assistance Payment (HAP) = **\$1,300** per month

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

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

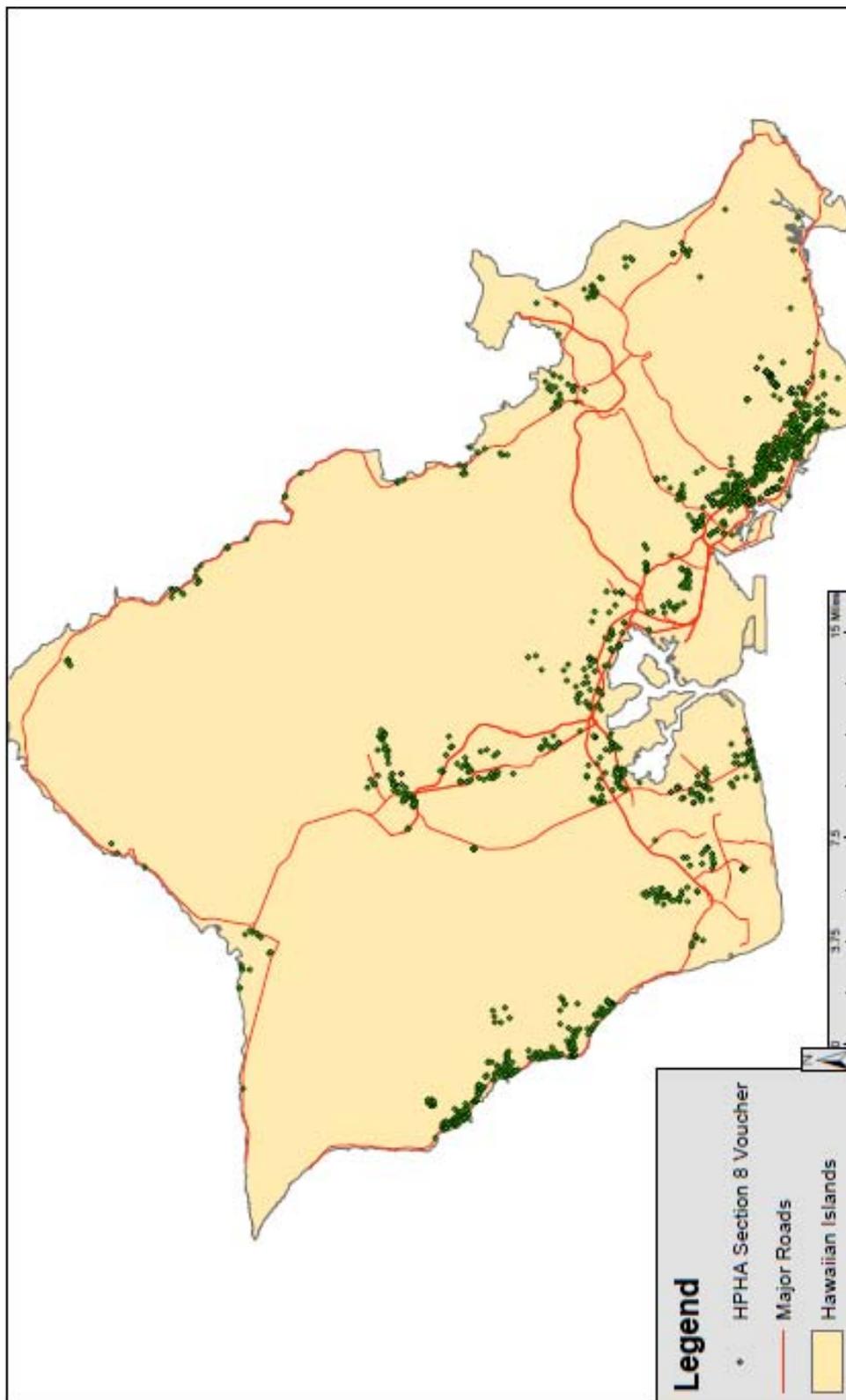
416 State Rent Supplement vouchers, Avg. payment of **\$230** per household

Section 8 & Rent Supplement programs



Program	Number of Families	Number of Individuals	Average Family Size
Section 8	1,379	6,099	4.42
NED	165	444	2.69
VASH	134	186	1.39
Total Federal	1,681	6,834	4.07
State Rent Supp.	416	1,462	3.51
Total Recipients	2,097	8,296	3.79

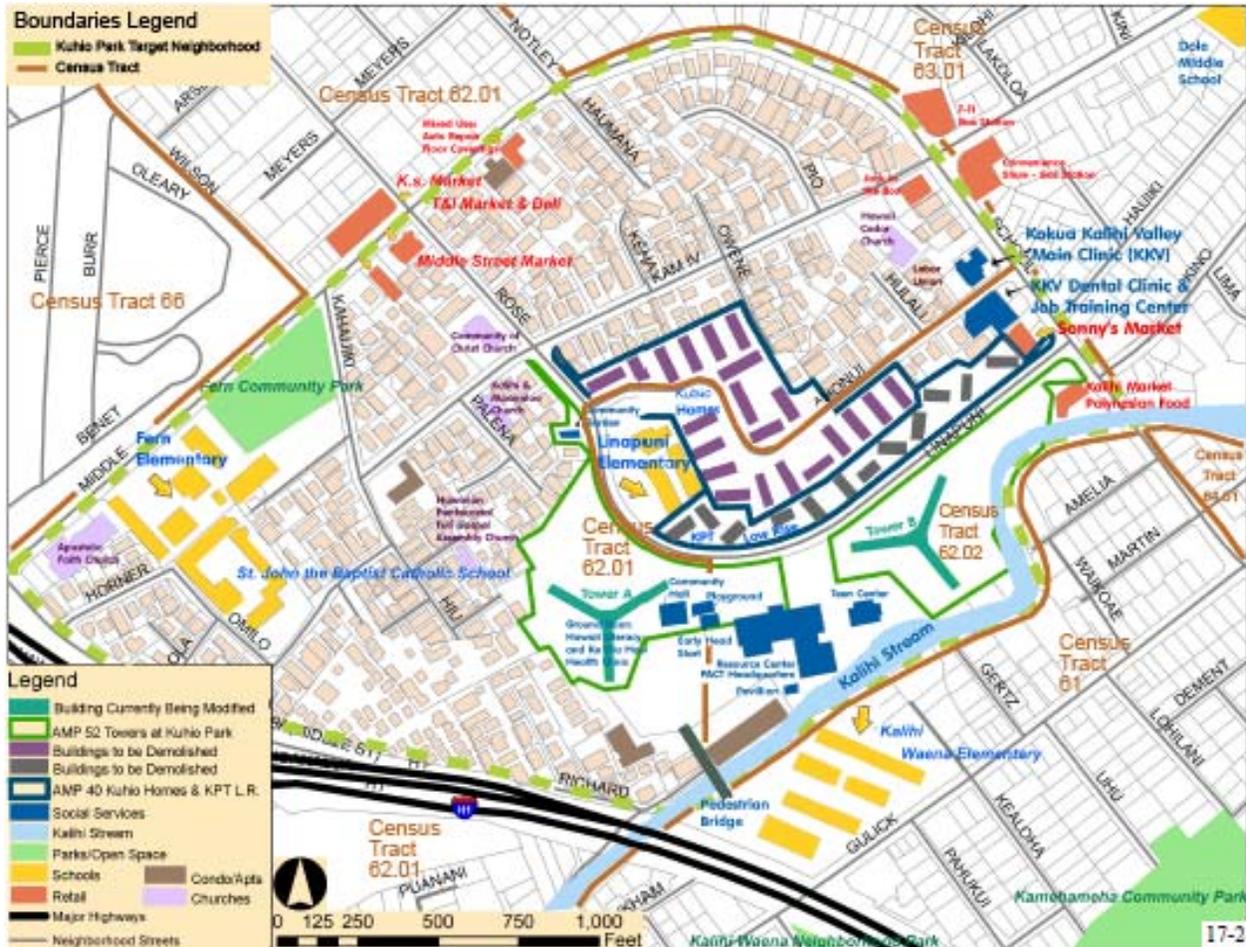
HPHA Section 8 Voucher Distribution



Administrative Support Office Accomplishments

Choice Neighborhoods Planning Grant

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



Neighborhood Map from the HPHA's CNI Planning Grant Application

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

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

Program Year Accomplishments

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

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

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

“I Have A Dream” Hawaii Housing Campaign

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



An HPHA staff person thanks a member of the community with a rose

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



Oceanic sent teams of volunteers to assist

Fair Housing

The HPHA provided Fair Housing training for 230 employees in sessions held on Oahu, Kauai, and Maui. Fair housing training was offered to all public housing residents on Kauai and Maui, with 21 residents attending.

Additionally, the HPHA's Compliance Office resolved 6 discrimination complaints that were filed with the Hawaii Civil Rights Commission and HUD. Work is being completed on a contract with an independent consultant, the National Center for Housing Management, to complete HPHA's Section 504 Self-Evaluation Plan and Transition Plan, to determine and plan for improvements needed to make the HPHA more accessible to persons with disabilities.

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

Language Access

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

Hearings Office Statistics

HEARINGS OFFICE EVICTIONS Statewide Federal Eviction Referrals/Decisions									
MONTH	Total	REASON FOR REFERRAL		BOARD DECISIONS RENDERED					Completed
		Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	
FY 2008	158	107	51	65	42	10	7	34	124
FY 2009	232	194	38	94	63	5	11	59	173
FY 2010	263	223	40	109	83	4	6	61	202
FY 2011	178	140	38	68	54	5	5	46	132
FY 2012	106	84	22	40	32	1	3	30	76
FY 2013 (10/31/12)	55	43	12	28	9	0	1	17	38
TOTALS	992	791	201	404	283	25	33	247	745

The Hearings Office anticipates improved performance in the next Fiscal Year thanks to the enactment of Act 160, Session Laws of Hawaii 2012, which amended Section

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

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

Information Technology Office

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

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

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

Exempt Employment & Volunteer Report

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

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

Date of Hire	Office/Area	Position Title
11/07/11	PMMSB/RSS	Resident Svcs Prgm Spclt
11/07/11	Compliance Office	Hsg Compliance & Eval Spclt
11/07/11	PMMSB/RSS	Resident Svcs Prgm Spclt
11/16/11	CPO	Hsg Contract Spclt
01/03/12	OED	Executive Director
01/12/12	CMB	Project Engineer
05/07/12	PMMSB/PMCS	Property Mgmt Spclt
05/10/12	PMMSB/RSS	Resident Svcs Prgm Spclt
05/14/12	CMB	Project Engineer
Total		9

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

Total Number of Volunteers Utilized: Approximately 250

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

2012 Acts

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

Act	Title/Intent	Description
<p>Act 160 (H.B. No. 755 HD3 SD2)</p>	<p>Streamlined eviction process</p>	<p>Streamlines the HPHA's eviction procedures to remove lease violators from the HPHA's federal low-income public housing program while keeping intact the due process protections provided under federal regulations and the grievance procedures, by:</p> <ul style="list-style-type: none"> • Conforming eviction procedures to federal law; • Allowing eviction hearings to be held with less than three members; and • Allowing the HPHA to study the feasibility of a video-conference option for conducting hearings, which would be useful on the neighbor islands.
<p>Act 164 (H.B. No. 1398 HD1 SD1 CD1)</p>	<p>Public private partnerships exempt from state procurement code</p>	<p>Enables the HPHA to pursue the efficient development of new public housing projects and redevelopment of existing public housing projects statewide to address the agency's backlog of physical needs by authorizing the HPHA to enter into partnership or development agreements with private parties exempt from select provisions of Chapters 103 (Expenditure of Public Money and Public Contracts) and 103D (Hawaii Public Procurement Code), Hawaii Revised Statutes.</p>
<p>Act 159 (H.B. No. 2302 HD2 SD1 CD1)</p>	<p>Civil service exemption for vacant unit repair workers</p>	<p>Supports HPHA's efforts to address its over \$200 million capital repair backlog by temporarily exempting from civil service, persons hired or contracted to perform repair or maintenance work on HPHA's vacant housing units and planning, design, engineering, or permit processing work for HPHA's capital improvement projects.</p>

2013 Legislative Proposals

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

2013 HPHA Legislative Proposals		
Title/Intent	Bill Purpose	DHS No.
Delinquent Balance Write-Off	Provide HPHA with ability to write off delinquent account balances for state LIPH in same manner as federal LIPH, exempt from Section 40-82, HRS; reduces required wait time from 2 years to 90 days; moves delinquent accounts more quickly to Collections agency.	HMS-16
Uniform Admin. Rule Adoption Process	Provides HPHA with authority to adopt certain policies exempt from Chapter 91 rulemaking formalities; would eliminate dual compliance currently required by 24 C.F.R. 903 and Chapter 91, HRS for the adoption of ACOP and other administrative rule provisions. Would allow the HPHA to follow only the process provided by 24 C.F.R. 903, which is consistent with PHA practice nationwide. In conjunction with Section 26-35(a)(3), HRS, would allow the HPHA to work with the Governor to tailor admin. rule adoption process.	HMS-17
Streamline Eviction Process	Allows for certain evictions resulting from household criminal activity to be processed without grievance hearing per HUD regulations; amends Sections 356D-92 and 521-7, HRS. Would allow HPHA property managers to send evictions straight to circuit court, without a grievance, by providing a judicial process that will suffice for HUD due process approval.	HMS-18

Legislative Proposals

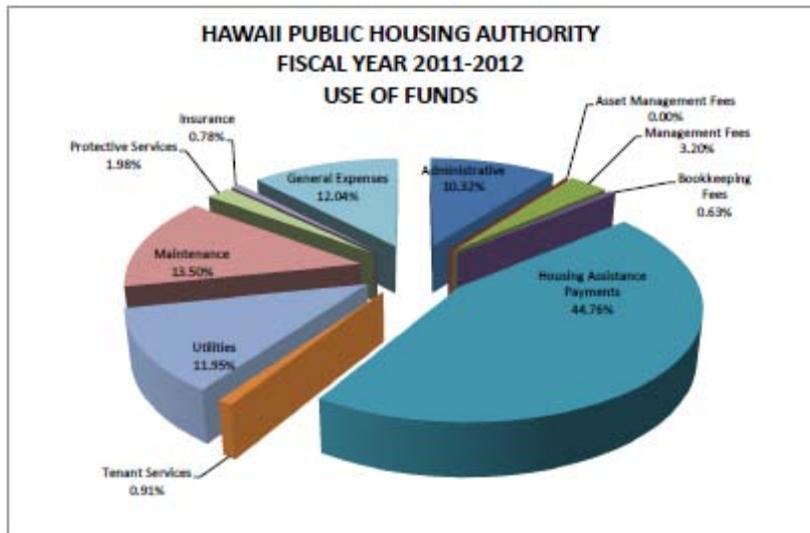
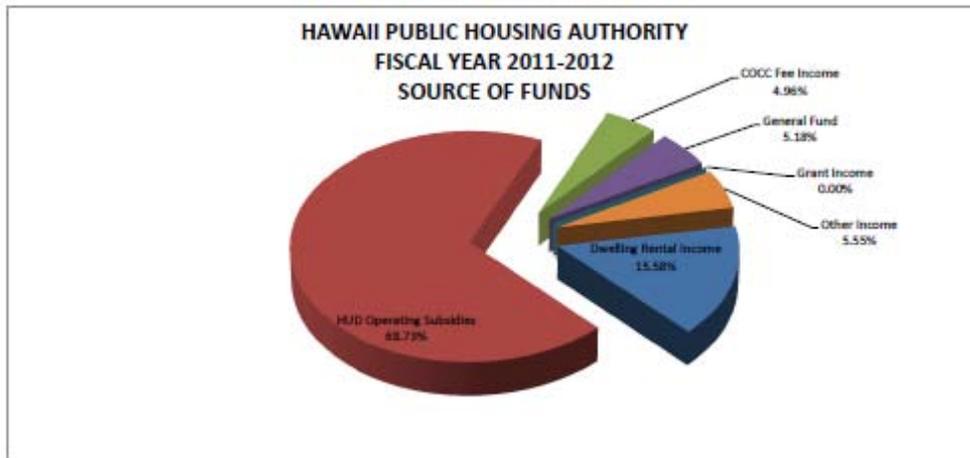
<p>Increase Property Security</p>	<p>Makes possession/storage of open containers of intoxicating liquors on public housing common areas a criminal offense. Consumption of intoxicating liquors is already prohibited; this proposal would expand that prohibition beyond consumption (which requires a witness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

Legislative Proposals

State Income Tax Exemption	Repeals Section 201H-37, HRS, and re-enacts in Chapter 356D, HRS. This statute already is in place, and illustrates consistent policy of the U.S. government to exempt certain income and obligations of PHAs from income taxes in order to promote affordable housing development. This measure should have moved to Chapter 356D, HRS, when HCDCH was bifurcated. This is a HOUSEKEEPING measure.	HMS-21
Streamline Property Disposal	Amends Section 356D-56, HRS, regarding the disposition of abandoned personal property on HPHA state LIPH properties to match process that DLNR uses. Current law requires the HPHA to act as a storage unit and only gives the HPHA a lien interest in abandoned personal property. HPHA is required to provide numerous notices and wait periods, and cannot act more quickly in the case of extremely low value property (junk). Liens on the possessions of evicted tenants become TARs and can make the agency look financially unhealthy, and are unlikely to be recovered due to the low income of evicted tenants.	HMS-24

Financial Data and Auditor's Report

	Total Revenues	Total Expenses
Actual	\$104,116,545	\$111,258,090
Budget	\$92,028,816	\$105,041,320



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

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

<http://www.hpha.hawaii.gov/reportsstudies/index.htm>



**Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817
(808) 832-4692
www.hpha.hawaii.gov**

