Reviewed and Approved by the Executive Director
September 17, 2009

FOR ACTION

SUBJECT: To Adopt Board Resolution No. 19 Relating to the Statement of Procurement Policy Governing the Federal Capital Fund Stimulus Grant.

I. FACTS

A. On August 16, 2007, the Hawaii Public Housing Authority's (HPHA) Board of Directors adopted the Statement of Procurement Policy.

B. On March 19, 2009, the HPHA's Board of Directors adopted revisions to the Statement of Procurement Policy that required revision(s), clarification and additional information.

C. Under the American Recovery and Reinvestment Act of 2009 (Recovery Act), the HPHA has received approximately $16 million in additional Federal Capital Fund Stimulus Grant funds.

II. DISCUSSION

A. To comply with the Recovery Act procurement requirements, the U.S. Department of Housing and Urban Development (HUD) has instructed public housing agencies to amend its procurement policy to facilitate obligation and expenditure of Recovery Act funds.

B. To comply with HUD, the HPHA intends to include an addendum to the Statement of Procurement Policy.

C. The addendum amends the Statement of Procurement Policy and applies only to procurements executed with Federal Recovery Act Capital Fund Stimulus Grant funds as follows:

1. Removes requirements relating to the procurement of goods and services arising under state laws to facilitate obligation and expenditure of Recovery Act funds;

2. Includes the "Buy American" requirements of section 1605 of the Recovery Act; and

3. Increases the small purchase threshold from $50,000 to $100,000.

D. The HUD Honolulu Field Office has reviewed the addendum and has indicated it complies with the HUD requirements.

E. Attached is the Addendum No. 1 Statement of Procurement Policy for the Capital Fund Stimulus Grant.

III. REQUEST

That the Board of Directors adopt Resolution No. 19 Relating to the Statement of Procurement Policy Governing the Federal Capital Fund Stimulus Grant.

Attachment: Addendum #1 – Statement of Procurement Policy for the Capital Fund Stimulus Grant, dated September 17, 2009

Prepared by: Rick T. Sogawa, Acting Procurement Officer

STATEMENT OF PROCUREMENT POLICY
ADDENDUM NO. 1 FOR THE CAPITAL FUND STIMULUS GRANT
For the Hawaii Public Housing Authority

Pursuant to the U.S. Housing and Urban Development Notice PIH 2009-12 (RA), the Hawaii Public Housing Authority (HPHA) must comply with the American Recovery and Reinvestment Act Capital Fund Formula Grants. On February 17, 2009, the President signed the American Reinvestment and Recovery Act (ARRA). This legislation includes a $4 billion appropriation of Capital Funds to carry out capital and management activities for public housing agencies, as authorized under Section 9 of the United States Housing Act of 1937 ("the 1937 Act"). The ARRA requires that $3 billion of these funds be distributed as formula funds and the remaining $1 billion shall be distributed through a competitive process.

Therefore, this addendum amends the HPHA's Procurement Policy to reflect the requirements under the American Recovery and Reinvestment Act Capital Fund Formula Grant. If this policy conflicts with the provisions of 24 CFR part 85 or the ARRA, the provisions of 24 CFR part 85 or the ARRA shall apply.

This policy applies only to the ARRA Capital Fund Formula Grant funds and will terminate upon close of the ARRA grant agreement with HUD for federal capital fund stimulus grant funds.

In accordance with the ARRA, the following procurement requirements shall be followed.

1) Priorities: The HPHA shall give priority to Capital Fund Stimulus Grant projects that can award contracts based on competitive sealed bids within 120 days from March 17, 2009.

2) State and Local: Any requirements relating to the procurement of goods and services arising under state and local laws and regulations shall not apply to Capital Fund Stimulus Grants. The HPHA shall instead follow the 24 Code of Federal Regulations (CFR) Part 85 requirements. The state and local governments cannot take any adverse action against the Authority related to their procurement in compliance with the ARRA procurement requirements.

3) 24 CFR Part 85 Compliance: To expedite and facilitate the use of the funds, this amended policy can be used only for procurements related to ARRA Capital Fund Stimulus Grant Funds. The HPHA shall remove all procurement standards that are contrary to 24 CFR Part 85 or ARRA. Where permitted by 24 CFR Part 85, the HPHA may insert their own procedures provided that they are not contrary to the purposes of the ARRA.

    a. The HPHA may use existing protest procedures, written codes of standards for employees engaged in the award and administration of the contracts and other procedures as long as they are not contrary to 24 CFR Part 85.

    b. The HPHA shall continue to follow all 24 CFR Part 85 requirements regarding conflicts of interest, contract cost and price.

4) For any amounts above the Petty Cash ceiling, but not exceeding $100,000, the HPHA may use small purchase procedures. Under small purchase procedures,

the HPHA shall obtain a reasonable number of quotes (preferably three); however, for purchases of less than $2,000, also known as Micro Purchases, only one quote is required provided the quote is considered reasonable. To the greatest extent feasible, and to promote competition, small purchases should be distributed among qualified sources.

5) Force Account: To the extent feasible, the HPHA will consider employing existing or additional force account laborers on either a permanent or a temporary basis to perform ARRA Capital Fund Stimulus Grant work. See 24 CFR 968.105 and 968.120. No prior HUD approval is required specifically for force account labor, but such work must be incorporated into the Capital Fund planning, budgeting and reporting documents.

6) Buy American: The HPHA shall follow the Buy American requirements of section 1605 of the Recovery Act and use only iron, steel and manufactured goods produced in the United States in their projects.

   Subsections 1605(b) and (c) of the Recovery Act authorize the head of a Federal department or agency to waive the Buy American provision. The HPHA shall request a request for regulatory waiver only if it can document that: (1) applying the provision would be inconsistent with the public interest; (2) the relevant goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (3) the inclusion of the goods produced in the United States will increase the cost of the project by more than 25 percent.

Approved by the Executive Director CT
September 17, 2009

FOR ACTION

SUBJECT: To Ratify of the Hawaii Public Housing Authority Legislative Proposal to Transfer the Homeless Programs Branch from the Hawaii Public Housing Authority to the Department of Human Services

I. FACTS

A. The 2010 Hawaii State Legislature will convene on January 20, 2010. The Department of Human Services (DHS) will develop its 2010 legislative package in October and November of 2009. The HPHA Legislative Coordinator will work with DHS during this period to include the HPHA legislative proposals in the DHS package.

B. For the 2009 legislative session, DHS and the Governor proposed to transfer the Homeless Programs Branch from HPHA to the DHS Benefits, Employment and Support Services Division (BESSD). Senate Bill 910 and House Bill 1092 were introduced to effect the transfer, and the Senate version was chosen as the vehicle to move it through the Legislature. HPHA supported the bill in testimony before the housing committees of the House and Senate.

C. Senate Bill 910 was passed by the Senate and approved by the House Committee on Housing, but due to time constraints it was not scheduled for hearing on the second committee referral, the House Judiciary Committee, and therefore was not passed by the House.

II. DISCUSSION

A. HPHA supports the transfer of the Homeless Programs to DHS and would like to work for passage of SB 910 or HB 1092 in the 2010 legislative session.

B. DHS offers programs that give homeless individuals the tools to attain self-sufficiency, such as employment and job training, child care, and general assistance. Locating Homeless Programs within BESSD would improve the department's coordination and delivery of homeless services to Hawaii's homeless population.

C. In light of the 50% draw down of Homeless Programs staffing due to the State budget deficit, having the direct support of BESSD programs and staff would avoid a paralyzing reduction in the ability of homeless services staff to distribute and monitor almost $23 million in state, federal and ARRA homeless services funding.

D. The U.S. Department of Housing and Urban Development (HUD) is questioning the eligibility of public housing authorities to receive formula grants on behalf of rural counties. Currently, HPHA receives Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) funds on behalf of Maui, Kauai, and Hawaii collectively. There are only two other PHAs in the nation that receive these formula grants for homeless services. All are in a questionable position and in jeopardy of

014

losing the annual allocations of federal funding. The reason cited by HUD is that a public housing authority, by virtue of its quasi-corporate nature under the control of a Board of Directors, may not be a State or County entity qualified to receive the grants. Transfer of the Homeless Programs Branch to DHS would quickly and easily resolve this potential issue.

III. RECOMMENDATION

That the HPHA Board of Directors approves HPHA's legislative proposal to transfer the Homeless Programs Branch from HPHA to DHS/BESSD .

Attachment: Measure History, Senate Bill 910

Prepared by: Alan Sarhan, Planner AS

Hawaii State Legislature
2009 Regular Session
SB910 SD1 HD1

View all versions of this measure | Show Hearing Notices | Show Committee Reports | Show Testimony | View PDF of measure text | Subscribe to RSS feed

Measure Title: RELATING TO THE TRANSFER OF HOMELESS PROGRAMS WITHIN THE DEPARTMENT OF HUMAN SERVICES.

Report Title: Homeless Programs

Description: Transfers homeless programs and services within the Department of Human Services by relocating the state homeless programs from the Hawaii Public Housing Authority to the Benefit, Employment, and Support Services Division. (SB910 HD1)

Companion: HB1092

Package: Gov

Current Referral: HSG, JUD, FIN

Introducer(s): HANABUSA (BR)

Date		Status Text
1/26/2009	S	Introduced.
1/28/2009	S	Passed First Reading.
1/30/2009	S	Referred to HMS/EDH, WAM.
2/6/2009	S	The committee(s) on HMS-EDH has scheduled a public hearing on 02-12-09 1:15pm in conference room 016.
2/12/2009	S	The committee(s) on HMS recommend(s) that the measure be PASSED, UNAMENDED. The votes in HMS were as follows: 3 Aye(s): Senator(s) Chun Oakland, Green, Hemmings; Aye(s) with reservations: none ; 0 No(es): none; and 1 Excused: Senator(s) Ihara.
2/12/2009	S	The committee(s) on EDH deferred the measure until 02-13-09 1:15 PM in conference room 225.
2/13/2009	S	The committee(s) on EDH recommend(s) that the measure be PASSED, UNAMENDED. The votes in EDH were as follows: 4 Aye(s): Senator(s) Sakamoto, Kidani, Chun Oakland, Galuteria; Aye(s) with reservations: none ; 0 No(es): none; and 2 Excused: Senator(s) Tsutsui, Hemmings.
2/20/2009	S	Reported from HMS/EDH (Stand. Com. Rep. No. 235) with recommendation of passage on Second Reading and referral to WAM.
2/20/2009	S	Report adopted; Passed Second Reading and referred to WAM.
2/25/2009	S	The committee(s) on WAM will hold a public decision making on 02-27-09 9:00am in conference room 211.
2/27/2009	S	The committee(s) on WAM recommend(s) that the measure be PASSED, WITH AMENDMENTS. The votes in WAM were as follows: 8 Aye(s): Senator(s) Kim, Chun Oakland, English, Fukunaga, Hee, Hooser, Tokuda, Hemmings; Aye(s) with reservations: none ; 0 No(es): none; and 4 Excused: Senator(s) Tsutsui, Galuteria, Kidani, Kokubun.
3/6/2009	S	Reported from WAM (Stand. Com. Rep. No. 824) with recommendation of passage on Third Reading, as amended (SD 1).
3/6/2009	S	48 Hrs. Notice 03-10-09.

016

3/10/2009	S	Report adopted; Passed Third Reading, as amended (SD 1). Ayes, 25; Aye(s) with reservations: none . Noes, 0 (none). Excused, 0 (none). Transmitted to House.
3/10/2009	H	Received from Senate (Sen. Com. No. 260) in amended form (SD 1).
3/12/2009	H	Pass First Reading
3/12/2009	H	Referred to HSG, JUD, FIN, referral sheet 27
3/13/2009	H	Bill scheduled to be heard by HSG on Wednesday, 03-18-09 9:30am in House conference room 325.
3/18/2009	H	The committees on HSG recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 11 Ayes: Representative(s) Cabanilla, Chong, Chang, Coffman, Har, Ito, C. Lee, Luke, Morita, Sagum, Ching; Ayes with reservations: none; Noes: none; and 2 Excused: Representative(s) Herkes, Thielen.
3/19/2009	H	Reported from HSG (Stand. Com. Rep. No. 1051) as amended in HD 1, recommending passage on Second Reading and referral to JUD.
3/20/2009	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on JUD with none voting no (0) and Chang, McKelvey, Morita, Takai, Thielen excused (5).
5/11/2009	D	Carried over to 2010 Regular Session.

S = Senate
H = House
D = Data Systems
$ = Appropriation measure
ConAm = Constitutional Amendment

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This report was generated on Sep 11, 2009 at 11:34:21 AM

SB910 SD1 HD1

017

Reviewed and Approved by the Executive Director
September 17, 2009

FOR ACTION

SUBJECT: To Adopt the Hawaii Public Housing Authority's Internal Control Policy.

I. FACTS

A. The Hawaii Public Housing Authority is responsible to adequately safeguard its assets and to assure that they are used solely for authorized purposes.

II. DISCUSSION

A. The objective of the internal control policy is to establish effective controls and accountability for cash, real and personal property and other assets. These control procedures were developed to decrease the risk of errors, omissions, delay and/or fraud.

B. The policy includes that the Board of Directors shall establish a Finance committee to review annual audit reports, findings, budgets, and other related financial activity to provide oversight and governance for the HPHA.

C. The Chief Financial Management Advisor and the Fiscal Officer are responsible for the implementation of financial and accounting controls.

D. Staff has received training from the Fiscal Officer and MDStrumm (HUD's technical assistance contractor) on the internal control policy.

III. REQUEST

That the Board of Directors Adopt the Internal Control Policy for the Hawaii Public Housing Authority.

Attachment: Internal Control Policy, HPHA's Fiscal Management Office Policies and Procedures

Prepared by: Barbara E. Arashiro, Executive Assistant

CHAPTER 2: INTERNAL CONTROL

INTERNAL CONTROL **2-1**
Policy **2-1**
Governing Authority **2-1**
Objective **2-1**
Conditions **2-1**
Board of Directors **2-2**
Strategy for Internal Control **2-2**
I. Financial and Accounting Controls 2-2
II. Financial Audit 2-5
III. Selection of the External Auditor 2-6
IV. Delegation of Authority 2-6
V. Fixed Assets 2-6
VI. Excess Cash 2-6
VII. Banking Relationships 2-7
VIII. Public Records 2-7
IX. Management Controls 2-7
Monitoring: **2-8**

INTERNAL CONTROL

Policy:

The Hawaii Public Housing Authority (HPHA) recognizes its responsibility to adequately safeguard all of its assets and to assure that they are used solely for authorized purposes. In accordance with this responsibility, the authority will adopt and comply with its internal control policy. All employees of the HPHA are responsible for managing internal controls of the agency.

Governing Authority:

The Internal Control Policy of the HPHA is governed by:

- The Annual Contribution Contract
- 24 CFR 85.20 and other related CFRs
- PIH Guidebooks and Handbooks
- Hawaii State Laws and Regulations
- State of Hawaii Comptroller's Memorandum
- Generally Accepted Accounting Principles (GAAP)
- Federal Yellow Book, OMB Circular A-133, etc.

Objective:

It is the objective of the HPHA to establish and adhere to written policies and systems to prevent fraud, waste, and mismanagement. The HPHA will establish effective control and accountability for cash, real and personal property, and other assets. It is important in any system of internal control to determine both the need and the level of control. Therefore, a risk benefit assessment needs to be done before any internal control is established.

Risk is the probability that an event or action will adversely affect the organization. The primary categories of risk are errors, omissions, delay, and fraud. In order to achieve goals and objectives, management needs to effectively balance risks and controls. Therefore, control procedures need to be developed so that they decrease risk to a level where management can accept the exposure to that risk. By performing this balancing act "reasonable assurance" can be attained. As it relates to financial and compliance goals, being out of balance can cause the following problems:

Excessive Risks	Excessive Controls
Loss of Assets or Grants	Increased Bureaucracy
Poor Business Decisions	Reduced Productivity
Noncompliance	Increased Complexity
Increased Regulations	Increased Cycle Time
Public Scandals	Increase of No-Value Activities

Conditions:

- In order to achieve a balance between risk and controls, internal controls should be proactive, value-added, and cost-effective and address exposure to risk.
- Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
  - Effectiveness and efficiency of operations
  - Reliability of financial reporting
  - Compliance with applicable laws and regulations
  - Organization goals and policies are being followed
- Several key points should be made about this definition:

- ***People at every level of an organization affect internal control.*** Internal control is, to some degree, everyone's responsibility. Within HPHA, employees at all levels are responsible for internal control in their areas.
- ***Effective internal control helps an organization achieve its operations, financial reporting and compliance objectives.*** Effective internal control is a built-in part of the management process (i.e. plan, organize, direct, and control). Internal control keeps an organization on course towards its objectives and the achievement of its mission, and minimizes surprises along the way. Internal control promotes effectiveness and efficiency of operations, reduces the risk of asset loss, and helps to ensure compliance with laws and regulations. Internal control also ensures reliability of financial reporting (i.e. all transactions are recorded and that all transactions are real, properly valued, recorded on a timely basis, properly classified, correctly summarized, and posted.
- ***Internal control can provide only reasonable assurance - not absolute assurance - regarding the achievement of an organization's objectives.*** Effective internal control helps an organization achieve its objectives; it does not ensure success. There are several reasons why internal control cannot provide absolute assurance that objectives will be achieved: cost/benefit realities, collusion among employees, and external events beyond an organization's control.

- Internal control consists of five interrelated components as follows:
  - Control (or Operating) Environment
  - Risk Assessment
  - Control Activities
  - Information and Communication
  - Monitoring
- All five internal control components must be present to conclude that internal control is effective.

Board of Directors:

The Board of Directors shall establish a finance committee of the board that reviews the annual audit reports, internal audit reports, audit findings, budgets, and other related financial activity of the authority.

The first step in internal control is for the Board of Directors to provide oversight and governance for the Authority. The ACC Agreement is between HUD and the Board of Directors. The ACC Agreement requires that financial records are maintained in an auditable condition, proper documentation is maintained, and a system of internal control is established. State of Hawaii law requires among other items, that a level of ethics be maintained and meetings are open to the public.

Strategy for Internal Control:

The internal control system for HPHA shall be comprised of the following practices, methods, and procedures which will safeguard assets, produce accurate accounting data, contribute to efficient operations and encourage adherence to management policies, limitations and other regulations.

I. Financial and Accounting Controls shall be implemented to ensure that transactions are properly recorded, financial reporting is accurate, and assets are safeguarded against loss from unauthorized use. *This is the responsibility of the Chief Financial Management Advisor and the Fiscal Officer for implementation.*

a. Detailed financial policies and procedures in accordance with governing authority shall be written and utilized by the Fiscal Management Office. If necessary, policies should be adopted by the Board of Directors.

b. Original copies necessary to create a chain of documentary evidence of each transaction shall be maintained. Retention of records shall be in accordance with HUD and state regulations.

c. To the extent feasible, clearly established separation of duties and responsibilities shall be provided to each staff member.

   i. Bank statements should be received unopened and reconciled each month. This reconciliation shall be reviewed and approved by a higher level employee not involved with the check preparation process.

   ii. Employees who initiate transactions (i.e. acquisitions, custody or disposition of assets) shall have no responsibility for the accounting function related to the recording and posting of these transactions.

   iii. Payroll shall be distributed by an employee who is not involved in the following:
      1. the preparation of payroll,
      2. supervision of employees,
      3. approval of time records, or
      4. signing paychecks.

   iv. Petty cash shall be reconciled and counted by an employee that is not custodian of the fund.

   v. Signatories to checks shall require at least two signatures with at least one being limited to persons who have no access to accounting records or to petty cash.

   vi. Mailed checks shall not be allowed to return directly to the persons who prepared or initiated them.

   vii. Mailed receipts of funds shall be opened and a record of the money received should be prepared by an employee independent of other financial duties.

   viii. From time to time but no less frequently than yearly, inventories shall be verified by an employee other than the custodian of that inventory.

d. Proofs, checks, and supervisory review shall insure employee discharge of duties and minimize opportunity for malfeasance.

   i. Petty Cash
      1. An impress fund system shall be used for petty cash.
      2. The maximum amount of any individual disbursement shall be limited to $100.00.
      3. The petty cash fund shall be counted and balanced by an independent employee. The reconciliation of petty cash shall have supervisory review on a monthly basis.
      4. The petty cash shall be locked at all times when not in use.

   ii. Cash Disbursement
      1. Blank checks shall be properly controlled and kept in a secure place.
      2. Advance signing of blank checks is prohibited.
      3. Supporting documentation shall accompany checks when submitted for signature.
      4. Voided checks shall be properly mutilated and retained for subsequent examinations.

   iii. Cash Receipts
      1. Receipts of cash shall be documented by the issuance of a computer-generated receipt or a pre-numbered cash receipt as appropriate.
      2. All cash receipts shall be immediately recorded upon the books and deposited in an account.

3. Validated duplicate deposit tickets or slips shall be obtained for each deposit made.
4. Daily deposits shall be reviewed by someone other than the employee responsible for collections.
5. Employees are prohibited from having custody of any unrecorded cash or negotiable documents of the authority.

iv. Payrolls

1. The payroll shall be checked at regular intervals against the personnel records.
2. Clerical operations involved in the preparation of payroll checks shall be double-checked before the checks are printed and distributed.
3. Payroll checks shall be prepared using approved time and attendance reports.
4. An adequate current record is to be maintained of all personnel and pay rates.

v. Purchases and Expenditures

1. All expenditures must be preceded by approved requisitions indicating source and use of funds.
2. Purchase orders shall be pre-numbered (or controlled by computer application), and accounted for.
3. Invoices shall be delivered directly to the accounting section and compared against purchase orders and receiving reports.
4. Vouchers shall be examined by a responsible individual for completeness and required approvals.
5. Purchases for employees are prohibited.
6. Voided Purchase Orders are to be mutilated and retained for procurement policy.
7. All purchases are to be made in accordance with the procurement policy.

vi. Property and Equipment

1. A property ledger is to be maintained and balanced monthly against the general ledger.
2. A complete physical inventory is to be made of all property and equipment at least annually.
3. Disposition of property is to be authorized in accordance with policy and properly recorded.

e. Budget Controls are to be established to set objectives and to allocate available resources for individual programs, and for the Hawaii Public Housing Authority as an organization. A consolidated budget shall be prepared however, individual budgets must be prepared for each HUD and state funded program area.

i. Budgets are to be monitored on an ongoing basis.
ii. Any activity representing a departure from the approved budget must be presented to the Executive Director and if appropriate to the Board of Commissioners for budget revision approval. Prior to commitment for expenditure.

f. Investment controls are to be established to assist in the controlling of investments and preventing loss or misuse of any funds for with the Hawaii Public Housing Authority is custodian. The controls established shall ensure the following:

i. Investment transactions are authorized by the Hawaii Public Housing Authority's Board of Directors and documented in the board minutes.
ii. Investment documents are kept in a safe fire-resistant locked file cabinet, safe deposit box, or held by an agent.
iii. Avoidance of Bearer-form securities.

iv. Separation of duties, for example CFMA shall not also be responsible for maintaining the accounting records of investments.
v. Investments will be maintained in a custodian or trust account.
vi. Investments will be in the name of the Hawaii Public Housing Authority.
vii. Investments will be recorded in detail in an investment ledger.
viii. 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 timely.
ix. Investments are reconciled periodically to the investment ledger.
x. 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.
xi. Instruct the Hawaii Public Housing Authority's external auditors to review investment activity to determine if it is in compliance with policies and procedures.

g. Financial Systems – the Hawaii Public Housing Authority manages its financial operation utilizing several automated systems for banking, recording transactions, receiving federal funds, etc. Access to these systems should be restricted according to job responsibilities. Security levels should be established between the Chief Financial Management Advisor and the Information Technology Office.
h. Account Reconciliations – routine reconciliations shall be completed on all accounts of the general ledger.
   i. Reconciliations shall be completed at least once monthly on cash, accounts receivable, accounts payable, inter-fund accounts, investments, and other accounts.
   ii. Reconciliations will be prepared and signed by the assigned accounting staff. Reconciliations will then be reviewed and approved by either the Chief Accountant, Fiscal Officer, or Chief Financial Management Advisor.
i. State funds are recorded in FAMIS and maintained by the Hawaii State Comptroller.
j. Federal Funds are recorded only in the Emphasys system – which is the general ledger for these programs – and not in the state FAMIS system. State funds are also recorded in the Emphasys system, which is used as a subsidiary ledger for these programs and in the reporting of these funds in the Financial Data Schedule for the federal government.
k. The Chart of Accounts is maintained by the Fiscal Officer. The account structure allows for the various internal (i.e. Board of Directors, Senior and Line Management) and external (i.e. Financial Statements, Regulatory Requirements, Legislative Requirements, etc) reporting requirements.
l. The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. The Chief Financial Management Advisor and the Fiscal Officer will review and approve all accruals and accounting estimates in accordance with Generally Accepted Accounting Principles.

II. Financial Audit
   a. The HPHA prepares two financial reports to be audited by the external auditor.
      i. The first audit report is the authority's portion of the Statewide Comprehensive Annual Financial Report (CAFR). This report is to be completed and submitted no later than November 30th for issuance of the report from the state by December 31st.
      ii. The second report is the Single Audit Report, required by the federal government, which includes the financial statements, compliance, and internal

control. This report is to be submitted no later than March 31st – 9 months after the June 30th year end.

b. It is the responsibility of the Chief Financial Management Advisor, Fiscal Officer, and Chief Accountant to have the financial reports completed and ready for the audit based upon an approved schedule between the HPHA and the external auditor. This schedule should be agreed upon prior to the start of field work.

III. Selection of the External Auditor is done by the State of Hawaii and not by the HPHA.

a. The auditor selected must be qualified to perform an A-133 audit and must be selected utilizing a competitive procurement process.

b. *"It is PIH/REAC's position that auditor rotation is healthy for the organization. It helps preserve auditor independence and provides a fresh 'pair of eyes' to ensure objectivity in the performance of the audit." (PROCURING AN AUDIT (GAAP Flyer #6) PIH/Real Estate Assessment Center)*

IV. Delegation of Authority – Before budgeted funds can be expended; the Executive Director shall identify in writing the employees authorized to originate and approve specific business transactions.

a. Delegations shall be reviewed periodically and cancelled when no longer required.

b. A listing of employees authorized to approve and sign business transactions for the HPHA shall be prepared by the Fiscal Management Office and distributed to each Branch/Section/AMP Manager as needed.

c. In addition, the Fiscal Management Office shall also maintain a Signature Authority Process grid showing the signatures required to approve various business process of the Authority.

V. Fixed Assets – Accurate records of the cost and accumulated depreciation of property, plant, and equipment shall be maintained by the Fiscal Management Office.

a. The acquisition of capital assets should be organized to ensure that no unauthorized acquisitions have been made and that records of each acquisition are accurate, complete, and recorded in the appropriate period.

b. Capital Assets are generally funded by the Capital Fund Program (CFP) (federal funding) and the Capital Improvement Program (CIP) (state funding).

c. The authority's fixed assets and expendable equipment may be disposed of only when they become obsolete, are beyond repair, or are too expensive to maintain.

i. The disposal of fixed assets and expendable equipment will occur only after proper authorization has been given.

ii. The HPHA will maintain control over the disposition of property to preserve the accuracy of the records and to ensure that assets are safeguarded, improper disposal is avoided, and the best possible terms are received for disposal.

d. This policy shall apply to all assets acquired by the HPHA regardless of the source of funding used to originally acquire the asset.

VI. Excess Cash – Prior to the Implementation of Asset Management, funding was received by the Authority on an entity-wide basis. With the implementation of Asset Management, restrictions have been placed on how funds can be moved from AMP to AMP and AMP to the Central Office.

a. There is a phase in period for the implementation for the transfer of cash beginning July 1, 2008.

b. Excess cash represents non-restricted liquid or near liquid assets available after near term liabilities and normal project operation expenses are considered.

i. Excess cash is calculated using a balance sheet approach.

ii. HUD has developed policies and guidelines for PHAs using norms in the broader multi-family management industry as required under §990.255.

iii. Excess cash will be determined based upon the project based financial data in the FDS.

1. For the HPHA, this is the submission of the June 30, 2008 Single Audit Report, which includes the project based FDS.

2. The final determination of excess cash will be based upon the submission and approval of the audited FDS submission.
3. The Chief Financial Management Advisor shall certify to the Executive Director the amount of excess cash available to be transferred, by AMP prior to any such transfer.

VII. Banking Relationships – The Executive Director is authorized by the Board of Directors to sign checks, drafts, or other orders for payment of money or initiate electronic transfers of fund against HPHA checking accounts.

a. The Executive Director is authorized to approve the use of facsimile signatures, and to direct banks or other depositories to honor the use of them.
b. The Executive Director shall be the representative of the Authority and is authorized to execute agreements in connection with, all matters relating to bank accounts and bank services; banking relationships; and financial and banking type services provided by entities other than banks.
c. The Executive Director may delegate these responsibilities in writing to the appropriate staff.

VIII. Public Records – It is the policy of the HPHA to provide Open Access to all Public Information.

a. Records which are not considered public information will be protected to insure the safety of private information.
b. It is the policy of the HPHA to classify, retain, and dispose of records as prescribed in the State of Hawaii's General Records Schedules (GRS) No. 1-11; Comptroller's Circular No. 2001-02, Policy and Guidelines Relating to Electronic Records Retention and Disposition; and HUD Handbook 7475.1, Rev. 1 (appendix on documents retention).
    i. The minimum retention period for records is contained in the GRS. Notwithstanding the state retention period, should such retention periods conflict with federal requirements, the period of longer retention shall apply.
    ii. A government record is defined as information, regardless of media or characteristics created, received, or maintained by an agency in the course of a business transaction and in pursuance of legal obligations. The authority's government records are typically generated pursuant to the operation of state and federally funded programs.
    iii. Record retention periods prescribed in the GRS are considered to be the minimum necessary under normal conditions.
        1. As long as minimum retention requirements are met, records covered by the GRS may be destroyed without further concurrence from the Comptroller.
        2. If legal or audit questions involving scheduled records arise before the records reach their authorized disposal dates or before the records are destroyed, the records must be retained until legal and/or audit issues are settled.

IX. Management Controls are to be established to monitor operations to ensure that programs are implemented in an efficient and economical manner.

a. The authority shall establish and maintain an organization chart delineating the chain of command for its management system.
b. Staff shall be provided with a clearly defined written statement of responsibilities and job accountability.
c. To the extent feasible, separation of duties shall be maintained so that no one staff person has complete control over any asset.
d. The authority shall maintain a management information system that provides an internal flow of data for monitoring, forecasting, and policy decisions.
e. The authority shall maintain an effective personnel selection policy to promote the hiring of competent staff.

f. A supervisory review system shall be utilized to assure routine monitoring of employee/ contractor compliance with procedures and timeliness/quality of completed work.
g. Competitive procurement procedures shall be employed for all purchases.
h. An accurate inventory system shall be maintained.
i. The authority shall provide for the security of property and records.
j. A well-planned, organized, and supervised maintenance program must be established.
k. A timely, annual independent audit shall be performed.

Monitoring:

It is the responsibility of the Executive Director to ensure that internal controls are being followed and monitored. The Executive Director generally delegates the responsibility to senior management for following the internal control guidelines. Compliance or internal auditing will conduct operational audits to ensure that policy and procedures are being followed and bring to the attention of the Executive Director any deficiencies identified for corrective action.

In conducting the A-133 Audit, the external auditor will audit the organization on compliance and internal controls. The auditor will issue separate opinions on each of these categories. The auditor will report these findings to management and the Board of Directors for resolution.

Monitoring is the assessment of internal control performance over time; it is accomplished by ongoing monitoring activities and by separate evaluations of internal control such as self-assessments, peer reviews, and internal audits. The purpose of monitoring is to determine whether internal control is adequately designed, properly executed, and effective. Internal control is adequately designed and properly executed if all five internal control components (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring) are present and functioning as designed. Internal control is effective if management and interested stakeholders have reasonable assurance that:

- They understand the extent to which operations objectives are being achieved.
- Published financial statements are being prepared reliably.
- Applicable laws and regulations are being complied with.

While internal control is a process, its effectiveness is an assessment of the condition of the process at one or more points in time.

Just as control activities help to ensure that actions to manage risks are carried out, monitoring helps to ensure that control activities and other planned actions to affect internal control are carried out properly and in a timely manner and that the end result is effective internal control. Ongoing monitoring activities include various management and supervisory activities that evaluate and improve the design, execution, and effectiveness of internal control. Separate evaluations, on the other hand, such as self- assessments and internal audits, are periodic evaluations of internal control components resulting in a formal report on internal control. Department employees perform self-assessments; internal auditors who provide an independent appraisal of internal control perform internal audits.

Management's role in the internal control system is critical to its effectiveness. Managers, like auditors, don't have to look at every single piece of information to determine that the controls are functioning and should focus their monitoring activities in high-risk areas. The use of spot checks on transactions or basic sampling techniques can provide a reasonable level of confidence in that the controls are functioning as intended.

END

HAWAII PUBLIC HOUSING AUTHORITY
FY 2010 GOALS & OBJECTIVES
July 1, 2009 – June 30, 2010

Goal #1 Public Housing:

Improve ratings under the "Standard Performer" status under HUD's Public Housing Assessment System (PHAS[1]).

Objectives: Receive passing scores on the 4 indicators assessed by HUD, move closer to high performer.

Management Operations

- Refer eviction referrals (or payment agreements) after rent delinquency of 30 days, by end of fiscal year.
- Monitor PHAS requirements on a monthly basis.
- Conduct 95% of recertifications.
- Achieve 97% occupancy by end of fiscal year.

HPHA's Financial Condition

- Collect an average of 97% rent receivables by the end of the fiscal year.
- Implement monthly review and reconciliation of AMP general ledger within 30 days after the end of the reporting period.
- Complete and submit bad debt write off to the Attorney General's office within 180 days of vacancy.

Physical Condition of HPHA properties

- Abate emergency work orders within 24 hours; complete tenant requested work orders within 25 days.
- Complete 100% of Annual Unit Inspections within 12 months of last inspection.

Improve Resident Satisfaction with Public Housing Operations and Increased Communication with Tenants

- Conduct 100% AMP resident meetings 4 times per fiscal year, 2 involving AMP managers only.
- Implement tenant monitor pilot program in at least 3 housing projects, by the end of fiscal year.
- Increase number of active tenant associations.
- Develop strategies and training for public housing managers and staff to improve responsiveness to resident concerns, as measured by resident surveys.
- Coordinate, promote and provide effective programs and activities to promote economic self-sufficiency of residents.

Goal #2 Section 8 Housing Choice Voucher Program:

Obtain "High Performer" status under HUD's Section 8 Management Assessment Program (SEMAP).

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[1] Passing score is 70; high performer is 90+. HPHA's last scores were 71 in FY 2007 and 75 for FY 2008. Nationally HUD did not utilize rating for FY 2009. HUD intends to implement a new PHAS for FY 2010 with differently weighted measurements, which have not been set.

Objectives:

- Maintain 95-100% utilization of authorized budget without exceeding authorized limits.
- Balance the administrative costs budget for staffing and operations.
- Explore methods to increase number of vouchers and funding, and to utilize Housing Choice Vouchers for supportive housing.
- Achieve at least 90% no errors on determinations of rent reasonableness.
- Adjust utility allowance no later than June 1, 2010.
- Complete all Housing Quality Standards inspections.
- Enforce corrections to all Housing Quality Standards findings.
- Complete at least 95% annual reexaminations on time and in compliance.
- Lease up at least 98% for the calendar year ending December 31, 2009.

Goal #3 Homeless Services:

Provide homeless prevention and intervention which promotes the social and economic self-sufficiency of families and individuals in the State of Hawaii.

Objectives:

- Provide for a network of homeless prevention and intervention services within a balanced budget in light of potential reductions in state funding.
- Meet federal funding timetables and reporting requirements.
- Targeted program outcomes for FY 2010.
  - Number of homeless transitioning to permanent housing: 3,300 persons
  - Number of unduplicated clients served by outreach providers: 11,000 persons
  - Number of unduplicated persons served by the shelter providers: 9,000 persons
  - Number of persons prevented by becoming homeless: 2,000
- Work with the State Administration and Legislature to effect the transfer of the Homeless Programs to the Department of Human Services on July 1, 2010.

Goal #4 Housing Modernization and Development:

Fully utilize state and federal capital funding to renovate and modernize state and federal public housing properties to promote safety, accessibility and crime prevention.

Objectives:

- Attain timely design, bidding and construction by meeting deadlines for obligation/encumbrance, and expenditure of allotted funds.
- Fix all existing vacant units by end of fiscal year, except for Kuhio Park Terrace and Kalihi Valley Homes, which will take into the following year.
- Repair all new long term vacant units within an average of 270 days, subject to the availability of funds.
- Contract for KPT mixed income redevelopment.
- Execute the energy performance contract for planned energy conservation measures.

Goal #5 Fiscal Management:
Provide effective and efficient fiscal management services.

Objectives:

- Meet HUD's deadline for the unaudited and audited Financial Data System submittals as published by HUD.
- Complete the independent audit by December 31, 2009.
- Resolve all FY 2008 audit findings by September 30, 2009.
- Resolve all FY 2009 REAC findings by November 30, 2009.
- By December 2009, provide monthly budget-to-actual reports for the previous month, within 30 days.

Goal #6 Administrative and Operational Effectiveness:
Develop and operate an effective organization by providing timely, appropriate, and necessary administrative support services to manage the HPHA's programs.
Objectives:

- Balance the entire agency budget by the end of the fiscal year.
- Complete and implement the HPHA's comprehensive training plan (subject to the availability of funds and DHS approvals).
- Work with the board and legislature to develop policies that promote resident responsibility and self sufficiency.
- Work cooperatively with community representatives and other units of government to prevent discrimination in HPHA programs and to further fair housing objectives.
- Implement Emphasys Elite software system for the Section 8 Program by March 2010.
- Seek Moving To Work status and designation by HUD.
- Achieve elderly only designation for certain projects by end of fiscal year.

Approved by the Executive Director
September 17, 2009

FOR ACTION

SUBJECT: To Authorize the Engagement of Crews & Associates, Inc. for Financing of the Energy Services Agreement ("ESA") with Ameresco, Inc., and to Enter into an Engagement Letter with Standards & Poor for Rating Services Required by the ESA.

I. BACKGROUND

A. The Hawaii Public Housing Authority (HPHA) and Ameresco, Inc. (Ameresco) have entered into an Investment Grade Audit agreement dated November 21, 2008. Pursuant to this agreement, Ameresco is finalizing the energy conservation measures (the Project) to be installed by Ameresco, cost not to exceed $63,000,000, under an Energy Services Agreement (ESA) (See attached Exhibit A). All terms and costs of the ESA are subject to final approval by the HPHA Board of Directors (Board).

B. In both the Request for Proposals and the Investment Grade Audit Agreement , the HPHA asked Ameresco to assist in obtaining financing options to fund the Project.

C. Ameresco has solicited proposals from potential lenders for this Project (see attached Exhibit B).

D. Crews & Associates, Inc. (Crews) was the successful respondent (see attached Exhibit C). HPHA is in the process of determining whether Ameresco's solicitations satisfy state and federal procurement requirements.

E. Based upon the final determination solely by the Board of the Project size under the ESA, HPHA anticipates financing the cost of the project through Crews.

F. On August 31, 2009 HPHA received a termsheet and engagement letter from Crews (the Crews Engagement Letter), attached as Exhibit D. The amount of the financing will be based on the cost of the Project under the ESA plus standard costs of issuance (including S&P fee) and interest capitalized during construction (Preliminary Project Summary), estimated at $70,835,000, listing for which is attached as Exhibit E. HPHA is in the process of gaining preliminary approval from the Department of Accounting & General Services and the Department of Budget & Finance to utilize the Crews Engagement Letter and the Preliminary Project Summary.

G. The Crews Engagement Letter sets forth the terms, conditions, and parameters by which Crews will seek to provide financing for HPHA for its energy conservation project, including the expectation that HPHA will apply for a rating from Standard & Poor's (S&P).

II. DISCUSSION

A. If, for any reason, HPHA decides not to move forward with financing, there may be out of pocket expenses Crews incurs for which HPHA will be responsible for paying to Crews. These expenses may be less, depending on the amount of work Crews does prior to HPHA canceling, but will be capped by Crews at $30,000.

B. HPHA is also advised to enter into an engagement letter with S&P (S&P Engagement Letter) to allow HPHA to obtain a rating for the financing of the Project. Crews represents that without the S&P rating financing may not be successful or may cost upwards of 9 percent as an overall interest rate. In contrast, with an S&P rating of A- or better, the HPHA may obtain rates in the 5.50 – 6 percent as an overall interest rate, subject of course to market changes at closing.

C. S&P Engagement Letter has been requested and will be available at the board meeting for review and consideration. S&P will provide two separate ratings as part of their rating process: (i) Issuer Credit Rating ("ICR") which provides a rating representing the overall health of the financial condition of HPHA; and (2) a Deal Rating which provides a rating for the financing. The fees will be broken based on the different ratings. The estimated cost for the ICR may be approximately $45,000, which will be nonrefundable. The estimated fee for the Deal Rating may be approximately $167,000 based on the term of the financing and this amount is only paid to S&P by HPHA if the financing takes place. These are the figures as they relate to a project size identified in the Summary and may be revised based on final size of the project scope.

D. HPHA will return to the Board with a resolution solely for the Board's approval, requesting authorization to agree to the amount of financing, execute the financing documents delivered by Crews and an ESA delivered by Ameresco, which will include the final project scope and costs of work to be performed under the ESA.

E. The Crews Engagement Letter and the S&P Engagement Letter are being presented to the Board of Directors for approval prior to the Board's decision on the ESA and final Project costs (anticipated for the October or November Board meeting), pursuant to consultation with the Board Chairperson, because the process to work with S&P on the credit analysis for the ratings request and credit approval by Crews require a lead time of 8-12 weeks to process before they are ready for final approval by the Board. No final action will be taken until the Board approves the ESA and final Project costs. Starting now makes sense because it is estimated that HPHA will save $400,000 per month in energy costs once the energy conservation measures are in place. There is a cost to delay. There is a savings benefit to running various approval processes concurrently. Final approval will be with the Board.

F. The other long lead time item is approval by the U.S. Department of Housing and Urban Development (HUD) after the Board approves the ESA and Project cost.

III. RECOMMENDATION

That the Board of Directors authorize and direct the Executive Director of HPHA to execute the Crews Engagement Letter for financing and the S&P Engagement letter for rating, upon approval by the Department of Accounting & General Services, Department of Budget & Finance, and the Department of the Attorney General.

Attachments:
- Attachment A – Energy Audit Status Report
- Attachment b – Memorandum from Kimberly Albertson
- Attachment C – Crews & Associates Statement of Qualifications
- Attachment D – Proposed Financing Structure
- Attachment E – Project Summary

Prepared by: Chad K. Taniguchi, Executive Director

AMERESCO
Green • Clean • Sustainable

Energy Audit Status Report

Hawaii Public Housing Authority

Date: September 8, 2009

General Overview

The energy audit is currently in progress for HPHA. Current projected delivery date of audit is September 28, 2009. No delays are anticipated at this time. Below is a status of major tasks critical to the development of the energy audit.

Field Auditing

100% Complete

Utility Baseline Development

Substantially complete. Baselines for the audit will include the following adjustments: 1) increases in occupancy projected to 2012 based on data provided by HPHA and 2) corrections for service deficiencies associated with insufficient hot water delivery temperature at select sites. These adjustments, in addition to the projected utility rate increases anticipated through 2012 (which represents the projected first year of repayment) in affect will increase existing utility expenditures by approximately 10% to about $14.3 M per year. This is inclusive of both master-metered utilities and projected utility allowances.

Measure Development

Final measure selection is ongoing. In these selections, Ameresco will seek to balance payback with measure life and life-cycle of existing equipment.

Savings projections are substantially complete and Ameresco projects in the range of $5 M savings or over 30% of projected utility expenditures in the first year of project repayment. This figure is subject to change, based on the final selection of measures recommended.

Activities – This Month (Sep-08)

- Finalize construction cost estimates
- Finalize maintenance cost projections
- Finalize utility rebate estimates
- Finalize audit and submit by September 28, 2009

Memorandum

To: Hawaii Public Housing Authority ("HPHA")

From: Kimberly A. Albertson, Finance Manager, Ameresco, Inc.

Date: July 17, 2009

Re: Results of Search for Financial Institutions to Finance the Ameresco Project

Ladies and Gentlemen:

Over the course of the last year as we have been developing scope for the Ameresco Project, we have approached many potential lenders to determine their level of interest in a HUD incentive-based lease financing that meets with HUD's approved financing structure for HPHA in the estimated amount (at the time) of $50,000,000 for a 22 year term (20 year amortization plus 24 months of construction). Unlike Capital Fund financings, which are backed by a firm source of dedicated revenue, Energy Performance Contracts are repaid solely from energy savings achieved through HUD Operating Subsidy incentives, which are also used to support operating costs (and therefore cannot be "dedicated" to debt repayment in the same manner). The financial sources we spoke to represented local, regional and national lenders, and both private placement and public investors.

As a result of the changes in the financial markets over the past two years, the number of investors interested in this type of financing has declined significantly. A list of some of the lenders who were interested in financing our long term, large housing authority projects over 20 years plus construction in the last year, who are *no longer able* to provide funding at all as they have exited the market or the business all together, includes the following:

AIG
Citicapital
National City
Comerica
Hannon Armstrong
Koch Financial
LaSalle Bank/LaSalle National Leasing Corporation
Bear Stearns
Lehman Brothers

In addition, below are some of the potential lenders we spoke to in the last year that had never offered any HUD incentive – based financings, but we hoped might be interested in something in their footprint:

US Bank
GECC
Union Bank
Wells Fargo/Wachovia/WAMU
Comerica
Bank of Hawaii
First Hawaiian Bank
Hawaii National Bank

In the course of looking for potential funding sources for this and many other housing projects, we also have tried to encourage the companies below to participate in our this market but in the end, we could not find an agreement between the structure acceptable to HUD and the structure needed by the investors below to meet their criteria for sale to their investor base:

AG Edwards
Piper Jaffrey
RBC Dain Rauscher
Stifel Nicholas
Oppenheimer & Co.
JP Morgan Chase

Additionally, some of the private placement lenders that funded energy projects in the past still exist, but are no longer interested in anything longer than 12 years for housing authority projects for HUD incentives –based programs, or have decided to refrain from housing financing in the current market environment:

BofA
Capital One
Old National Bank
SunTrust Leasing Corporation
M&T

All of the market information described above is based on specifically (i) asking lenders to respond to formal RFPs; or (ii) participating on telephone calls and providing due diligence for potential lender sources to get familiar and comfortable with long term, large size housing projects.

In addition to our experience acting as the lead for many RFPs for financing on housing projects, we always ask the customer to include any local resources they would like to include. Just to emphasize the focus of this discussion, we are looking for potential lenders who can do the following for the benefit of HPHA:

(1) structure financing based on a capital lease, pledging HUD operating funds along with security interest in the equipment as the collateral for repayment;

(2) are capable of holding or selling the size of this financing $17,000,000 - $60,000,000 potentially over the course of the next year.
(3) are capable of financing the term of 20 years *plus construction*
(4) are willing to finance a housing authority with PHAS scores that represent a substandard performer

Our specific experience with Crews involves a combination of their proven ability to provide housing authorities the most attractive financing option, and currently the only option, in order to leverage a project's full potential for the longest term, while also reflecting pricing from the public market. Those authorities include projects that are being contracted with Ameresco (San Francisco Housing Authority, Boston Housing Authority and Lynn Housing and Redevelopment Authority) as well with other vendors, including Bridgeport Housing Authority. Specifically, Bridgeport Housing Authority was awarded over a year ago, with HUD approval, but no lender provided financing. Crews not only financed the transaction but they were successful in obtaining an "A" rating from S&P and were able to give the Authority the benefit of extremely beneficial market pricing as a complement to that rating.

Crews offers the means, the resources, the experience and the history to get this done, they also provide the benefit of market expertise to provide products not previously offered to authorities for these same HUD incentive-based programs.

Crews&Associates
Investment Bankers

STATEMENT OF QUALIFICATIONS
SEPTEMBER 2009

- Crews Snapshot -

Full-service Investment Banking Firm

♦

30 years of service

♦

More than 200 employees / 146 registered sales representatives

♦

Financings underwritten in 45 states

♦

Transactions of less than $1 million to more than $100 million

♦

Subsidiary of First Security Bancorp, a financial services holding company with more than $310 million in total capital and $3 billion in assets.

Capital Markets Group

Public Finance
Corporate & Project Finance
Tax Credit Syndication
Real Estate Syndication

Public Finance Funding For:

Governmental Facilities
Utilities
Education
Healthcare
Housing
Airports
Non-Profits
Economic Development
Equipment Purchasing

Tax-Exempt & Taxable Financing:

Bonds
Leases
Loans

Principal Office:
First Security Center
521 President Clinton Ave., Suite 800
Little Rock, AR 72201
(800) 766-2000 • www.crewsfs.com

MEMBER FINRA/SIPC

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Capital Markets Group
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ehurst@crewsfs.com

First Security Leasing, Inc.

Mark Brown
Vice President
Lease Finance
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mbrown@firstsecurityleasing.com

Nationally Ranked, Locally Focused

Based on 2008 performance, Crews was ranked in the:

Top 50 Senior Managers (all issues)

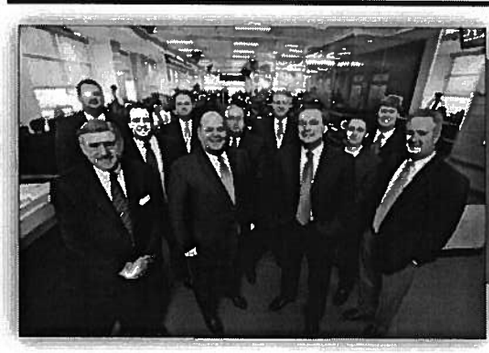
Top 20 Senior Managers (negotiated bonds, competitive issues and small issues of $10 million and under.)*

Our Rankings reflect an important aspect of our focus: Crews seeks to serve issuers of all sizes with a variety of needs.

*SOURCE: Thomson Financial

Recent Municipal Bond Transaction

$21,100,000	**HOUSING AUTHORITY OF THE CITY OF BRIDGEPORT, CONNECTICUT** Lease Revenue Custodial Receipts (Energy Conservation Project) Series 2009 ▪ Sole Senior Manager
$2,385,000	**MURFREESBORO HOUSING AUTHORITY, TENNESSEE** Lease Revenue Custodial Receipts (Energy Conservation Project) Series 2009 ▪ Sole Senior Manager
$11,660,000	**VILLAGE OF EAST ROCHESTER HOUSING AUTHORITY, NEW YORK** Custodial Receipts Participating in Housing Revenue Bonds (Perinton-Fairport Houses, Inc Project) Series 2009A & B ▪ Sole Senior Manager
$8,350,000	**NORTH LITTLE ROCK ARKANSAS RESIDENTIAL HOUSING FACILITIES BOARD** Custodial Receipts Participating in Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan - Ridgeview Apartment Project) Series 2008 ▪ Sole Senior Manager
$7,980,000	**NUECES COUNTY HOUSING FINANCE CORPORATION, TEXAS** Custodial Receipts Participating in Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan - Gulfway Manor Apartments Project) Series 2007 ▪ Sole Senior Manager



National Managing Underwriting Experience

More than 960 transactions totaling over $12.7 billion.

(2003 - Present)

Our Capital Markets Group has successfully grown to include specialists in:

Arkansas ▪ Alabama ▪ Louisiana ▪ Maryland
Mississippi ▪ Texas ▪ West Virginia

However, our actual reach is much broader, and we have participated as managing underwriter in 45 states, the District of Columbia and Puerto Rico.

CASE STUDY

Crews&Associates
Investment Bankers

$21,100,000
HOUSING AUTHORITY OF THE CITY OF BRIDGEPORT, CONNECTICUT

Crews & Associates structured and funded a unique and complex financing utilized to implement the largest single energy efficiency investment in Connecticut public housing history for the state's largest public housing authority. Additionally, this financing occurred during a period of extreme economic turbulence. Energy and resource efficiency upgrades will be implemented in more than 2,500 units.

Transaction Summary: Utilizing incentives provided by the United States Department of Housing and Urban Development ("HUD"), the Bridgeport Housing Authority of the State of Connecticut (the "Authority") entered into a Lease Purchase Agreement to finance the purchase and installation of energy conservation measures in order to save energy costs and upgrade certain equipment. Crews & Associates publicly offered and sold participations in the Lease Purchase Agreement utilizing a securitization approach similar to a municipal bond transaction.

Credit Rating: With this transaction, Crews implemented the first energy conservation and first public housing authority financing in the United States that utilized Standard & Poor's Issuer Credit Rating process. The financing received a transaction investment grade rating of "A" by Standard & Poor's.

Security: The financing is a general obligation of the Authority and is secured by a lien on all the installed equipment. The lease payments are to be paid from moneys available as a result of HUD's Frozen Base Operating Subsidy incentive program. Additionally, the Authority entered into a Performance Contracting Agreement with Siemens Building Technologies, Inc. that requires Siemens to guarantee a certain level of energy savings to the Authority.

Dated Date:	June 1, 2009
Delivered:	June 23, 2009
Rating:	S&P "A"
Tax Status:	Tax-Exempt Bank Qualified

Structure

Fixed Interest Rate

No Payments During 12 Months Construction

20 Years Principal and Interest Payments Thereafter

Increasing Debt Service Payments to Match Siemens Guaranteed Energy Savings

Crews Role: Lessor & Sole Senior Manger

Principal Office:
First Security Center
521 President Clinton Ave., Suite 800
Little Rock, AR 72201
(800) 766-2000 • www.crewsfs.com

MEMBER FINRA/SIPC

Public Housing Authority / Energy Performance Contracting

The following are summaries of two of our recent closed transactions:

Customer:	**Housing Authority of the City of Bridgeport, CT**
Amount Financed:	$21,100,000
Project Term:	12 months construction / 20 year amortization
Closing Date:	June 23, 2009
ESCO:	Siemens Building Technologies, Inc.
Type of Financing:	Lease Purchase Agreement securitized as Custodial Receipts
Special Features:	Tax-Exempt, Bank Qualified Fixed interest rate for 21 years First EPC and PHA transaction in the nation to receive a credit rating by Standard & Poor's ("A").

Customer:	**Murfreesboro Housing Authority, TN**
Amount Financed:	$2,385,000
Project Term:	12 months construction / 20 year amortization
Closing Date:	March 31, 2009
ESCO:	Honeywell
Type of Financing:	Lease Purchase Agreement securitized as Custodial Receipts
Special Features:	Tax-Exempt, Bank Qualified, Non-rated Fixed interest rate for 21 years

The following are summaries of two transactions expected to close by the end of September 2009:

Customer:	**Lynn Housing Authority and Neighborhood Development, MA**
Estimated Amount:	$7,035,000
Project Term:	Construction + 20 year amortization
Estimated Closing:	September 24, 2009
ESCO:	Ameresco, Inc.
Special Features:	Tax-Exempt, Bank Qualified, Non-rated Fixed interest rate for 21 years

Customer:	**Lackawanna Housing Authority, NY**
Estimated Amount:	$6,095,000
Project Term:	Construction + 20 year amortization
Estimated Closing:	September 30, 2009
ESCO:	Johnson Controls, Inc.
Special Features:	Tax-Exempt, Bank Qualified, Non-rated Fixed interest rate for 21 years

Public Housing Authority / Energy Performance Contracting

Our firm is hired and moving toward funding the following three transactions:

Customer:	**Boston Housing Authority, MA**
Estimated Amount:	$55,000,000
Project Term:	Construction + 20 year amortization
Estimated Closing:	Within 60 days, awaiting final HUD Approval
ESCO:	Ameresco, Inc.
Special Features:	Expected to be structured under Build America Bond program S&P Issuer Credit Rating ("A+") Fixed interest rate for 22.5 years

Customer:	**Housing Authority of Baltimore City, MD**
Estimated Amount:	$51,000,000
Project Term:	Construction + 20 year amortization
Estimated Closing:	Approximately 90 days
ESCO:	Noresco
Special Features:	Expected to be structured under Build America Bond program Pending S&P Rating Fixed interest rate for 22 years

Customer:	**Housing Authority of the City and County of San Francisco, CA**
Estimated Amount:	$31,000,000
Project Term:	Construction + 20 year amortization
Estimated Closing:	Approximately 90 days
ESCO:	Ameresco, Inc.
Special Features:	Expected to be structured under Build America Bond program Pending S&P Rating Fixed interest rate for 22 years

Proposed Financing Structure
Hawaii Public Housing Authority, HI

Lessee / Borrower:	Hawaii Public Housing Authority (HPHA), HI
ESCO:	AMERESCO, INC.
Lessor:	First Security Leasing, Inc. (FSL)
Placement Agent:	Crews & Associates, Inc. (Crews)
Purpose:	The purpose of the financing is for the purchase and installation of energy saving equipment and measures in certain facilities owned by HPHA.
Project Amount:	Not to exceed $63,000,000 pursuant to the Energy Performance Contract between HPHA and ESCO.
Financing Amount:	The Project Amount plus costs of issuance (including the fee for S&P rating) and interest capitalized during the 24 month construction period. The Financed Amount will not exceed the net guaranteed savings available to pay debt service over the Term.
Term and Payment Structure:	24 months capitalized interest allowed followed by 20 years of principal and interest.
Escrow Funding:	The lease will be funded in whole at closing into an escrow fund. Proceeds will be dispersed by requisition throughout the construction period. All interest earnings will be allocated to the Lessee.

Security:

- HUD energy conservation incentive subsidies anticipated to be provided throughout the term of the lease, including combination of HUD-approved frozen base, additional operating subsidy, and tenant allowance reductions as set forth in 24 CFR 990.185 (a)(1), (a)(2), and (a)(3).
- Firm term obligation of HPHA payable from all legally available funds. However, Lease payments will not be an obligation of the State of Hawaii or secured by any funds provided to the HPHA by the State.
- Security interest in financed equipment.

Scope of Work:	As contained in the Ameresco Energy Services Agreement
Cost of Work:	As contained in the Ameresco Energy Services Agreement
Credit Rating:	Subject to "A-" or better transaction rating by Standard & Poor's
Structure:	Tax exempt lease purchase agreement. Lease may be securitized and publicly offered in the capital markets as a certificate of participation. Prior to locking in interest rates, our firm will perform a cost/benefit analysis for utilizing Build America Bond's (BAB's). This financing approach approved in the American Recovery & Reinvestment Act provides an alternative to tax-exempt financing and may provide HPHA with an overall lower borrowing cost. Although the interest rate for BAB's is taxable to investors and generally higher, the federal government reimburses 35% of the interest cost to the borrower on each payment date. We will provide financing to HPHA under the most cost effective approach.
Interest Rate:	Subject to market conditions at the time of pricing.
Documentation:	All necessary documents will be supplied by the Lessor's legal counsel and subject to review and comment by the Lessee's legal counsel. In addition, Lessee's counsel will issue a legal, valid and binding opinion on the transaction that is acceptable to Lessor's counsel.
Custodian/ Escrow Agent:	TBD, mutually agreeable banking institution.
Due Diligence / Conditions for Funding:	This Commitment is only conditioned upon the completion of a due diligence review satisfactory, in Crew's sole discretion, to our counsel, any required investors, or bond trustee which might control the funds for this financing, along with all necessary HUD approvals, Board Resolutions and other elements necessary to reach the closing of the transaction for this funding. Due diligence will include, but not be limited to, a review of the following items: • List of directors and terms of office • List of top executives and resumes

- Number of employees
- PHAS Score for 2005-2008
- HUD Agency Plan (Annual and Five-year plan included)
- Agency strategic plan
- Performance Ratio Data
  - Last 5 years percentage rent collected/rent charged
  - Last 5 years unit turnover days
  - Last 5 years number of units and type (1, 2, and 3 bedroom, etc.)
  - Last 5 years total development costs
  - Last 5 years of number of properties, age of facilities, and additional amenities
  - Last 5 years occupancy rate
- Organizational chart
- EPC (draft), including scope of work and guaranteed savings
- Primary contact(s) at HPHA
- HUD approval letter
- Any information on the HUD Subsidy needed to understand and describe it beyond the information contained in the HUD approval letter.
- History of HUD Comprehensive Grant Program ("CGP") / Capital Fund Program ("CFP") amounts received in last 10 years
- Any other interesting or notable facts, events, milestones, accomplishments
- Financial market conditions
- Standard & Poor's issuer and transaction credit rating
- Transaction documentation as detailed above
- Any material adverse events, liabilities or similar information

Expenses:

Crews shall be under no obligation to pay, and the Authority shall pay (from proceeds made available to the HPHA from sale of the Custodial Receipts or otherwise), any expenses incident to the performance of the HPHA's obligations hereunder, including, but not limited to: (i) the fees and disbursements of Crews' Counsel; (ii) the fees and disbursements of the HPHA's counsel or accountants, and of any other experts or consultants retained by the HPHA; (iii) charges for obtaining CUSIP numbers on the Custodial Receipts; (iv) the Custodian's fees and expenses and the fees and expenses of any counsel retained by the Custodian; (v) legal publication costs; (vi) Crews' fees payable to the Depository Trust Company relating to the underwriting of the Custodial Receipts; (vii) the cost of preparation and printing of the Custodial Receipts, the Preliminary Official Statement and the Official Statement; and (viii) fees of Standard & Poor's related to the

rating. Crew's shall receive a fee based on a percentage of the financing at closing. That fee will be determined in part by market conditions and the Standard Poor's credit rating, but is estimated to be approximately 2% of the amount of the financing.

Confidentiality: Information obtained herein that is not otherwise publicly available will be treated as confidential and not subject to disclosure.

Exhibit "A"

INVESTMENT BANKING ENGAGEMENT LETTER

Pursuant to this Investment Banking Agreement (this "Agreement"), the Hawaii Public Housing Authority ("HPHA") hereby engages Crews & Associates, Inc ("Crews") and First Security Leasing, Inc. ("FSL") to assist in structuring, and then to sell, the Financed Amount (as defined in the Proposed Financing Structure) in the principal amount of lease obligations with respect to HPHA's Ameresco Energy Performance Contract Project (the "Energy Financing"). The Energy Financing will take the form of a lease purchase financing, with the expectation that interests therein shall be sold through certificates of participation ("COPs"). Crews will use its best efforts to sell the Energy Financing to third party purchasers. Nothing herein shall be construed as requiring Crews to purchase the Energy Financing as part of a firm underwriting commitment.

Described below are the services to be performed by Crews and FSL, collectively the "Financing Team".

SCOPE OF ENGAGEMENT

In consideration of the fees to be paid (as herein described), the Financing Team, using its best efforts, will perform the following services with respect to the Energy Financing (the earlier recitals to this Agreement being incorporated in the substantive provisions hereof):

1. Assist HPHA in developing an appropriate financing structure for the Energy Financing;
2. Assist in arranging a "deal" rating from Standard & Poor's, analyze the possible use of credit enhancement, and, if appropriate and with the written agreement of the parties, procure credit enhancement, all with respect to the Energy Financing;
3. Attend meetings of HPHA relating to the Energy Financing upon the reasonable request of HPHA;
4. Provide support to HPHA in connection with the preparation, printing and distribution of all financing related documents;
5. Assist HPHA in developing the most efficient payback structure as it relates to the guaranteed savings from the Ameresco Energy Performance Contract Project;
6. Perform pre-sale marketing of the Energy Financing;
7. Arrange for closing the sale of the Energy Financing;
8. Perform all other duties and tasks typically performed by an investment banking firm with respect to a COPs financing, and all other duties and tasks as mutually agreed and necessary to complete the Energy Financing;
9. Make its professionals and other personnel readily available to all parties involved in the Energy Financing, in order to expedite the closing of such transaction.

Financing related fees for the above-referenced services will vary based upon the type and maturity of financing issued. The fee will be mutually agreed upon by the Financing Team and HPHA prior to the sale of securities or lease origination. The HPHA will pay all financing costs of issuance including, but not limited to, bond counsel, underwriter's counsel, trustee, rating agency fees, printing, and other closing costs. Such costs may be paid from financing proceeds. Prior to origination of the financing, HPHA may terminate this Agreement for the convenience of HPHA; however, in the event that the Financing Team's proposed financing does not originate as a result of HPHA's termination for the convenience of HPHA, HPHA shall pay the Financing Team reasonable legal and other third-party expenses incurred for services provided up to that date in an amount not to exceed $30,000.

The Financing Team will assist in arranging for the participation of other required financing participants, subject to the approval of the HPHA, and will immediately begin providing the services as described above. This engagement will remain in force for one year or until the financing is achieved.

This engagement letter does not constitute an obligation of, or a commitment by, the Financing Team to purchase, underwrite or place any securities or lease to be issued by the HPHA or any related entity. Any such obligation or commitment will be contained in a Purchase Agreement or other instrument satisfactory in form and substance to HPHA and the Financing Team and their counsel, and executed by the duly authorized representatives.

AGREED this ____ day of _____ 2009

Hawaii Public Housing Authority

By:_____

_____
Printed Name

_____
Title

and

Crews & Associates, Inc.

By: Mark Brown

Mark Brown
Vice President

Preliminary

$70,835,000

Hawaii Housing Authority

20 year Amortization - Market

Project Summary

Dated 11/01/2009 | Delivered 11/01/2009

Sources Of Funds

Par Amount of Financing	$70,835,000.00
Estimated Interest Earnings on Project Construction Fund	300,517.85
Total Sources	**$71,135,517.85**

Uses Of Funds

Deposit to Project Construction Fund	63,000,000.00
Deposit to Capitalized Interest (CIF) Fund	6,405,898.15
Total Underwriting / Placement Fee ($20 per $1,000)*	1,416,700.00
S&P Upfront Surveillance Fee	150,000.00
Crews Legal	75,000.00
S&P Issuer Credit Rating (ICR)	45,000.00
S&P Transaction Rating	16,800.00
Trustee / Custodian	10,000.00
Miscellaneous	10,000.00
POS/Official Statement	3,500.00
Rounding Amount	2,619.70
Total Uses	**$71,135,517.85**

Flow of Funds Detail

Project Construction Fund Solution Method	Net Funded
Total Cost of Investments	$62,699,482.15
Interest Earnings @ 0.500%	300,517.85
Total Draws	$63,000,000.00

Capitalized Interest Fund Solution Method	Net Funded
Original Bond Proceeds	6,405,898.15
Accrued Interest	-
Interest Earnings @ 0.500%	40,086.85
Total Draws	$6,445,985.00

Bond Statistics

Average Life	15.572 Years
Average Coupon (Taxable)	7.0000000%
All Inclusive Cost (AIC)**	4.7803987%

*Not to exceed cost per $1,000 if A- rated or better.

**Net of 35% Treasury Subsidy.

Crews & Associates, Inc.

Capital Markets Group

Attachment E

Preliminary

$70,835,000

Hawaii Housing Authority

20 year Amortization - Market

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Treasury Subsidy	Total P+I	CIF	Net New D/S	Fiscal Total
11/01/2009	-	-	-	-	-	-	-	-
05/01/2010	-	-	2,479,225.00	(867,728.75)	1,611,496.25	(1,611,496.25)	-	-
11/01/2010	-	-	2,479,225.00	(867,728.75)	1,611,496.25	(1,611,496.25)	-	-
05/01/2011	-	-	2,479,225.00	(867,728.75)	1,611,496.25	(1,611,496.25)	-	-
11/01/2011	-	-	2,479,225.00	(867,728.75)	1,611,496.25	(1,611,496.25)	-	-
05/01/2012	-	-	2,479,225.00	(867,728.75)	1,611,496.25	-	1,611,496.25	-
11/01/2012	945,000.00	7.000%	2,479,225.00	(867,728.75)	2,556,496.25	-	2,556,496.25	4,167,992.50
05/01/2013	-	-	2,446,150.00	(856,152.50)	1,589,997.50	-	1,589,997.50	-
11/01/2013	1,125,000.00	7.000%	2,446,150.00	(856,152.50)	2,714,997.50	-	2,714,997.50	4,304,995.00
05/01/2014	-	-	2,406,775.00	(842,371.25)	1,564,403.75	-	1,564,403.75	-
11/01/2014	1,315,000.00	7.000%	2,406,775.00	(842,371.25)	2,879,403.75	-	2,879,403.75	4,443,807.50
05/01/2015	-	-	2,360,750.00	(826,262.50)	1,534,487.50	-	1,534,487.50	-
11/01/2015	1,520,000.00	7.000%	2,360,750.00	(826,262.50)	3,054,487.50	-	3,054,487.50	4,588,975.00
05/01/2016	-	-	2,307,550.00	(807,642.50)	1,499,907.50	-	1,499,907.50	-
11/01/2016	1,740,000.00	7.000%	2,307,550.00	(807,642.50)	3,239,907.50	-	3,239,907.50	4,739,815.00
05/01/2017	-	-	2,246,650.00	(786,327.50)	1,460,322.50	-	1,460,322.50	-
11/01/2017	1,970,000.00	7.000%	2,246,650.00	(786,327.50)	3,430,322.50	-	3,430,322.50	4,890,645.00
05/01/2018	-	-	2,177,700.00	(762,195.00)	1,415,505.00	-	1,415,505.00	-
11/01/2018	2,220,000.00	7.000%	2,177,700.00	(762,195.00)	3,635,505.00	-	3,635,505.00	5,051,010.00
05/01/2019	-	-	2,100,000.00	(735,000.00)	1,365,000.00	-	1,365,000.00	-
11/01/2019	2,480,000.00	7.000%	2,100,000.00	(735,000.00)	3,845,000.00	-	3,845,000.00	5,210,000.00
05/01/2020	-	-	2,013,200.00	(704,620.00)	1,308,580.00	-	1,308,580.00	-
11/01/2020	2,765,000.00	7.000%	2,013,200.00	(704,620.00)	4,073,580.00	-	4,073,580.00	5,382,160.00
05/01/2021	-	-	1,916,425.00	(670,748.75)	1,245,676.25	-	1,245,676.25	-
11/01/2021	3,060,000.00	7.000%	1,916,425.00	(670,748.75)	4,305,676.25	-	4,305,676.25	5,551,352.50
05/01/2022	-	-	1,809,325.00	(633,263.75)	1,176,061.25	-	1,176,061.25	-
11/01/2022	3,380,000.00	7.000%	1,809,325.00	(633,263.75)	4,556,061.25	-	4,556,061.25	5,732,122.50
05/01/2023	-	-	1,691,025.00	(591,858.75)	1,099,166.25	-	1,099,166.25	-
11/01/2023	3,715,000.00	7.000%	1,691,025.00	(591,858.75)	4,814,166.25	-	4,814,166.25	5,913,332.50
05/01/2024	-	-	1,561,000.00	(546,350.00)	1,014,650.00	-	1,014,650.00	-
11/01/2024	4,075,000.00	7.000%	1,561,000.00	(546,350.00)	5,089,650.00	-	5,089,650.00	6,104,300.00
05/01/2025	-	-	1,418,375.00	(496,431.25)	921,943.75	-	921,943.75	-
11/01/2025	4,455,000.00	7.000%	1,418,375.00	(496,431.25)	5,376,943.75	-	5,376,943.75	6,298,887.50
05/01/2026	-	-	1,262,450.00	(441,857.50)	820,592.50	-	820,592.50	-
11/01/2026	4,855,000.00	7.000%	1,262,450.00	(441,857.50)	5,675,592.50	-	5,675,592.50	6,496,185.00
05/01/2027	-	-	1,092,525.00	(382,383.75)	710,141.25	-	710,141.25	-
11/01/2027	5,280,000.00	7.000%	1,092,525.00	(382,383.75)	5,990,141.25	-	5,990,141.25	6,700,282.50
05/01/2028	-	-	907,725.00	(317,703.75)	590,021.25	-	590,021.25	-
11/01/2028	5,735,000.00	7.000%	907,725.00	(317,703.75)	6,325,021.25	-	6,325,021.25	6,915,042.50
05/01/2029	-	-	707,000.00	(247,450.00)	459,550.00	-	459,550.00	-
11/01/2029	6,215,000.00	7.000%	707,000.00	(247,450.00)	6,674,550.00	-	6,674,550.00	7,134,100.00
05/01/2030	-	-	489,475.00	(171,316.25)	318,158.75	-	318,158.75	-
11/01/2030	6,725,000.00	7.000%	489,475.00	(171,316.25)	7,043,158.75	-	7,043,158.75	7,361,317.50
05/01/2031	-	-	254,100.00	(88,935.00)	165,165.00	-	165,165.00	-
11/01/2031	7,260,000.00	7.000%	254,100.00	(88,935.00)	7,425,165.00	-	7,425,165.00	7,590,330.00
Total	**$70,835,000.00**	-	**$77,211,750.00**	**(27,024,112.50)**	**$121,022,637.50**	**(6,445,985.00)**	**$114,576,652.50**	-

Crews & Associates, Inc.
Capital Markets Group

Preliminary

$70,835,000

Hawaii Housing Authority
20 year Amortization
Build America Bond Financing Scenario

All Inclusive Rate (AIC)

Dated 11/01/2009 | Delivered 11/01/2009

All Inclusive Rate (AIC) - Estimated Composition	%
Gross Lease Rate (Taxable)	7.00
Treasury Subsidy (35%)	(2.45)
Underwriting / Placement Fee	0.19
S&P Rating Expenses	0.03
Estimated Other Expenses	0.01
All Inclusive Rate (AIC)	4.78

Crews & Associates, Inc.
Capital Markets Group

Approved by the Executive Director
September 17, 2009

FOR ACTION

SUBJECT: To Adopt Board Resolution No. 21 to Ratify the Capital Fund Program Amendment (form HUD-52840-A) to the Consolidated Annual Contributions Contract (form HUD-53012) to Accept the Fiscal Year 2009 Capital Fund Program Grant

A. FACTS

1. On September 3, 2009, the U.S. Department of Housing and Urban Development (HUD) notified the Hawaii Public Housing Authority (HPHA) of its Capital Fund Program (CFP) grant award in the amount of $12,526,177.00 for the purpose of assisting the PHA in carrying out capital and management activities at existing public housing developments.

2. Under the formula allocation for capital funds, the HPHA is to receive $12,526,177.00 for capital improvement activities. The funds can be used for activities that are currently eligible under the Capital Fund program regulations.

3. Pursuant to PIH Notice 2009-33, public housing agencies were required to submit the Capital Fund Amendment to their HUD Field Offices no later than September 14, 2009. On September 14, 2009, the HPHA submitted a Capital Fund Program Amendment No. 141 to the Consolidated Annual Contributions Contract in order to receive the $12,526,177.00 formula allocation. Included at Attachment A is a copy of the executed amendment.

4. Included at Attachment B are the capital planning tables for the federal capital fund supplemental appropriation under the CFP Capital Grant Fund HI08P00150109 (719).

B. DISCUSSION

1. HUD has indicated that in order to use the additional funds on specific projects HPHA must make the corresponding changes to the PHA Plan's Annual Plan for the Capital fund program. The HPHA has determined that the projects identified in the current version of the HPHA's 2009 Five Year and Annual Plan do not require revisions.

2. Additionally, the HPHA will update the Five Year and Annual Plan to HUD to identify all public housing sites as eligible to receive Capital funds.

3. The HPHA will continue to report its progress to the Department of Human Services' Director's Office (via Designee Henry Oliva) and to the HPHA Board of Directors on a monthly basis.

C. RECOMMENDATION

That the HPHA Board of Directors adopt Board Resolution No. 21 to ratify the Capital Fund Program Amendment (form HUD 52840-A) to the Consolidated Annual Contributions Contract (form HUF 53012) Due to the acceptance of the fiscal year 2009 annual CFP grant assistance amount.

Attachments: Attachment A – Capital Fund grant 2009 Formula Grant Number HI08P00150109

Attachment B – Capital Fund Grant Formula grant number HI08R00150209

Attachment C – Corrective Action Order

Prepared by: Mark Buflo, Budget Office

RESOLUTION NO. 21

HAWAII PUBLIC HOUSING AUTHORITY
STATE OF HAWAII

RESOLUTION APPROVING THE CAPITAL FUND PROGRAM AMENDMENT TO THE CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT (FORM HUD-53012)

WHEREAS, the Board of Directors of the Hawaii Public Housing Authority (HPHA) entered into Consolidated Annual Contributions Contract (ACC) No SF-181 dated July 1, 1998 with the U.S. Department of Housing and Urban Development (HUD), and

WHEREAS, HUD has agreed to provide Capital Fund Program assistance to the HPHA in an amount of $12,526,177.00 for the purpose of carrying out capital and management activities at federal public housing developments in accordance with the requirements of the Capital Fund Program including Title XVI general provisions, and

WHEREAS, HPHA and HUD entered into the Capital Fund Program Amendment Number 141 to receive the formula allocation, and

WHEREAS, the HPHA agreed to comply with the requirements for eligible activities, reporting, and expenditure deadlines of the (CFP) Capital Fund Program, and

WHEREAS, the HPHA was required to submit an annual statement and board resolution by September 14, 2009.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Hawaii Public Housing Authority hereby approves the Capital Fund Program (CFP) Amendment, dated September 14, 2009 to the Consolidated Annual Contributions Contract with HUD and the proposed list of projects in the Capital Fund Program Annual Statement.

The UNDERSIGNED, hereby certifies that the foregoing resolution was duly adopted by the Directors of the Hawaii Public Housing Authority on September 17, 2009 in Honolulu, Hawaii.

_____
Travis O. Thompson, Chairperson

Capital Fund 2009 Formula Grant

Capital Fund Program (CFP) Amendment
To The Consolidated Annual Contributions Contract (form **HUD-53012**)

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

Whereas, (Public Housing Authority) Hawaii Public Housing Authority (HI001) (herein called the "PHA") and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions

Contract(s) ACC(s) Number(s) SF-181 dated: 7/1/1998

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out capital and management activities at existing public housing developments in order to ensure that such developments continue to be available to serve low-income families:

$ 12,526,177 for Fiscal Year to be referred to under Capital Fund Grant Number HI08P00150109

PHA Tax Identification Number (TIN). On File enter if changed since previous CFP Grant

Whereas, HUD and the PHA are entering into the CFP Amendment Number 141

Now Therefore, the ACC(s) is (are) amended as follows:

1.The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for capital and management activities of PHA developments. This amendment is a part of the ACC(s).

2. The capital and management activities shall be carried out in accordance with all HUD regulations and other requirements applicable to the Capital Fund Program.

3. (Check one)

a. For Non-qualified PHAs:

_____ (i) In accordance with the HUD regulations, the Annual PHA Plan has been adopted by the PHA and approved by HUD, and may be amended from time to time. The capital and management activities shall be carried out as described in the CFP Annual Statement/Performance and Evaluation Report (HUD-50075.1).

OR

_____ (ii) If the Annual PHA Plan has not been adopted by the PHA and approved by HUD, the PHA may use its CFP assistance under this contract for work items contained in its CFP-Five-Year Action Plan (HUD-50075.2), before the Annual PHA Plan is approved.

✓ b. For Qualified PHAs:

_____(i) The CFP Annual Statement/Performance and Evaluation Report (HUD-50075.1) has been adopted by the PHA and verified by HUD. The capital and management activities shall be carried out as described therein.

OR

_____ (ii) If the CFP Annual Statement/Performance and Evaluation Report has not been adopted by the PHA and/or verified by HUD, the PHA may use its CFP assistance under this contract for work items contained in its approved CFP 5-Year Action Plan (HUD-50075.2), before the CFP Annual Statement/Performance and Evaluation Report is adopted by the PHA and verified by HUD.

For cases where HUD has approved a Capital Fund Financing Amendment to the ACC (CFF Amendment attached), HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee (Trustee Agreement attached) within 3 days of the due date.

Regardless of the selection above, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the United States Housing Act of 1937, as amended, (the "Act") and 48 month time period in which the PHA must expend this CFP assistance pursuant to section 9(j)(5) of the Act starts with the effective date of this CFP amendment (the date on which CFP assistance becomes available to the PHA for obligation).

4. Subject to the provisions of the ACC(s) and paragraph 3. and to assist in the capital and management activities, HUD agrees to disburse to the PHA or the designated trustee from time to time as needed up to the amount of the funding assistance specified herein.

5. The PHA shall continue to operate each development as low-income housing in compliance with the ACC(s), as amended, the Act and all HUD regulations for a period of twenty years after the last disbursement of CFP assistance for modernization activities and for a period of forty years after the last distribution of CFP assistance for development activities. However, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any development(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, for a period of ten years following the last payment of assistance from the Operating Fund to the PHA, no disposition of any development covered by this amendment shall occur unless approved by HUD.

6. The PHA will accept the entire CFP assistance amount for this FY. If the PHA does not comply with any of its obligations under this Amendment and does not have its Annual PHA Plan approved within the period specified by HUD, HUD shall impose such penalties or take such remedial action as provided by law. HUD may direct the PHA to terminate all work described in the Capital Fund Annual Statement of the Annual PHA Plan. In such case, the PHA shall only incur additional costs with HUD approval.

7. Implementation or use of funding assistance provided under this Amendment is subject to the attached corrective action order(s).

(mark one) : ☑ Yes ☐ No

8. The PHA acknowledges its responsibility for adherence to this Amendment.

The parties have executed this Agreement, and it will be effective on 9/15/2009. This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development	**PHA Executive Director**
By Date:	By Date: SEP 10 2009
Title	Title Executive Director

Previous versions obsolete

form **HUD-52840-A** 03/04/2003

Attachment A
Page 1 of 1

Capital Fund 2009 Formula Grant

Capital Fund Program (CFP) Amendment
To The Consolidated Annual Contributions Contract (form **HUD-53012**)

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

Whereas, (Public Housing Authority) Hawaii Public Housing Authority (HI001) (herein called the "PHA") and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions

Contract(s) ACC(s) Number(s) SF-181 dated: 7/1/1998

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out capital and management activities at existing public housing developments in order to ensure that such developments continue to be available to serve low-income families:

$ 240,896 for Fiscal Year to be referred to under Capital Fund Grant Number HI08R00150209

PHA Tax Identification Number (TIN). On File enter if changed since previous CFP Grant

Whereas, HUD and the PHA are entering into the CFP Amendment Number 142

Now Therefore, the ACC(s) is (are) amended as follows:

1.The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for capital and management activities of PHA developments. This amendment is a part of the ACC(s).

2. The capital and management activities shall be carried out in accordance with all HUD regulations and other requirements applicable to the Capital Fund Program.

3. (Check one)

a. For Non-qualified PHAs:

_____ (i) In accordance with the HUD regulations, the Annual PHA Plan has been adopted by the PHA and approved by HUD, and may be amended from time to time. The capital and management activities shall be carried out as described in the CFP Annual Statement/Performance and Evaluation Report (HUD-50075.1).

OR

_____ (ii) If the Annual PHA Plan has not been adopted by the PHA and approved by HUD, the PHA may use its CFP assistance under this contract for work items contained in its CFP-Five-Year Action Plan (HUD-50075.2), before the Annual PHA Plan is approved.

✓ b. For Qualified PHAs:

_____(i) The CFP Annual Statement/Performance and Evaluation Report (HUD-50075.1) has been adopted by the PHA and verified by HUD. The capital and management activities shall be carried out as described therein.

OR

_____ (ii) If the CFP Annual Statement/Performance and Evaluation Report has not been adopted by the PHA and/or verified by HUD, the PHA may use its CFP assistance under this contract for work items contained in its approved CFP 5-Year Action Plan (HUD-50075.2), before the CFP Annual Statement/Performance and Evaluation Report is adopted by the PHA and verified by HUD.

For cases where HUD has approved a Capital Fund Financing Amendment to the ACC (CFF Amendment attached), HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee (Trustee Agreement attached) within 3 days of the due date.

Regardless of the selection above, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the United States Housing Act of 1937, as amended, (the "Act") and 48 month time period in which the PHA must expend this CFP assistance pursuant to section 9(j)(5) of the Act starts with the effective date of this CFP amendment (the date on which CFP assistance becomes available to the PHA for obligation).

4. Subject to the provisions of the ACC(s) and paragraph 3. and to assist in the capital and management activities, HUD agrees to disburse to the PHA or the designated trustee from time to time as needed up to the amount of the funding assistance specified herein.

5. The PHA shall continue to operate each development as low-income housing in compliance with the ACC(s), as amended, the Act and all HUD regulations for a period of twenty years after the last disbursement of CFP assistance for modernization activities and for a period of forty years after the last distribution of CFP assistance for development activities. However, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any development(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, for a period of ten years following the last payment of assistance from the Operating Fund to the PHA, no disposition of any development covered by this amendment shall occur unless approved by HUD.

6. The PHA will accept the entire CFP assistance amount for this FY. If the PHA does not comply with any of its obligations under this Amendment and does not have its Annual PHA Plan approved within the period specified by HUD, HUD shall impose such penalties or take such remedial action as provided by law. HUD may direct the PHA to terminate all work described in the Capital Fund Annual Statement of the Annual PHA Plan. In such case, the PHA shall only incur additional costs with HUD approval.

7. Implementation or use of funding assistance provided under this Amendment is subject to the attached corrective action order(s).

(mark one) : ☑ Yes ☐ No

8. The PHA acknowledges its responsibility for adherence to this Amendment.

The parties have executed this Agreement, and it will be effective on 9/15/2009. This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development	**PHA Executive Director**
By Date:	By Date: SEP 10 2009
Title	Title Executive Director

Previous versions obsolete

form **HUD-52840-A** 03/04/2003

U. S. Department of Housing and Urban Development
Washington, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

SEP 10 2002

2002 SEP 12 A 8:01

Ms. Sharyn L. Miyashiro
Executive Director
Housing and Community Development
Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Dear Ms. Miyashiro:

This is in further reference to the issuance of a Corrective Action Order (CAO) to the Housing and Community Development Corporation of Hawaii (HCDCH) regarding its ability to adhere to statutory requirements and program guidelines regarding the public housing program.

Enclosed please find the executed CAO. Francetta J. White of my staff will be meeting with you in the near future to discuss the CAO, as well as the details of the Independent Assessment and Technical Assistance contracts referenced in the CAO.

We look forward to working with you and hope that your agency will look at this as an opportunity that will have long term benefits for both the residents of HCDCH public housing and your agency. If you have further questions regarding this matter, you can contact me directly at (202) 708-0950. You may also contact William C. Thorson, Director, Office of Capital Improvement for assistance. Mr. Thorson can be reached at (202) 708-1640, extension 4999.

Sincerely,

Michael Liu
Assistant Secretary

Enclosure

Corrective Action Order

FOR

Housing and Community Development Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Pursuant to Title 24 Code of Federal Regulations (CFR), §968.335, the U.S. Department of Housing and Urban Development (HUD) is issuing this Corrective Action Order to The Housing and Community Development Corporation of Hawaii (HCDCH) for irregularities relating to HCDCH's performance administering Public and Indian Housing Programs. As outlined in 24 CFR §968.335, this order becomes a formal part of the Consolidated Annual Contributions Contract(s) (ACC) Number SF-181 dated 15 November 1960 and is enforceable by declaration of breach of the ACC or by withholding funds.

HUD agreed to provide Capital Fund Program (CFP) assistance, upon execution of an ACC, to the HCDCH for the purpose of assisting the HCDCH in carrying out capital and management activities in order to ensure HCDCH developments continue to be available to serve low-income families. As part of the agreement, the HCDCH is required to adhere to Title 24 CFR §968.335 and Guidebook 7485.3-G

The basis for the Corrective Action Order was established through reviews that indicated the HCDCH had the following compliance deficiencies:

1. **The HA has not carried out its activities under the Comprehensive Grant Program (CGP) in a timely manner and in accordance with the Annual Statement or the latest HUD-approved Five-Year Action Plan, or other HUD requirements, as set forth in Guidebook 7485.3G paragraph 12-8A;**

   The HCDCH budgeted funds for Management Improvements and spent the funds on other budget line items.

2. **The HA does not have a continuing capacity to carry out its Comprehensive Plan in a timely manner or expend its annual grant funds, as set forth in Guidebook 7485.3G paragraph 12-8B;**

   In a letter dated May 20, 2002, to the HCDCH, the agency was advised that it did not meet the deadline in Section 9(j) of the U. S. Housing Act of 1937 for obligating the fiscal year 1999, CGP funds. Reports indicate that HCDCH has consistently required extensions of obligation deadlines going back to 1995.

Internet Address: http://www.hud.gov/local/nlcm/memhome.html

3. **The HA has not satisfied, or has not made reasonable progress towards satisfying, the performance standards specified in Guidebook 7485.3G paragraph 12-8C. Failure to meet PHAS performance standards is not a management deficiency under the CFP; however, failure to carry out actions and strategies identified in the Annual Statement or Five-Year Action Plan to remedy PHAS failures is a deficiency under the CFP;**

   The HCDCH budgeted funds for Management Improvements and spent the funds on other budget line items.

4. **An audit conducted in accordance with 24 CFR Part 44 or other HUD reviews reveals deficiencies that the Field Office reasonably believes require corrective action;**

   A Facilities Management review of the HCDCH during the period of September 4, 2001 through September 7, 2001, disclosed 2 serious findings, 2 concerns and 11 observations. The report also indicates the HCDCH allowed program deficiencies to become endemic to the organization.

   Finding number 1 of the report cites the HCDCH's failure to properly evaluate prospective professional consultants in accordance with 24 CFR §85.36(d)(3)(i) and (v). There were no standards or recorded methods for ranking applicants as required by 24 CFR §85.36(b)(9).

   Finding number 2 of the report cites improper obligation of funds in accordance with 24 CFR 968. The HCDCH reflected funds as being obligated that in fact were not obligated.

The purpose of the Corrective Action Order is to impose actions that will prevent a continuation of the deficiency; mitigate any adverse effects of the deficiency to the extent possible; and prevent a recurrence of the same or similar deficiencies. The order will be in effect until HCDCH has made acceptable performance improvements as determined by HUD. Therefore, in accordance with 24 CFR §968.335(e):

1. HUD will prepare and issue a solicitation for an Independent Assessment (IA) on behalf of the HCDCH to assess its operations to assist in identifying improvements. The IA will be funded from HCDCH's CFP.

2. The estimated schedule for the award of the IA contract is as follows:

Task	Number of Business Days After The Date of This CAO
a) Determine Funding Source for IA	5
b) Determine Process for Funding IA	10
c) Obtain All Necessary Approvals	30

Task	Number of Business Days After Publication of RFP
a) Evaluate Applicants	45
b) Select Contactor	48
c) Execute/Award Contract	58
d) Pre-Start Telephone Conference	60
e) Contractor On Site	61
f) Draft Independent Assessment	81
g) Meetings With HUD and Contractor	TBD
h) Draft Physical Needs Assessment	111

3. HUD will appoint the members of the Technical Evaluation Panel and approve Panel selection.

4. As a result of the Independent Assessment Contractor's report, the Corrective Action Order will be amended to identify actions that the HCDCH must take. At that time, a second contract for Technical Assistance will be undertaken to assist the HCDCH to implement recommendations from the Independent Assessment included in the CAO. The technical assistance contract will also be funded the HCDCH's CFP.

5. Notwithstanding 24 CFR §85.36(g), subsequent to the date of this Corrective Action Order, HCDCH must submit to HUD the following documents prior to issuance or approval:

   a) All contracts in excess of $25,000. Submit all documents pertaining to the solicitation and selection process used for determining the selection of a contractor.

   b) All documents supporting the selection process and the basis for selecting individuals for employment in all management positions; e. g., Executive Director, Procurement Officer, Maintenance Supervisor, etc.

c) Proposed architectural/engineering (A/E) and other professional services contracts;

d) Complete construction and bid documents;

e) Proposed award of contracts, including construction and equipment contracts;

f) Management contracts; and

g) Proposed contract modifications.

In accordance with 24 CFR §968.335, the HCDCH Board of Commissioners must notify affected residents of HUD's determination, the bases for the determination, the conditioning requirements imposed, and the consequences to the HCDCH if it fails to comply with HUD's requirements. HCDCH's failure to comply with the terms of this corrective action order may result in further sanctions as described in the ACC and HUD regulations and other remedies as provided in law.

The undersigned has caused this Corrective Action Order to be effective as of the date of execution on behalf of the United States of America, Secretary of Housing and Urban Development, as stated below.

U.S. Department of Housing and Urban Development

By: Michael Liu ***Date:*** 9/10/02

Michael Liu, Assistant Secretary for Public and Indian Housing

Approved by the Executive Director CT
September 17, 2009

FOR ACTION

SUBJECT: To Deliberate Regarding Negotiations for the Sale of the Vacant Parcel in Hana, TMK 2-1-3-09:009, located at 2890 Hana Highway in Hana, Maui

I. FACTS:

A. The Board of Directors of the Hawaii Public Housing Authority (HPHA) authorized the marketing of the 6.824 acres of vacant land located in Hana (TMK 2-1-3-09:009).

B. The HPHA acquired the services of Hana Coast Realty, Inc. to market the parcel. Hana Coast Realty, Inc. indicated that the parcel should be marketed at $500,000. The HPHA (formerly known as Hawaii Housing Authority) acquired the parcel for $275,000 in 1991.

C. A review of the real property tax information of adjacent parcels of similar size shows the assessed land values from $300 (because of agricultural zoning) to $691,000. Three of the five parcels have buildings with assessed values in excess of $500,000. Two parcels, including the HPHA's, are vacant.

II. DISCUSSION

A. On September 8, 2009 Hana Coast Realty received an offer to purchase the parcel.

B. Pursuant to Sections 92-4, 92-5(a) (3), (4) and (8) and Section 103D-105, Hawaii Revised statutes, the Board may vote to have staff present recommendations to the Board for deliberation in Executive Session.

III. RECOMMENDATION

That the Board of Directors authorize the Executive Director to proceed with the sale of the Hana parcel to the latest offer, contingent upon the approval of the legislature.

Prepared by: Michael J. Hee, Private Management Contracts Section Chief _____

Reviewed by: Stephanie Fo, Property Management & Maintenance Services Branch Chief _____

Property Management and Maintenance Services Branch
Report for the Month Ended August 31, 2009

GOAL: **Fix** units, **Fill** units (95% occupancy) and **Collect** rent (collect 95%).

A. Fix Units

At the end of August 2009, the agency had 320 vacant units that need repair. The construction management section is in charge of repairing 182 of the 320, leaving 138 vacancies for the AMP staff to repair in addition to the monthly average of 45 vacancies.

In August 2009, there were 55 move-ins and 33 families that vacated. The federal sites have 30 units fixed but not filled as of August 31, 2009 a decrease from 47 as of July 31, 2009. The state sites have 7 units fixed, but not filled as of August 31, 2009.

B. Fill Units

See chart below for the percent of units occupied for State properties and Federal AMPs. In order to meet the lease up goal of 48 hours a change in procedure was initiated in August 2009 and was implemented September 1, 2009. The applicant will now be referred 2 days after the unit is vacated. That way the applicant will have time to acquire the security deposit and give notice to their current landlord. The new procedure also eliminates the need for the Applications Office to schedule the move in appointment. The AMPs will now schedule the move in appointment with the applicant.

A new goal of 200 applicants in the waiting list pool was set in August of 2009. The current waiting list pool has 169 pre-approved applicants. The Applications Office will be increasing their weekly work load to approve approximately 100 additional applicants for the pool by December 2009, excluding their monthly placements of about 50 applicants per month.

State Occupancy Report:

August 2009

Island	Total Available Units	Total Occupied Units	August Occupancy Ratio	July Occupancy Ratio
2201-Hauiki	46	44	95.65%	95.65%
2202-Puahala Homes	128	108	84.38%	85.16%
2204-Kawailehua	26	25	96.15%	96.15%
2205-Kahale Mua	32	28	87.50%	90.63%
2206-Lokahi	30	14	46.67%	46.67%
2207-Ke Kumu Elua	26	11	42.31%	38.46%
2401-Hale Po'ai	206	205	99.51%	99.51%
2402-La'iola	108	106	98.15%	99.07%
2403-Kamalu-Ho'olulu	221	218	98.64%	98.64%
2404-Halia Hale	41	40	97.56%	97.56%
Total	864	799	92.48%	92.71%

063

Federal Occupancy Report:

August 2009

AMP	Total Available Units	Total Occupied Units	August Occupancy Ratio	July Occupancy Ratio
30P-Aiea	362	360	99.45%	99.45%
31P-KVH	372	324	87.10%	87.10%
32P-MWH	363	356	98.07%	97.25%
33P-Kam/Kaamanu	371	369	99.46%	99.73%
34P-Kalakaua	581	556	95.70%	95.70%
35P-Kalanihuia	585	547	93.50%	94.02%
37P-Hilo	301	281	93.36%	90.03%
38P-Kauai	319	308	96.55%	96.24%
39P-Maui	196	134	68.37%	68.37%
40P-KPT	738	697	94.44%	94.59%
43P-Kona	200	189	94.50%	96.00%
44P-Leeward Oahu	258	216	83.72%	83.72%
45P-Windward Oahu	225	220	97.78%	98.67%
46P-Kamuela	101	88	87.13%	85.15%
49P-Central Oahu	150	134	89.33%	89.33%
50P-Palolo	114	107	93.86%	93.86%
Total	5,236	4,886	93.32%	93.20%

During the month of August 2009, there were 5 evictions and 27 families were referred for eviction. Of the 27 families 8 families were referred for eviction for cause. (25 referred for eviction in July and 34 families were referred in June 2009)

See attached August 2009 rent collections charts for federal and state properties. Of the Federal owed by families over 90 days delinquent have repayment agreements for $36,082.53. The State delinquent rent over 90 days old have agreements for $161,501.76.

D. Goals

Implement New Uniform House Rules – Draft complete
Implement Tenant Monitor Program – Job posting in October 2009
Update Maintenance Charge List
Update Maintenance Labor Rate – Calculated, need to implement
Update Property Management Manual – Deadline October 2009
Implement general ledger reporting requirements – Waiting for CFO

E. Updates from previous Board Meetings: See testimony follow up chart.

F. Property Sales

1. Sale of Wilikina Apartments – Consultant will make recommendation of sale at September 17, 2009 Wilikina Board Meeting.

2. Sale of Banyan Street Manor – AG submitted draft to HPHA to transmit to buyer regarding final version of the letter of intent.

3. Sale of Hana vacant parcel – Broker requested to be removed, indicates sale will likely be impossible.

FISCAL YEAR 2009-2010 UNIT TURNOVER REPORT AS OF 8/31/09

VACANT UNITS AS OF 8/31/09	TOTAL REPAIRED AND OCCUPIED	TOTAL READY MOVE IN	TOTAL TO BE REPAIRED
381	49	46	335

Vacant Units as of 8/31/09	Current Vacant Units	Placements August, 2009	Rent Ready Units	Units Under Repair	Repair Sep-09	Repair Oct-09	Repair Nov-09	Future CMS	Future AMP
30P-Aiea	2	2	0	2	2	0	0	0	0
31P-KVH	47	7	2	45	6	6	6	23	4
32P-MWH	7	5	0	7	2	0	0	5	0
33P-Kamehameha/Ka	2	2	1	1	1	0	0	0	0
34P-Kalakaua	24	2	0	24	3	4	4	13	0
35P-Kalanihuia	37	0	9	27	8	8	5	1	5
37P-Hilo	21	12	6	15	2	3	0	10	0
38P-Kauai	9	0	1	8	2	2	0	4	0
39P-Maui	62	3	1	62	2	2	1	57	0
40P-KPT	37	3	1	36	6	3	3	24	0
43P-Kona	7	1	3	4	1	0	0	3	0
44P-Leeward Oahu	42	3	5	37	5	5	5	13	9
45P-Windward Oahu	3	3	0	3	3	0	0	0	0
46P-Kamuela	15	1	8	7	1	1	0	5	0
49P-Central Oahu	15	1	1	14	2	0	0	12	0
50P-Palolo	8	0	0	8	0	0	0	0	8
State Family	40	1	6	34	3	1	0	30	0
State Elderly	3	3	2	1	0	1	0	0	0
Total	381	49	46	335	49	36	24	200	26

FISCAL YEAR 2009-2010 UNIT TURNOVER REPORT AS OF 7/31/09

GRAND TOTAL OF UNITS VACANT IN FY 2009-10	TOTAL REPAIRED AND OCCUPIED	TOTAL READY MOVE IN	TOTAL TO BE REPAIRED
452	83	61	308

FISCAL YEAR 2008-2009 UNIT TURNOVER REPORT AS OF 6/30/09

GRAND TOTAL OF UNITS VACANT IN FY 2008-09	TOTAL REPAIRED AND OCCUPIED	TOTAL READY MOVE IN	TOTAL TO BE REPAIRED
1257	892	85	280

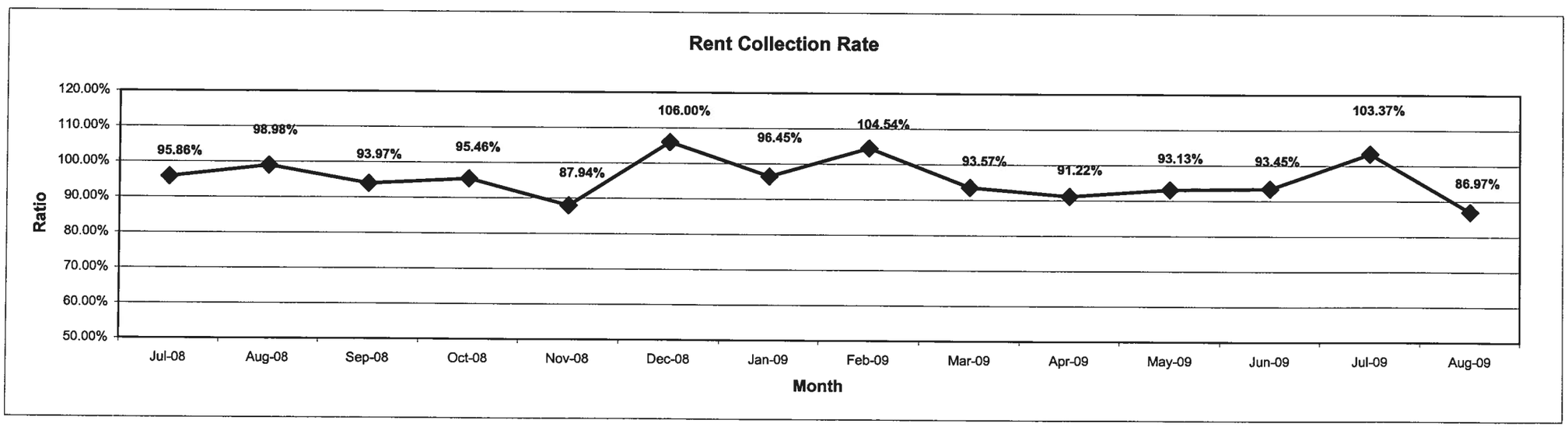
FEDERAL PUBLIC HOUSING

Rent Collection from 07/01/2008 to 8/31/2009

	Jul-08			Aug-08			Sep-08			Oct-08			Nov-08			Dec-08		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 116,470.00	119,587.73	102.68%	$ 120,477.92	122,760.35	101.89%	$ 125,439.00	118,355.06	94.35%	$ 125,869.00	115,203.51	91.53%	$ 131,048.00	112,866.00	86.13%	$ 133,281.27	131,073.06	98.34%
Kauai	$ 79,207.00	75,806.25	95.71%	$ 79,485.00	75,502.50	94.99%	$ 75,965.00	86,866.07	114.35%	$ 78,673.00	80,746.73	102.64%	$ 79,849.00	73,720.23	92.32%	$ 80,041.00	93,170.62	116.40%
Maui	$ 51,024.00	43,783.00	85.81%	$ 49,455.00	45,634.62	92.28%	$ 48,272.00	44,387.54	91.95%	$ 46,012.00	46,125.48	100.25%	$ 47,977.00	39,874.31	83.11%	$ 46,632.00	46,921.77	100.62%
Oahu	$ 1,197,434.34	1,145,116.97	95.63%	$ 1,197,981.61	1,188,701.58	99.23%	$ 1,200,629.45	1,113,188.62	92.72%	$ 1,204,135.22	1,146,555.38	95.22%	$ 1,214,272.36	1,068,968.52	88.03%	$ 1,221,838.55	1,299,474.08	106.35%
Total	$ 1,444,135.34	$ 1,384,293.95	95.86%	$ 1,447,399.53	$ 1,432,599.05	98.98%	$ 1,450,305.45	$ 1,362,797.29	93.97%	$ 1,454,689.22	$ 1,388,631.10	95.46%	$ 1,473,146.36	$ 1,295,429.06	87.94%	$ 1,481,792.82	$ 1,570,639.53	106.00%

	Jan-09			Feb-09			Mar-09			Apr-09			May-09			Jun-09		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 133,656.78	$ 115,217.46	86.20%	$ 132,995.09	$ 153,397.87	96.73%	$ 132,936.86	$ 128,036.71	96.31%	$ 131,367.63	$ 124,493.52	94.77%	$ 130,607.50	$ 119,245.42	91.30%	$ 125,699.50	$ 116,981.70	93.06%
Kauai	$ 83,368.00	$ 84,101.48	100.88%	$ 84,625.00	$ 83,524.26	88.16%	$ 85,116.00	$ 81,355.63	95.58%	$ 84,094.00	$ 80,050.21	95.19%	$ 82,400.00	$ 77,912.88	94.55%	$ 82,065.00	$ 75,445.23	91.93%
Maui	$ 47,501.00	$ 44,531.92	93.75%	$ 46,918.00	$ 42,249.03	75.04%	$ 46,955.00	$ 38,073.50	81.09%	$ 49,002.00	$ 49,710.83	101.45%	$ 49,787.00	$ 41,731.27	83.82%	$ 49,901.00	$ 42,621.61	85.41%
Oahu	$ 1,225,392.10	$ 1,193,203.47	97.37%	$ 1,220,303.61	$ 1,273,011.42	88.14%	$ 1,223,417.21	$ 1,145,321.53	93.62%	$ 1,220,886.98	$ 1,100,630.93	90.15%	$ 1,220,353.50	$ 1,142,362.65	93.61%	$ 1,221,464.94	$ 1,147,238.16	93.92%
Total	$ 1,489,917.88	$ 1,437,054.33	96.45%	$ 1,484,841.70	$ 1,552,182.58	104.54%	$ 1,488,425.07	$ 1,392,787.37	93.57%	$ 1,485,350.61	$ 1,354,885.49	91.22%	$ 1,483,148.00	$ 1,381,252.22	93.13%	$ 1,479,130.44	$ 1,382,286.70	93.45%

	Jul-09			Aug-09			Total		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 112,436.50	$ 124,829.51	111.02%	$ 119,391.36	$ 108,916.51	91.23%	$ 1,771,676.41	$ 1,710,964.41	96.57%
Kauai	$ 72,695.00	$ 83,795.34	115.27%	$ 73,072.00	$ 64,423.31	88.16%	$ 1,120,655.00	$ 1,116,420.74	99.62%
Maui	$ 46,854.00	$ 46,508.59	99.26%	$ 45,267.00	$ 37,689.39	83.26%	$ 671,557.00	$ 609,842.86	90.81%
Oahu	$ 1,159,986.53	$ 1,183,747.09	102.05%	$ 1,144,388.66	$ 990,982.65	86.59%	$ 16,872,485.06	$ 16,138,503.05	95.65%
Total	$ 1,391,972.03	$ 1,438,880.53	103.37%	$ 1,382,119.02	$ 1,202,011.86	86.97%	$ 20,436,373.47	$ 19,575,731.06	95.79%



Federal LIPH
HPHA Island Overview Report
August 2009

	Occupancy					Monthly Activity				Federal Waiting List*			
Island	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Families	Elderly	Transf. to LIPH-Family	Transf. to LIPH-Elderly
Hawaii	602	558	92.69%	44	7	3	15	2	1	1,619	150	9	4
Kauai	319	308	96.55%	11	1	1	0	0	1	164	53	1	0
Maui	196	134	68.37%	62	1	2	3	1	3	189	83	1	0
Oahu	4,119	3,886	94.34%	233	24	21	23	10	5	5,759	1,410	16	0
Total	5,236	4,886	93.32%	350	33	27	41	13	10	7,573	1,664	27	4

	Non Vacated Delinquencies**				Collection Rate		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	74	$ 22,875.42	32	$ 63,655.88	$ 119,391.36	$ 108,916.51	91.23%
Kauai	28	$ 6,088.51	18	$ 14,431.35	$ 73,072.00	$ 64,423.31	88.16%
Maui	21	$ 11,255.73	10	$ 26,289.41	$ 45,267.00	$ 37,689.39	83.26%
Oahu	495	$ 120,588.76	148	$ 313,605.65	$ 1,144,388.66	$ 990,982.65	86.59%
Total	618	$ 160,808.42	208	$ 417,982.29	$ 1,382,119.02	$ 1,202,011.86	86.97%

* - Please notice WL count does not sum up as applicants my apply on more than 1 listing.
**-Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).
*** - Occupancy also counts Scheduled for Modernization Units.

Federal LIPH
HPHA Project Overview Report
August 2009

	Occupancy					Monthly Activity				Federal Waiting List*			
AMP	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Family	Elderly	Transf. to LIPH Family	Transf. to LIPH-Elderly
30P-Aiea	362	360	99.45%	2	0	2	2	1	0	4310	0	12	0
31P-KVH	372	324	87.10%	48	2	4	7	4	0	4310	0	12	0
32P-MWH	363	356	98.07%	7	0	0	5	0	0	4310	0	12	0
33P-Kam/Kaamanu	371	369	99.46%	2	2	1	1	0	0	4310	0	12	0
34P-Kalakaua	581	556	95.70%	25	1	1	1	0	0	0	1364	0	0
35P-Kalanihuia	585	547	93.50%	38	9	2	0	0	1	4310	1364	12	0
37P-Hilo	301	281	93.36%	20	1	0	13	1	0	772	112	9	4
38P-Kauai	319	308	96.55%	11	1	1	0	0	1	164	53	0	0
39P-Maui	196	134	68.37%	62	1	2	3	1	0	189	83	2	0
40P-KPT	738	697	94.44%	41	2	5	2	0	2	4310	0	0	0
43P-Kona	200	189	94.50%	11	5	3	1	1	1	976	52	0	0
44P-Leeward Oahu	258	216	83.72%	42	6	1	3	3	0	1971	0	3	0
45P-Windward Oahu	225	220	97.78%	5	0	3	1	1	0	1386	0	1	0
46P-Kamuela	101	88	87.13%	13	1	0	1	0	0	976	52	0	0
49P-Central Oahu	150	134	89.33%	16	2	1	1	1	0	1108	163	0	0
50P-Palolo	114	107	93.86%	7	0	1	0	0	0	4310	0	12	0
Total	5,236	4,886	93.32%	350	33	27	41	13	5	7,573	1,664	27	4

	Non Vacated Delinquencies**				Collection Rate		
AMP	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
30P-Aiea	43	8,445.48	4	1,134.97	$ 148,660.00	139,872.60	94.09%
31P-KVH	45	-24,956.68	15	61,459.20	$ 93,182.00	83,916.63	90.06%
32P-MWH	28	13,049.96	11	14,766.07	$ 103,010.36	88,793.74	86.20%
33P-Kam/Kaamanu	30	10,710.79	8	29,556.85	$ 94,868.87	86,524.24	91.20%
34P-Kalakaua	11	1,188.08	0	0.00	$ 127,036.70	107,714.69	84.79%
35P-Kalanihuia	39	8,845.65	16	43,683.52	$ 137,577.23	116,654.85	84.79%
37P-Hilo	29	7,468.33	7	11,963.55	$ 60,331.36	57,479.01	95.27%
38P-Kauai	28	6,088.51	18	14,431.35	$ 73,072.00	64,423.31	88.16%
39P-Maui	21	11,255.73	10	26,289.41	$ 45,267.00	37,689.39	83.26%
40P-KPT	157	72,364.24	25	28,168.52	$ 255,534.00	210,388.44	82.33%
43P-Kona	19	2,299.08	8	13,207.00	$ 42,209.00	37,684.42	89.28%
44P-Leeward Oahu	70	12,509.76	44	99,567.19	$ 45,520.00	30,404.65	66.79%
45P-Windward Oahu	37	9,709.59	11	16,708.54	$ 73,337.00	66,333.00	90.45%
46P-Kamuela	26	13,108.01	17	38,485.33	$ 16,851.00	13,753.08	81.62%
49P-Central Oahu	27	8,913.10	7	7,298.38	$ 43,322.00	39,399.31	90.95%
50P-Palolo	8	-191.21	7	11,262.41	$ 22,340.50	20,980.50	93.91%
	618	$ 160,808.42	208	$ 417,982.29	$ 1,382,119.02	$ 1,202,011.86	86.97%

* - Please notice WL count does not sum up as applicants my apply on more than 1 listing.
**-Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).
*** - Occupancy also counts Scheduled for Modernization Units.

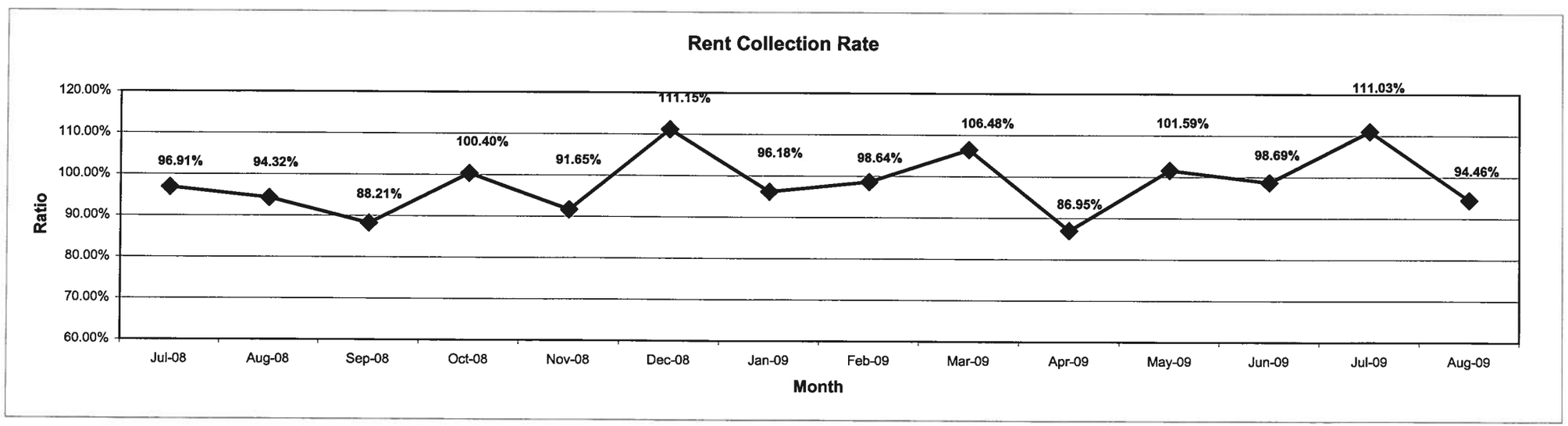
STATE PUBLIC HOUSING

Rent Collection from 07/01/2008 to 8/31/2009

	Jul-08			Aug-08			Sep-08			Oct-08			Nov-08			Dec-08		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 11,693.00	$ 11,134.23	95.22%	$ 11,028.00	$ 8,885.00	80.57%	$ 10,906.00	$ 8,577.00	78.64%	$ 10,906.00	$ 9,454.00	86.69%	$ 11,223.00	$ 7,705.00	68.65%	$ 11,620.00	$ 9,200.00	79.17%
Kauai	$ 5,861.00	$ 5,247.05	89.52%	$ 6,313.00	$ 6,024.95	95.44%	$ 6,444.00	$ 5,153.00	79.97%	$ 6,279.00	$ 6,063.00	96.56%	$ 6,854.00	$ 5,551.00	80.99%	$ 6,859.00	$ 7,557.00	110.18%
Maui	$ 4,477.00	$ 3,571.00	79.76%	$ 4,508.00	$ 3,876.94	86.00%	$ 4,556.00	$ 4,686.00	102.85%	$ 4,380.00	$ 2,722.00	62.15%	$ 4,304.00	$ 2,955.00	68.66%	$ 4,203.00	$ 3,124.00	74.33%
Oahu	$ 210,603.00	$ 205,492.82	97.57%	$ 210,679.00	$ 200,544.75	95.19%	$ 213,530.00	$ 189,272.21	88.64%	$ 213,586.00	$ 217,855.10	102.00%	$ 214,258.00	$ 200,666.89	93.66%	$ 214,175.00	$ 243,383.29	113.64%
Total	$ 232,634.00	$ 225,445.10	96.91%	$ 232,528.00	$ 219,331.64	94.32%	$ 235,436.00	$ 207,688.21	88.21%	$ 235,151.00	$ 236,094.10	100.40%	$ 236,639.00	$ 216,877.89	91.65%	$ 236,857.00	$ 263,264.29	111.15%

	Jan-09			Feb-09			Mar-09			Apr-09			May-09			Jun-09		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 11,429.00	$ 8,152.00	71.33%	$ 11,432.00	$ 12,855.98	101.97%	$ 11,266.00	$ 9,539.04	84.67%	$ 11,228.00	$ 9,921.35	88.36%	$ 10,637.00	$ 10,317.00	96.99%	$ 9,164.00	$ 8,930.00	97.45%
Kauai	$ 6,290.00	$ 5,416.00	86.10%	$ 6,334.00	$ 6,130.00	76.68%	$ 6,086.00	$ 6,270.07	103.02%	$ 6,102.00	$ 5,516.00	90.40%	$ 6,593.00	$ 5,798.00	87.94%	$ 6,687.00	$ 7,217.00	107.93%
Maui	$ 4,316.00	$ 4,139.00	95.90%	$ 4,409.00	$ 3,845.00	87.21%	$ 4,122.00	$ 4,470.00	108.44%	$ 4,766.00	$ 4,547.00	95.40%	$ 4,807.00	$ 4,692.00	97.61%	$ 4,806.00	$ 4,752.00	98.88%
Oahu	$ 218,982.00	$ 214,103.49	97.77%	$ 221,386.00	$ 217,408.54	84.84%	$ 221,295.00	$ 238,215.48	107.65%	$ 223,606.00	$ 193,663.83	86.61%	$ 222,008.00	$ 227,110.62	102.30%	$ 223,648.00	$ 220,206.96	98.46%
Total	$ 241,017.00	$ 231,810.49	96.18%	$ 243,561.00	$ 240,239.52	98.64%	$ 242,769.00	$ 258,494.59	106.48%	$ 245,702.00	$ 213,648.18	86.95%	$ 244,045.00	$ 247,917.62	101.59%	$ 244,305.00	$ 241,105.96	98.69%

	Jul-09			Aug-09			Total		
	Charges	Collected	Ratio	Charges	Collected	Ratio	Charges	Collected	Ratio
Hawaii	$ 8,735.00	$ 10,126.00	115.92%	$ 8,258.00	$ 8,068.00	97.70%	$ 149,525.00	$ 132,864.60	88.86%
Kauai	$ 6,755.00	$ 5,955.63	88.17%	$ 6,442.00	$ 6,505.00	100.98%	$ 89,899.00	$ 84,403.70	93.89%
Maui	$ 4,806.00	$ 5,626.00	117.06%	$ 5,669.00	$ 4,471.00	78.87%	$ 64,129.00	$ 57,476.94	89.63%
Oahu	$ 226,464.00	$ 252,266.11	111.39%	$ 227,378.00	$ 214,966.10	94.54%	$ 3,061,598.00	$ 3,035,156.19	99.14%
Total	$ 246,760.00	$ 273,973.74	111.03%	$ 247,747.00	$ 234,010.10	94.46%	$ 3,365,151.00	$ 3,309,901.43	98.36%



State LIPH
HPHA Island Overview Report
August 2009

	Occupancy					Monthly Activity				State Waiting List*			
Island	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Family	Elderly	Transf. to LIPH-Family	Transf. to LIPH-Elderly
Hawaii	56	25	44.64%	31	2	0	1	0	0	1,340	0	1	0
Kauai	26	25	96.15%	1	0	0	0	0	0	77	0	0	0
Maui	32	28	87.50%	4	1	1	0	0	0	44	0	0	0
Oahu	750	721	96.13%	29	8	4	3	0	0	4,928	518	0	2
Total	864	799	92.48%	65	11	5	4	0	0	6,311	518	1	2

	Non Vacated Delinquencies**				Collection Rate		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
Hawaii	10	$ 3,636.61	10	$ 16,697.17	$ 8,258.00	$ 8,068.00	97.70%
Kauai	5	$ 1,315.93	2	$ 713.46	$ 6,442.00	$ 6,505.00	100.98%
Maui	6	$ 1,339.00	17	$ 19,415.37	$ 5,669.00	$ 4,471.00	78.87%
Oahu	42	$ 25,011.70	63	$ 336,048.89	$ 227,378.00	$ 214,966.10	94.54%
Total	63	$ 31,303.24	92	$ 372,874.89	$ 247,747.00	$ 234,010.10	94.46%

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**-Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).
*** - Occupancy also counts Scheduled for Modernization Units.

State LIPH
HPHA Project Overview Report
August 2009

	Occupancy *					Monthly Activity				State Waiting List*			
Island	Total Available Units	Total Occupied Units	Occupancy Ratio	Total Vacant Units (includes rent ready)	Units Rent Ready	Units Vacated (includes transfers)	Units Filled (includes transfers)	Transfers	Evictions	Family	Elderly	Transf. to LIPH-Family	Transf. to LIPH-Elderly
2201-Hauiki	46	44	95.65%	2	0	0	0	0	0	4855	0	0	0
2202-Puahala Homes	128	108	84.38%	20	4	1	0	0	0	224	0	0	0
2204-Kawailehua	26	25	96.15%	1	0	0	0	0	0	77	0	0	0
2205-Kahale Mua	32	28	87.50%	4	1	1	0	0	0	44	0	0	0
2206-Lokahi	30	14	46.67%	16	0	0	0	0	0	725	0	0	0
2207-Ke Kumu Elua	26	11	42.31%	15	2	0	1	0	0	685	0	1	0
2401-Hale Po'ai	206	205	99.51%	1	0	0	1	1	0	0	326	0	0
2402-La'iola	108	106	98.15%	2	0	1	1	1	0	0	85	0	1
2403-Kamalu-Ho'olulu	221	218	98.64%	3	3	2	1	3	0	0	137	0	1
2404-Halia Hale	41	40	97.56%	1	1	0	0	0	0	0	137	0	0
Total	864	799	92.48%	65	11	5	4	5	0	6,311	581	1	2

	Non Vacated Delinquencies**				Collection Rate		
Island	Count of Families	30-90 Days	Count of Families	Over 90 Days	Charges	Collected	Ratio
2201-Hauiki	12	$ 8,062.05	18	$ 141,273.39	$ 19,869.00	24,893.10	125.29%
2202-Puahala Homes	25	$ 15,803.65	31	$ 189,736.58	$ 41,939.00	35,511.00	84.67%
2204-Kawailehua	5	$ 1,315.93	2	$ 713.46	$ 6,442.00	6,505.00	100.98%
2205-Kahale Mua	6	$ 1,339.00	17	$ 19,415.37	$ 5,669.00	4,471.00	78.87%
2206-Lokahi	5	$ 2,185.61	3	$ 12,652.50	$ 6,005.00	4,881.00	81.28%
2207-Ke Kumu Elua	5	$ 1,451.00	7	$ 4,044.67	$ 2,253.00	3,187.00	141.46%
2401-Hale Po'ai	0	$ -	5	$ 2,284.00	$ 57,405.00	50,377.00	87.76%
2402-La'iola	1	$ 60.00	7	$ 1,986.52	$ 34,062.00	34,565.00	101.48%
2403-Kamalu-Ho'olulu	2	$ 404.00	1	$ 4.40	$ 62,240.00	59,061.00	94.89%
2404-Halia Hale	2	$ 682.00	1	$ 764.00	$ 11,863.00	10,559.00	89.01%
Total	63	$ 31,303.24	92	$ 372,874.89	$ 247,747.00	$ 234,010.10	94.46%

* - Please notice WL count does not sum up as applicants my apply on more than 1 listing.
**-Delinquencies and Collections reflect only Rents, Prepays and Payment Agreements (Bill Code 0001 and 0006).
*** - Occupancy also counts Scheduled for Modernization Units.

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 9/1/09

Note: All dates and costs are subject to change

MODERNIZATION (REBUILDING) OF HPHA ELEVATORS													
Name	Housing Type	Elevator No.	Year Elevator Installed	Age of Elevators in Years	Number of Units	Number of Floors	Modernizations Planned		Construction Cost	Funding Source	Design Start	Construction Start	Estimated Construction Completion
							Major	Minor					
Kuhio Park Terrace A	Family	1	1964	44	271	16	3		$4,152,919	Six elevators funded w/ FY08 Elevator CIP	Sep-07	Oct-09	Nov-10
		2	1964	44					Notice to proceed date 3/19/09 for six elevators		Sep-07	May-10	May-11
		3	1981	27							Sep-07	Apr-09	May-10
Kuhio Park Terrace B	Family	4	1964	44	298	16	3				Sep-07	Apr-09	May-10
		5	1964	44							Sep-07	Nov-09	Nov-10
		6	1981	27							Sep-07	May-10	Jun-11
Kalanihuia	Elderly	1	1968	40	151	15	2		$900,000	To be funded w/ FY09 Elevator CIP	Aug-08	Mar-10	Aug-10
		2	1968	40							Aug-08	Aug-10	Dec-10
Kalakaua Home	Elderly	1	1983	25	221	10	2		$900,000	To be funded w/ FY09 Elevator CIP	Aug-08	Jul-12	Sep-12
		2	1983	25							Aug-08	Oct-12	Dec-12
Punchbowl Homes	Elderly	1	1961	47	144	7	2		$700,000	To be funded w/ FY09 Elevator CIP	Aug-08	Dec-10	Apr-11
		2	1961	47							Aug-08	Apr-11	Jul-11
Paoakalani	Elderly	1	1970	38	151	17	2		$780,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Dec-11
		2	1970	38							Aug-08	Dec-11	Apr-12
Pumehana	Elderly	1	1972	36	139	21	2		$760,000	To be funded w/ FY09 Elevator CIP	Aug-08	Mar-10	Aug-10
		2	1972	36							Aug-08	Aug-10	Dec-10
Makua Alii	Elderly	1	1967	41	211	20	2		$900,000	To be funded w/ FY09 Elevator CIP	Aug-08	Aug-11	Dec-11
		2	1967	41							Aug-08	Dec-11	Apr-12
Salt Lake Apts	Family	1	1970	38	28	8	1		$450,000	To be funded w/ FY09 Elevator CIP			

074

Elevator Modernization Report: Hawaii Public Housing Authority Elevators reported as of 9/1/09

Note: All dates and costs are subject to change

MODERNIZATION (REBUILDING) OF HPHA ELEVATORS													
Name	Housing Type	Elevator No.	Year Elevator Installed	Age of Elevators in Years	Number of Units	Number of Floors	Modernizations Planned		Construction Cost	Funding Source	Design Start	Construction Start	Estimated Construction Completion
							Major	Minor					
Makamae	Elderly	1	1971	37	124	4	2		$350,000	To be funded w/ FY09 Elevator CIP	Aug-08	Jul-12	Sep-12
		2	1971	37							Aug-08	Oct-12	Dec-12
Wilikina Apts	Family	1	1977	31	119	9	2		$700,000	To be funded w/ Wilikina Funds	Aug-08	Apr-12	Aug-12
		2	1977	31							Aug-08	Aug-12	Nov-12
Hale Poai	Elderly	1	1989	19	206	7		2	$320,000	Full Modernization not required, only installation of safety related items. Funding dependent on bids for major modernization listed above.			
		2	1989	19									
Halia Hale	Elderly	1	1995	13	41	5		1	$255,000				
Laiola	Elderly	1	1991	17	108	6		2	$220,000				
		2	1991	17									
Kulaokahua	Homeless	1	1992	16	30	3		1	$60,000				
Ho`olulu Elderly	Elderly	1	1994	14	112	7		2	$245,000				
		2	1994	14									
Kamalu Elderly	Elderly	1	1993	15	109	7		2	$240,000				
		2	1993	15									
Banyan St Manor	Family	1	1977	31	55	3							
	TOTAL	34			2,518	181	23	10	$11,932,919				
	Average age of elevators			31									

075

Elevator Repair Report: Hawaii Public Housing Authority Elevators reported as of 9/1/09

Name	Type	Elevator No.	Repair	No. and duration of Repairs to Elevator for month of Aug			No. and duration of Repairs to Elevator between 7/1/07 to 8/31/09			Start Date	Date or Estimated Completion of Major Repair	Total Repair Cost as of Report Date
				Less than one day	2 to 7 days	More than 7 days	Less than one day	2 to 7 days	More than 7 days			
Kuhio Park Terrace A	Family	1		2			36	4	2			$ 116,366.90
		2		2	1		50	7	2			$ 70,238.12
		3		1			3					$ 2,612.56
Kuhio Park Terrace B	Family	4	Parts used to repair #5	Cannot be repaired.					1	06/29/07	Cannot be repaired.	
		5		2			27	1	2			$ 140,359.14
		6					47					$ 9,132.64
Paoakalani	Elderly	1					11					$ 1,100.00
		2					1		1			$ 17,038.90
Kalakaua Home	Elderly	1					16	1	1			
		2					12	1				$ 14,538.60
Ho`olulu Elderly	Elderly	1							1			$ 12,140.20
		2					3					
Kalanihuia	Elderly	1		4			40	1	1			$ 27,763.75
		2					22					$ 275.00
Kamalu Elderly	Elderly	1					6	2	1			$ 9,467.50
		2					4					$ 137.50
Makamae	Elderly	1					5		1			$ 2,722.51
		2					2					$ 893.74
Makua Alii	Elderly	1		3			20	2	1			$ 137.50
		2					11					
Punchbowl Homes	Elderly	1		1			13	2				$ 23,350.78
		2					7	1	1			$ 275.00
Banyan St Manor	Family	1					5					$ 20,692.75
Hale Poai	Elderly	1					12	2				$ 206.00
		2					9					$ 329.80
Halia Hale	Elderly	1					4					$ 3,460.52
Kulaokahua	Homeless	1					10					$ 378.75
Laiola	Elderly	1					1					$ 412.00
		2					4					
Pumehana	Elderly	1		1			11	2				$ 17,726.24
		2					9					$ 240.63
Salt Lake Apts	Family	1					5					$ 23,350.78
Wilikina Apts	Family	1					7	1				$ 3,323.02
		2					9					$ 17,038.90
Total		34		16	1	0	422	27	15			
											Total Cost for Repairs to date	$ 535,709.73

RESULTS OF EVICTION REFERRALS

August 2007 – August 2009

	REFERRALS								
	TOTAL	REASON FOR REFERRAL		RESULT OF EVICTION REFERRAL					
MONTH		Rent	Other	Evict	Evict with Cond	10-day Cure	Dismiss	Continued	Completed
Aug 07	12	7	5	2	5	2	1	2	10
Sept 07	13	7	6	6	1	0	0	6	7
Oct 07	13	5	8	6	3	2	0	2	11
Nov 07	21	15	6	12	3	1	1	4	17
Dec 07	3	2	1	1	0	1	1	0	3
Jan 08	10	10	0	5	3	0	0	2	8
Feb 08	10	9	1	3	2	1	0	4	6
Mar 08	7	6	1	2	1	1	0	3	4
Apr 08	30	27	3	9	13	0	1	7	23
May 08	14	11	3	4	6	0	0	4	10
June 08	12	9	3	6	2	0	1	3	9
July 08	0	0	0	0	0	0	0	0	0
Aug 08	13	9	4	5	2	0	1	5	8
Sept 08	14	12	2	4	2	1	3	4	10
Oct 08	22	15	7	5	7	0	2	8	14
Nov 08	14	10	4	9	2	0	1	2	12
Dec 08	11	10	1	7	2	0	0	2	9
Jan 09	5	4	1	3	0	1	0	1	4
Feb 09	39	32	7	16	13	0	0	10	29
March 09	31	27	4	12	11	3	0	5	26
Apr 09	31	29	2	14	9	0	0	8	23
May 09	22	18	4	7	6	0	4	5	17
June 09	30	28	2	12	9	0	0	9	21
July 09	27	24	3	8	7	0	0	12	15
Aug 09	22	18	4	8	11	0	1	2	20
TOTALS	426	344	82	166	120	13	17	110	316

Total # of Cases Heard for the Month of August 2009: 22
(Oahu & Neighbor Island)

Decisions Rendered:	Rent Violations	Other Violations
Eviction	5	3
Evict w/cond	11	0
10-day cure	0	0
Dismissal	0	1
Continued	2	0
TOTAL	18	4

Delinquent balances for rent cases ordered evicted for month of August 2009:

AMP 32	Mayor Wright Homes	$ 2,329.00
AMP 40	Kuhio Park Terrace	$ 1,605.00
AMP 46	Noelani II	$ 1,865.00
Total:		$ 5,799.00

Update on Hearing Officer Appointments

Ms. Ludvina Takahashi, Mr. Gary Mackler, Mr. George DeMello, and Mr. Mark Nishino have expressed their willingness to serve as members of the Neighbor Island Eviction Board for an additional two-year term.

Contract & Procurement Office
Monthly Status Report for August 2009

Solicitations Issued in August 2009:

Solicitation No.	Title	Due Date
IFB-PMB-2009-24	Provide Security Services for Various Public Housing Complexes Under AMPs 31 (Kalihi Valley Homes), 32 (Mayor Wright Homes) 33 (Kamehameha Homes/Kaahumanu Homes) and 35 (Kalanihuia, Makamae, Punchbowl Homes)	August 19, 2009

Contracts Executed in August 2009:

Contract No.	Contractor & Project	Supp. Amount	Total Amount
CMS 09-14	Integrated Construction, Inc. Electrical System Repairs at Puuwai Momi (AMP 30) August 4, 2009 to July 31, 2010		$2,179,508.00
PMB 09-04	Alii Security Systems, Inc. Provide Security Services for AMP 32 (Mayor Wright Homes) and AMP 33 (Kamehameha Homes/Kaahumanu Homes) September 1, 2009 to August 31, 2010		$488,389.76
PMB 09-05	Millennium Security, Inc. Provide Security Services for AMP 31 (Kalihi Valley Homes) and AMP 35 (Kalanihuia, Makamae, Punchbowl Homes) September 1, 2009 to August 31, 2010		$726,312.86

Status Reports:

1. Revitalize and redevelop Kuhio Park Terrace/Kuhio Homes
   a. Priority listed offerors conducted oral presentations to the Evaluation Committee.
   b. Evaluation Committee requested Best and Final Offers from the priority listed offerors.
   c. Best and Final Offers were received from the priority listed offerors by the required due date and time.
   d. Evaluation Committee completed the review of the priority listed offerors proposals, including best and final offers.
   e. Evaluation Committee recommended The Michaels Development Company for the redevelopment of Kuhio Park Terrace and Kuhio Homes.

Section 8 Subsidy Programs Branch
August 31, 2009

I. ACCOMPLISHMENTS

A. Voucher issuances
   a. August 2009 lease up decreased from 1798 in July to 1795 in August. Lease up is defined as participants of the HCV program who are renting a unit as of the 1st of the month. 1,795 participants were leased up for July. However, 1,825 participants were assisted for the entire month.
B. Budget Utilization (Indicator 13)
   a. For FY 2010, budget utilization has decreased from 103.19% to 102.12%.
C. Veteran Affairs Supportive Housing (VASH)
   a. For FY 2010, thirty (30) Veterans became participants of the VASH program and a total of 39 vouchers were issued.
   b. The goal is to accelerate voucher issuance for and placement into the program, target date is December 2009 for successful placement of all 70 participants.
   c. In August 2009, HUD awarded HPHA an additional 35 VASH vouchers.

II. OBJECTIVES

Program Administration

A. Lease-Up (Section 8 Management Assessment Program)
   a. Closely monitor the attrition rate, suspend voucher issuance, and limit new placements. All incoming portable vouchers are now being administered. Ensure that the Section 8 Housing Choice Voucher participation remains at a rate that is sustainable under the budget allotment.
B. Budget Utilization (Section 8 Management Assessment Program)
   a. Continue to ensure that the program utilization rate stabilizes between 95% to 98% by the end of FY 2010.
C. Homeownership Option Program
   a. Continue to increase participants by moving from Section 8 voucher holder to homeownership.
D. Family Self Sufficiency (FSS)
   a. Continue to increase participant enrollment.
   b. Continue to graduate successful FSS participants who meet their goals.
   c. Continue to establish FSS participant's escrow fund.
E. Continue to work jointly with the Department of Veterans Affairs and their referrals to the VASH program.
F. Rent Supplement Program
   a. Continue to increase and maximize statutory budget allowance and increase participation rate.

Section 8 Subsidy Programs Branch
Program Report
As of August 31, 2009

Federal Housing Choice Voucher (Section 8) Program

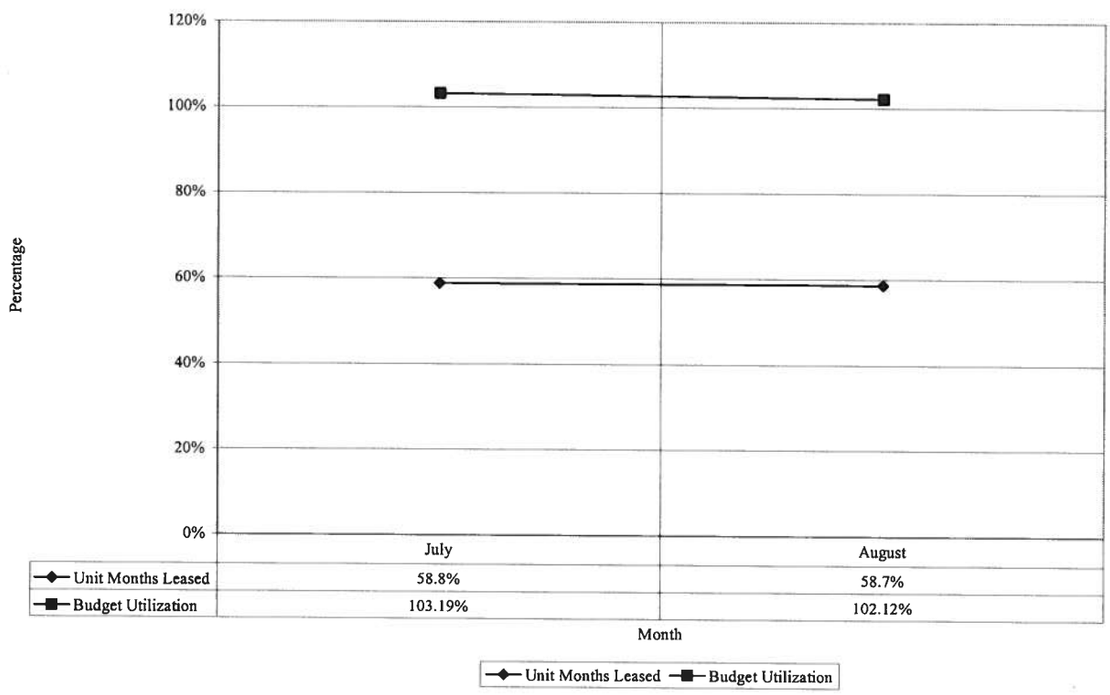
2010 Fiscal Year Report (Cumulative Trend)

- The Housing Assistance Payments (HAP) unadjusted average annual budget utilization is 102.12% of the total annual allocated budget of $18,741,816 or $1,561,818 per month.
- For FY 2010, unadjusted average monthly voucher lease up is 1,795 or 58.70% of the total 3,058 baseline vouchers; 1,825 participants were assisted during the month. Administrative fees are earned for each participant that leased up on the first of the month. The low number of vouchers utilized is because of high rents in Hawaii. Therefore, it is unlikely Hawaii will ever utilize all vouchers because the limiting factor is the funding provided.
- August 2009 subsidy payments show a 0.01% monthly decrease in subsidy expenditures from the previous month due in part to a decrease in rent adjustments and fewer transfers to new units.

Monthly Report (Monthly Snapshots)

Current average budget utilization is **102.12%.** HPHA should attain 15 points for Indicator 13 in SEMAP.

FY 2010 Section 8 Budget Utilization and Unit Months Leased



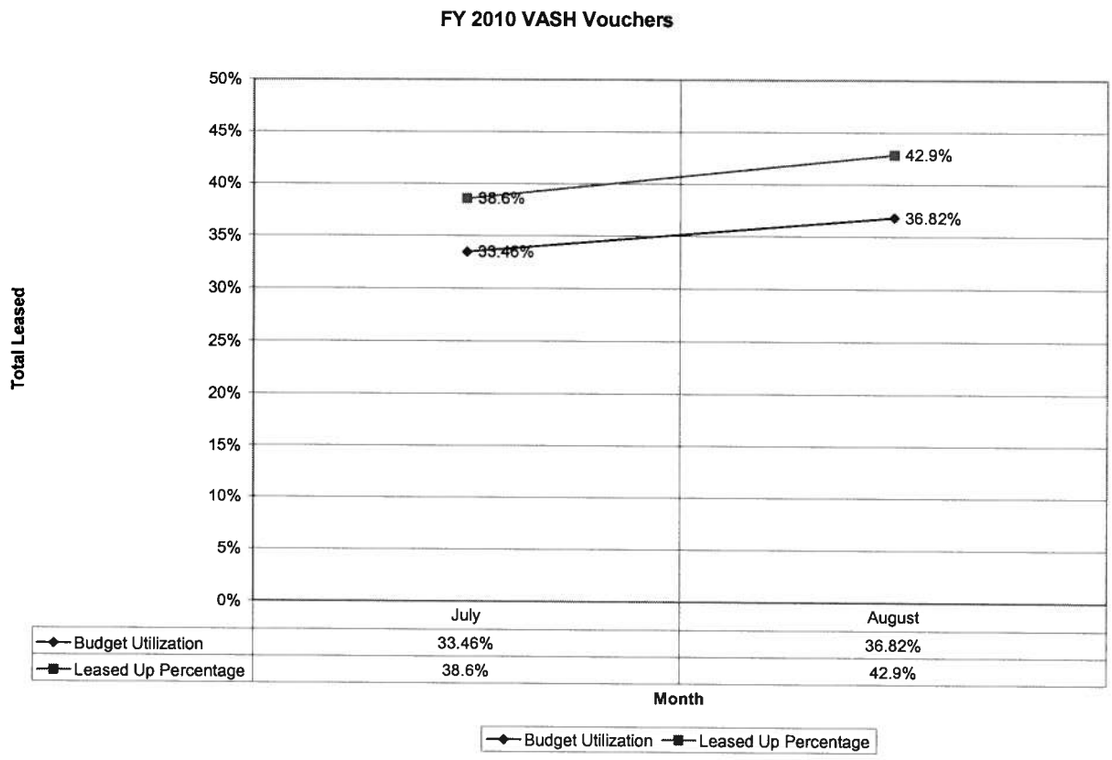
	July	August
Unit Months Leased	58.8%	58.7%
Budget Utilization	103.19%	102.12%

- The monthly average per unit cost subsidy is $901.00 per month. The amount reflects the difference between what the family pays towards rent and the approved payment standard. Payment standards vary among bedroom sizes.
- No new Housing Choice Vouchers were issued for August 2009 due to an effort to curb over-utilization of funds. The total FY 2010 of new HCV issuances is 0.
- The Department of Housing and Urban Development, Financial Management Center has allotted the HAP budget authority for CY 2009. As of 8/31/09 the branch is operating at 102.12% of the budget authority. The branch will concentrate its efforts in bringing this rate down to between 95% and 98% to ensure that the program is sustainable by the allotted amount. The branch will closely monitor the attrition rate, suspend voucher issuance, and to limit new placements. The branch has begun to administer all incoming portable vouchers effective May 14, 2009.

Federal Housing Choice Voucher (Section 8) Program
Veterans Affairs Supportive Housing (VASH)

- HPHA was awarded 70 Veterans Affairs Supportive Housing (VASH) Vouchers to assist Veterans with housing assistance. HPHA was also awarded 35 additional VASH vouchers in August.
- Eligible applicants under this program are referred to HPHA from the Department of Veterans Affairs.
- For the month of August 2009, a total of 39 vouchers were issued. To date, a total of 30 veteran families are leased up under VASH assistance.
- VASH voucher holders reside on Oahu, Maui and Kauai.

Monthly VASH Report (Monthly Snapshots)



	July	August
Budget Utilization	33.46%	36.82%
Leased Up Percentage	38.6%	42.9%

Federal Housing Choice Voucher (Section 8) Program
Quarterly Update of Section 8 Management Assessment Program (SEMAP)

The United States Department of Housing and Urban Development (HUD) established the Section 8 Management Assessment Program (SEMAP) to assess performance and delivery of the Section 8 Rental Assistance Program. SEMAP consists of 15 measurement indicators. Hawaii Public Housing Authority's (HPHA) performance for each indicator through December 31, 2008 and respective strategies to achieve maximum points are itemized below.

Indicator		Requirement	Max Score	07-08 Score	08-09 Antici-pated Score	Status
1	Wait List Selection (>98% = 15)	Wait List Selection Policies & procedures in place and being followed	15	15	0	The Hawaii Administrative Rules Chapter 15-185 stated that applicants must be pulled from the waitlist in order of preference and date and time of application. Due to the Emphasys system inability to re-sequence the Section 8 waitlist in February 2009, selection were made from different preference categories.
2	Reasonable Rent (>98% = 20; 80-97% = 15)	Procedure in place and being followed to document that rents are comparable to other units in census tract at initial lease up and annual recertification	20	15	15	HPHA's rent comparable data base is updated on a real time basis and reasonable rent is done during lease-up and re-certification. Random audits will be performed to ensure full compliance: 93.3% of files containing no errors. EmPHAsys (ECS) Elite contains a rent comparable module to assist the Housing Quality Standards (HQS) Inspectors when making this determination and improving on this indicator.
3	Adjusted Income (>90% = 20; 80-89% = 15)	Rent computations to determine adjusted income being done accurately	20	15	15	Rent computations are formulated via ECS and backed up by manual calculations. This procedure is automated. Section 8 recipients' (S8R) file audits (10%) are conducted to ensure accuracy of the calculation. Current accuracy rate is at 87%, however, the full quarter has not been reviewed as there is a time lag of two months to review tenant files. The Branch continues to address file errors and corrective actions.
4	Utility Allowance	Maintain and utilize current utility allowance rates (for each county)	5	5	5	All utility allowance schedules have been made current.
5	Housing Quality Standards (HQS) Control	Perform management inspection on 10% of units as quality control.	5	5	5	All the required inspections have been completed. For each month, 2% of initial inspections are reviewed.
6	HQS Enforcement	Enforce that landlords correct any emergency situations found during HQS inspections within 24 hours, non-emergency within 30 days	10	0	10	An extremely small percentage of the units have life threatening deficiencies reported during the HQS inspections. The Housing Inspectors immediately call to inform the landlord of all the deficiencies (life threatening and non-life threatening). Furthermore, a copy of the report and corrective actions required is mailed shortly thereafter. The inspectors schedule a follow-up inspection to ensure compliance. The HQS clerk contacts the owner/landlord for any deficiencies that have not been corrected within 15 days to check if corrections have been made or not. If corrections are not made after 30 days, the housing assistance payment (HAP) will be abated.

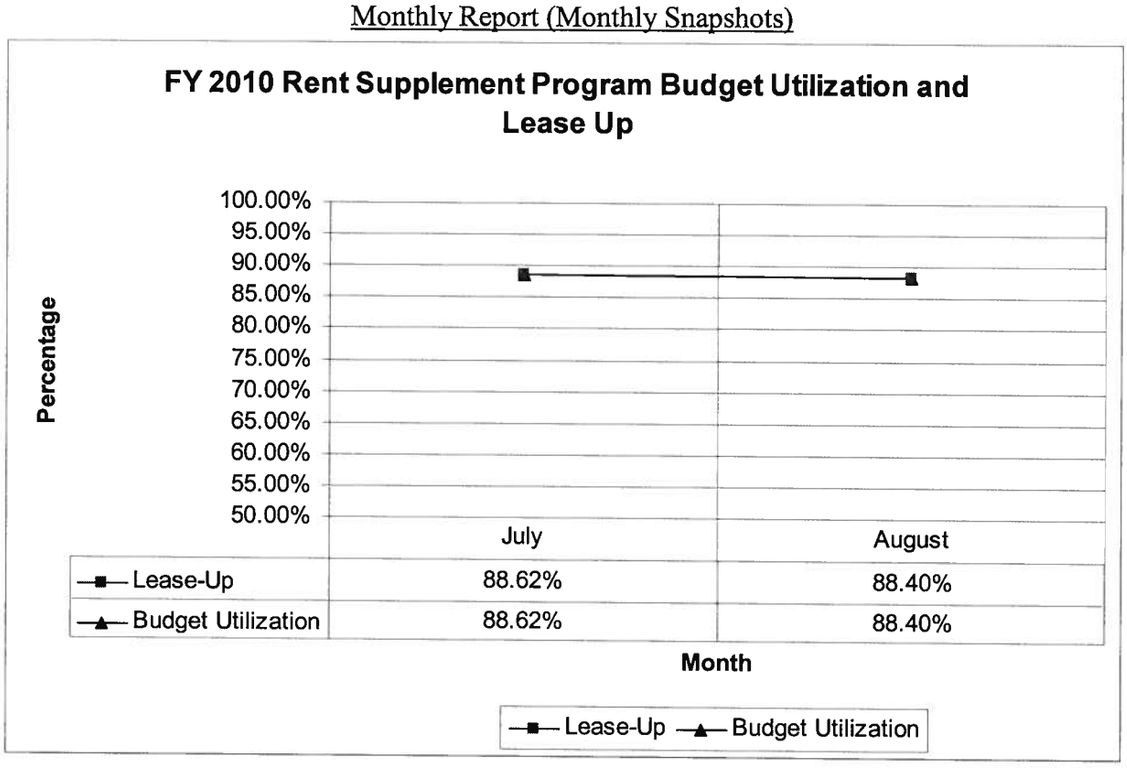
	Indicator	Requirement	Max Score	07-08 Score	08-09 Antici-pated Score	Status
7	Expand Housing Opportunities	Encourage landlord participation in low poverty areas to participate through outreach strategies	5	5	5	HPHA and the City & County of Honolulu co-sponsored a Landlord Outreach Seminar on May 29, 2009. This seminar is for current and prospective landlords, property managers and service providers.
8	Fair Market Rent (FMR) Limit & Payment Standards	At least 98% of gross rents are less than or equal to current FMR or Payment Standard	5	5	5	HUD has issued a 2009 FMR update and HPHA has updated the payment standard equivalent to approximately 95% of the FMR. Exception is that for studio units, 100% of the FMR will be used to assist the elderly and disabled households. The intent is to assist families with overcoming high rent barriers.
9	Annual Re-examinations (<5% = 10; 5-10% = 5)	Complete annual recertification on time / less than 5% overdue	10	10	10	PIH Information Center (PIC) SEMAP indicator shows 100% of number of families reported to be in compliance with annual re-certifications completed timely.
10	Tenant Rent Calculations	Calculations are done correctly / error rate of less than 2%	5	5	5	Monthly quality control (QC) will determine whether tenant rent calculations are within the 2% error rate report.
11	Pre-contract HQS (<2%)	98% of units must pass HQS inspection before lease signed	5	5	5	QC audits will indicate whether a unit passed inspection before HAP payments are made.
12	Annual HQS Inspection	Each unit must be inspected annually / error rate of less than 2%	10	10	10	PIC Ad Hoc reports will determine whether unit inspected was completed within 12 months. QC audits will back up data.
13	Lease Up (>98% = 20; 95-97% = 15)	Maximize lease up and utilization of Section 8 budget allocation.	20	0	20	As of 08/31/2009: **Adjusted Voucher Lease-Up Analysis:** Mainstream (175 / 175 or 100%) Section 8 (2,883 / 1,620 or 56.2%) VASH (70/30 or 42.9%) **Lease-Up (3,128/1,825 or 58.3%)** Maintenance strategies • Decrease payment standard to 90% of FMR. This will decrease PUC, therefore balancing the over-utilization rate • Monitor attrition rate and limit lease-ups to maintain 95% to 98% lease-up rate • Administer incoming portable vouchers to recoup 80% of porting PHAs administrative fees
14	FSS (Oahu) (>80% & 30% escrow = 10; 60-79% & 30% escrow = 8; >80% & <30% escrow, or <60% & >30% escrow = 5; 60-79% & <60% escrow = 3)	Maximize enrollment up to budget allocation	10	8	10	The Family Self Sufficiency (FSS) coordinator has been receiving newly leased up referrals to increase the FSS program participants. It is anticipated to have 86 families under contract. There are 80 families under contract as of August 31, 2009.
			145	103	120	
15	Deconcentration Bonus (Oahu)	Utilize Section 8 Vouchers to deconcentrate urban areas of poverty	5	0	0	PIC information not available.
TOTAL SCORE PLUS BONUS POINTS			**150**	**103**	**120**	

State Rent Supplement Program

2010 Fiscal Year Report (Cumulative Trend)

- For FY 2010, unadjusted average monthly lease up is 346 families or 88.4% of the total 391 possible families when based on the average subsidy payments.
- The Rent Supplement unadjusted average annual budget utilization is 88.51% of the total annual allocated budget of $924,720 or $77,060 per month.
- The monthly average per unit cost subsidy is $197.00 per month. The amount reflects the difference between what the family pays towards rent and the maximum subsidy amount of $230.00 per month.
- August 2009 Rent Supplement Subsidy payments show a 0.4% monthly decrease from the previous month ($67,725 in July to $67,447 in August) because of a decrease in assistance per family. Per unit cost remained at $197.00.
- The values for previous reports may not be the same as the current report due to retroactive adjustments in lease up and subsidy payments.

Monthly Report (Monthly Snapshots)



HOMELESS PROGRAMS BRANCH
September 17, 2009

I. ACCOMPLISHMENTS

A. Shelter Occupancy Report
Information from this report is updated weekly and available on line at www.homeless.hpha.hawaii.gov This report identifies the number of people served in July. August information is updated on September 15th. The wait list information is effective as of August 31, 2009, because of the internal deadline for Board items.

The shelters with an asterisk are leased or owned by HPHA.

Shelter Name(s)	Total Number of units	Total # of People Served	Wait List
*Weinberg Village Waimanalo (Waimanalo, Oahu) Family Shelter	30 units	31 families **132 total indiv.**	(158 individuals) 39 families
*Nakolea (McCully, Oahu) Working singles	64 units	64 singles **64 total indiv.**	0 single
*Kulaokahua (Makiki, Oahu) Trans. shelter for single seniors	29 units	32 single **32 total indiv.**	52 singles
*Next Step Shelter (Kakaako, Oahu) Emergency shelter for singles & families	160 units	158 singles 25 families **246 total indiv.**	n/a
Puahala – H5 (Kalihi, Oahu) Transitional shelter for families	14 units	12 families **48 total indiv.**	n/a
*Onelau'ena (Kalaeloa, Oahu) Emergency shelter for singles & families	56 units 4 dorms	24 singles 28 families **128 total indiv.**	254 singles 124 families
*Onemalu (Kalaeloa, Oahu) Transitional shelter for singles & families	46 units	17 singles 28 families **154 total indiv.**	156 singles 51 families
*Hale Ulu Pono (Kalaeloa, Oahu) Transitional shelter for singles w/mental illness	26 beds	26 singles **26 total indiv.**	31 singles
*Paiolu Kaiaulu (Leeward Oahu) Emergency shelter for singles & families	125 units	76 singles 51 families **280 total indiv.**	0
*Kumuhonua (Kalaeloa, Oahu) Transitional shelter for adults Currently taking applications	69 units	35 singles 0 families **35 total indiv.**	0
*Ulu Ke Kukui (Leeward Oahu) Transitional shelter for families Currently taking applications	80 units	8 singles 68 families **305 total indiv.**	0
Kawaihae (Big Island, Hawaii) Transitional for families	24 units	24 families **106 total indiv.**	(25 individuals) 7 families
Maililand (Waianae, Oahu) Transitional for families	44 units	2 singles 38 families **154 total indiv.**	(66 individuals) 17 families
Shelter Name(s)	**Total Number of units**	**Total # of People Served**	**Wait List**
Hawaii Island Home for Recovery (formerly) Faith Against Drugs (Hilo, Hawaii) Transitional for singles	19 units	18 singles **18 total indiv.**	16 singles

Ho'olanani (Kahului, Maui) Emergency for singles & families	18 beds	22 singles 0 families **24 total indiv.**	0
Honolulu Family Center (Oahu) Emergency for singles & Families	14 beds	0 single 6 families **21 total indiv.**	454 singles 109 families
Windward Family Center (Kailua, Oahu) Emergency for singles & families	14 beds	1 family **4 total**	155 singles 37 families
Gregory House (Honolulu, Oahu) Transitional for singles w/HIV	11 beds	11 singles **11 total indiv.**	52 singles
Community Residential Prog.(Waipahu, Oahu) Transitional for singles	13 beds	11 singles **11 total indiv.**	52 singles
TLP Young Men's Keeaumoku (Honolulu, Oahu) Transitional for young men	4 units	4 single **4 total indiv.**	0
TLP Young Men's Maka'aloa (Ewa Beach, Oahu) Transitional for young men	4 units	4 single **4 total indiv.**	0
TLP Young Women Apaa (Ewa Beach, Oahu) Transitional for young women	6 units	1 single **1 total indiv.**	0
Loliana (Honolulu, Oahu) Transitional for families	43 units	47 families **163 total indiv.**	4 families
Vancouver House (Honolulu, Oahu) Transitional for students with or without families	33 units	36 families **110 total indiv.**	0
IHS Ka'aahi Street (Honolulu, Oahu) Emergency for women & children	190 beds	142 singles 24 families **219 total indiv.**	0
IHS Sumner Street (Honolulu, Oahu) Emergency for men	200 beds	380 singles **380 total indiv.**	0
Kahikolu Ohana Hale O Waianae (Oahu) Transitional for singles & families	2 dorms & 72 units	9 singles 35 families **146 total indiv.**	0
Mana'olana (Lihue, Kauai) Emergency for families/singles	20 beds	62 singles 5 families **84 total indiv.**	0
Mana'olana (Lihue, Kauai) Transitional for families/singles	13 units	1 singles 3 families **8 total indiv.**	0
Komohana Group Home (Lihue, Kauai) Transitional for singles	6 beds	4 singles **4 total indiv.**	0
Lihue Court (Lihue, Kauai) Transitional for families	24 units	7 families **22 total indiv.**	0
Shelter Name(s)	**Total Number of units**	**Total # of People Served**	**Wait List**
Ka Hale A Ke Ola Homeless Resource Ctr. (Wailuku, Maui) Emergency/Transitional for singles & families	72 units	75 singles 62 families **292 total indiv.**	133 singles 33 families
Na Hale O Wainee Resource Center (Lahaina, Maui) Emergency/Transitional for singles & families	72 units	64 singles 28 families **157 total indiv.**	11 singles 2 families

Safe Haven (Honolulu, Oahu) Transitional for singles w/mental illness	25 units	29 singles **29 total indiv.**	20 singles
Beyond Shelter (Hilo, Hawaii) Transitional for singles & families	8 units	9 families **43 total indiv.**	2 families
Kiheipua Emergency Shelter (Hilo, Hawaii) Emergency for singles & families	72 beds	18 singles 14 families **63 total indiv.**	2 singles 3 families
Wilder House (Hilo, Hawaii) Transitional for families	1 unit	1 family **9 total indiv.**	0
Kuleana House (Hilo, Hawaii) Transitional for families	1 unit	1 family **5 total indiv.**	2 families
Lighthouse Outreach Center (Waipahu, Oahu) Emergency for singles & families	100 beds	61 singles 48 families **218 total indiv.**	n/a
Veteran's in Progress (Kalaeloa, Oahu) Transitional for veterans	98 beds	102 singles **102 total indiv.**	0
Bridge to Success (Domestic Violence)(Oahu) Transitional for woman & children	8 units	11 singles 1 family **13 total indiv.**	7 families
Family House (Domestic Violence)(Oahu) Transitional for women & children	15 units	2 single 5 families **14 total indiv.**	0
Ohana Ola O Kahumana (Waianae, Oahu) Transitional for families	48 units	49 families **189 total indiv.**	35 families
TOTAL	**1209 Units** **779 Beds** **6 Dorms**	**1473 singles** **687 families** **4078 total indiv**	**1637 singles** **472 families**

B. State Programs Administration – (Stipend, Outreach and Grants Program)

1. First payment requests are being processed for all thirty two State stipend, outreach and grant program contracts for the first quarter of the new contract year.

2. Homeless Programs conducted another site audit at Kahikolu Ohana Hale O Waianae to monitor the execution of corrective actions initiated thus far. While many deficiencies still exist, Kahikolu is making progress initiating corrective actions. Client files are vastly improved, although still needing improvement in some areas.

C. Federal Programs

1. Five Year Consolidated Plan for 2010-2014 – HPHA continues working with the counties to produce a gap analysis for housing and services within the three rural counties which must be included in the five year plan. The plan is specifically for the use of Housing and Urban Development (HUD) funds provided through Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grant (ESG) Programs over the next five years. The first draft must be completed by Sept. 2009, for a 30-day public comment period. The Consolidated Plan will be submitted to HUD by Dec. 1, 2009, for approval by Jan. 15, 2010.

2. The Consolidated Annual Performance and Evaluation Report (CAPER) for program year 2008, has passed the public comment period and will be taken before the Hawaii Housing Finance and Development Corporation Board for approval.

3. The HUD contract for Homeless Prevention and Rapid Re-housing Program

(HPRP) has been executed by the Executive Director. Provider contracts for HPRP are being drafted for execution by Sept 15, 2009.

4. A Request for Information for funding proposals to be included in the 2009 competitive Continuum of Care Notice of Funding Availability is near completion. HUD is expected to post their notice of the competition in late September, and HPHA will apply on behalf of the rural counties.

5. Draft contracts are being developed for Shelter Plus Care programs: Office for Social Ministry – new contract for New Direction; Family Life Center – new contract; and Gregory House Programs – renewal contract.

6. A Memorandum of Agreement between Dept. of Health and HPHA is being developed and will be followed by a contract between HPHA and Hybrid International to develop an XML data link between the Homeless Management Information System (HMIS) and provider agency databases to simplify data input procedures. Funding is being provided for the project from the Dept. of Health's Mental Health Transformation State Incentive Grant.

D. Other Projects

1. The cause of the power outages at Onelauena and Onemalu has been identified. Navy Public Works has repaired the failed cutout at the power pole line that supplies power to the transformers in both buildings.

2. The re-roofing of the office building at Weinberg Village Waimanalo was completed on August 31.

3. Renovation work at Nakolea which consists of bathroom and sewer line repairs will commence in October, pending plumbing and electrical inspections. CC Engineering has been contracted to do the work. A draft contract has also been developed for MKE Associates to do an assessment to determine if the crack in the building at Nakolea is structural or if it can be repaired.

4. Working with the Homeless Management Information System (HMIS) consultant to complete the new field of data elements required to implement record keeping for the stimulus funds under the American Revitalization and Recovery Act (ARRA). The new program went online on September 1, and staff is scheduling training sessions for the ARRA providers under contract with the State and the City and County of Honolulu.

5. Awaiting a response on a request to the Governor to allot funds from Act 222, SLH 2007, to supplement stipend program funds for FY 2010.

6. Continuing to work with the University of Hawaii Center on the Family to complete the HMIS data analysis for FY 2008 and 2009. The FY 2008 report is under way, and the FY 2009 report will be completed in November.

7. The Resort Group is pulling together estimates for the planning and construction of a playground for the Kalaeloa shelters for a presentation to their Board.

8. Drafting a memorandum of agreement with Kapaalana Traveling Preschool for the construction of two yurts at Kalaeloa to support employment training and pre school services for the families at Onemalu and Onelauena.

9. HPHA's Construction Management Services Branch will be scheduling the Kalaeloa shelters to have their sewers jetted this month.

DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY (HPHA)
As of September 4, 2009

Branch	Section	Total Full Time Positions Civil Svc	Exempt	Total	Occupied	Vacant	% Vacant	Active Recruitment Yes	No
Office of the Executive Director		5	3	8	7	1	12.50%	1	0
		5	3	8	7	1	12.50%	1	0
Planning and Evaluation Office		1	2	3	1	2	66.67%	0	2
		1	2	3	1	2	66.67%	0	2
Compliance Office		0	3	3	2	1	33.33%	1	0
		0	3	3	2	1	33.33%	1	0
Housing Information Office		0	2	2	1	1	50.00%	0	1
		0	2	2	1	1	50.00%	0	1
Hearings Office		1	2	3	3	0	0.00%	0	0
		1	2	3	3	0	0.00%	0	0
Fiscal Management Office	FM Office	4	0	4	1	3	75.00%	0	2
	Acctg Sec	8	0	8	6	2	25.00%	1	1
	Pay & Disb	4	0	4	4	0	0.00%	0	0
	Budget	1	1	2	2	0	0.00%	0	0
	Asset Mgt	1	0	1	0	1	100.00%	0	1
		18	1	19	13	6	31.58%	1	5
Information Technology		1	3	4	3	1	25.00%	0	1
		1	3	4	3	1	25.00%	0	1
Personnel Office		3	1	4	3	1	25.00%	0	1
		3	1	4	3	1	25.00%	0	1
Procurement Office		4	3	7	4	3	42.86%	3	0
		4	3	7	4	3	42.86%	3	0
Construction Mgt. Branch		2	0	2	0	2	100.00%	1	1
	CMS	3	0	3	1	3	100.00%	0	1
	CMS I	2	7	9	6	3	33.33%	0	3
	CMS 2	5	2	7	6	1	14.29%	0	1
	DSS	1	2	3	2	1	33.33%	0	1
		13	11	24	15	10	41.67%	1	9
Homeless Branch	Homeless	1	8	9	9	0	0.00%	0	0
		1	8	9	9	0	0.00%	0	0
Section 8 Branch	Sec 8 Office	2	0	2	1	1	50.00%	0	1
	Insp Unit	5	2	7	4	3	42.86%	0	3
	Rent Sub Sec 1	10	0	10	7	3	30.00%	0	3
	Rent Sub Sec 2	8	0	8	6	2	25.00%	0	2
		25	2	27	18	9	33.33%	0	9
Property Management & Maint. Services Branch	PMMSB	1	2	3	1	2	66.67%	0	2
	MGT SEC	2	0	2	1	1	50.00%	0	0
	APP	7	0	7	6	1	14.29%	0	1
	RSS	2	8	10	7	3	30.00%	0	3
	PMCS	0	5	5	4	1	20.00%	0	1
	CMSS	19	0	19	19	0	0.00%	0	0
	Puuwai Momi - AMP 30	23	0	23	20	3	13.04%	0	3
	Kalihi Valley - AMP 31	25	0	25	22	4	16.00%	0	3
	Mayor Wright - AMP 32/33	32	0	32	28	4	12.50%	0	4
	Kalakaua - AMP 34	27	0	27	23	4	14.81%	0	2
	Kalanihuia - AMP 35	26	0	26	22	4	15.38%	0	4
	Hilo - AMP 37	14	0	14	13	1	7.14%	0	1
	Kauai - AMP 38	16	0	16	10	7	43.75%	0	0
	Maui - AMP 39	12	0	12	10	2	16.67%	0	2
		206	15	221	186	37	16.74%	0	26
TOTAL		**278**	**56**	**334**	**265**	**72**	**21.56%**	**7**	**54**

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of September 4, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
OFFICE OF THE EXECUTIVE DIRECTOR						
118550	EX	N	T	Chief Financial Management Advisor	SRNA	Position in continuous recruitment.
COMPLIANCE OFFICE						
103020	EX	N	T	Chief Compliance Officer	SRNA	Start date 9/1/09
FISCAL MANAGEMENT OFFICE						
41041	CS	N	P	Fiscal Officer I	SR26	Per DHRD memo unable to recruit as of 7/15/09
41253	CS	N	P	Secretary I	SR14	Per DHRD memo unable to recruit as of 7/15/09
98903K	CS	N	P	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09
ACCOUNTING SECTION						
41252	CS	N	P	Accountant IV	SR22	Interviews completed; pending recommendation.
46278	CS	N	P	Accountant II	SR18	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT OFFICE						
96908K	T	N	P	Office Assistant III	SR10	No action; cost savings.
HOUSING INFORMATION OFFICE						
102041	EX	W	T	Housing Information Officer	SRNA	No action; cost savings.
PROCUREMENT OFFICE						
117691	EX	N	T	Contract Specialist	SRNA	Interviews scheduled for 09/01/09 & 09/03/09.
117689	EX	N	T	Housing Contract Specialist	SRNA	Interviews scheduled for 09/01/09 & 09/03/09.
100882	EX	N	T	Contracts & Procurement Officer	SRNA	Continuous recruitment.
CONSTRUCTION MANAGEMENT BRANCH						
25649	CS	N	P	State Housing Dev Administrator	EM07	Interviews completed and pending recommendation.
2800	CS	W	P	Secretary II	SR14	Per DHRD memo unable to recruit as of 7/15/09
102205	SH	N	T	Student Helper II	NA	No action; cost savings.
CONSTRUCTION MANAGEMENT SECTION						
8774	CS	N	P	Engineer VI	SR28	Employee retired 08/31/09.
5857	CS	N	P	Office Assistant III	SR14	Per DHRD memo unable to recruit as of 7/15/09.
48707	CS	N	T	Office Assistant III	SR08	89 day appointment.
CONSTRUCTION MGMT UNIT 1						
105633	EX	W	T	Housing Warranty & Inspection Supr.	SRNA	State funded unable to fill.
100439	EX	W	T	Housing Warranty & Inspection Asst.	SRNA	State funded unable to fill.
100202	EX	W	T	Project Engineer	SRNA	Pending approval to fill.
CONSTRUCTION MGMT UNIT 2						
102676	CS	W	T	Engineer (Building) IV	SRNA	Per DHRD memo unable to recruit as of 7/15/09.
DEVELOPMENT SUPPORT SECTION						
100886	EX	W	T	Housing Development Specialist I	SRNA	State funded unable to fill.
INFORMATION TECHNOLOGY OFFICE						
106429	CS	N	T	Information Technology Specialist IV	SRNA	Per DHRD memo unable to recruit as of 7/15/09.
PERSONNEL OFFICE						
6627	CS	N	P	Personnel Clerk IV	SR11	Per DHRD memo unable to recruit as of 7/15/09
PLANNING AND EVALUATION OFFICE						
107934	EX	N	T	Housing Planner	SRNA	Pending approval to fill.
98902K	EX	N	P	Office Assistant III	SR08	No action; cost savings.

091

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of September 4, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
PROPERTY MANAGEMENT AND MAINTENANCE SERVICES BRANCH						
8751	CS	N	P	Public Hsg Mgr VI	SR26	Per DHRD memo unable to recruit as of 7/15/09.
96904K	EX	N	T	Hsg Maintenance Manager	SR26	No action; cost savings.
6182	CS	N	P	Secretary III	SR16	Per DHRD memo unable to recruit as of 7/15/09
PMMSB-APPLICATION SERVICES UNIT						
117850	CS	N	T	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT PROJECT 30 (MU 1)						
6307	CS	N	P	Public Housing supervisor IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
6171	CS	N	P	Account Clerk II	SR08	Per DHRD memo unable to recruit as of 7/15/09
6791	CS	N	P	General Laborer II	BC03	Per DHRD memo unable to recruit as of 7/15/09
105749	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
105756	TA	N	T	General Laborer I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 31 (MU 2)						
5855	CS	W	P	Secretary I	SR12	Per DHRD memo unable to recruit as of 7/15/09
30242	CS	N	P	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09
10879	CS	N	P	Building Maint. Worker I	BC09	Per DHRD memo unable to recruit as of 7/15/09
4939	CS	N	P	General Laborer II	BC03	Per DHRD memo unable to recruit as of 7/15/09
101119	TA	N	T	General Laborer I	BC02	Applicant declined.
101135	TA	N	T	Office Assistant I	SRNA	No action; cost savings.
101137	TA	N	T	Janitor II	BC02	DHS 141 Applicant Selection submitted to DHS 8/26/09.
101128	TA	N	T	Social Services Aide I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 32/33 (MU 3)						
5035	CS	N	P	Public Housing Supvr IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
6788	CS	N	P	Truck Driver	BC06	Per DHRD memo unable to recruit as of 7/15/09
9619	CS	N	P	Secretary I	SR12	Per DHRD memo unable to recruit as of 7/15/09
46195	CS	N	P	Social Service Asst IV	SR11	Per DHRD memo unable to recruit as of 7/15/09
101126	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 34 (MU 4)						
6693	CS	N	P	Public Hsg Spvr IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
23696	CS	N	P	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
8842	CS	N	P	Painter I	BC09	Per DHRD memo unable to recruit as of 7/15/09
101127	TA	N	T	Social Service Aide I	SRNA	No action; cost savings.
6565	CS	N	P	General Laborer I	BC02	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT PROJECT 35 (MU 5)						
41258	CS	N	P	Bldg. Maint. Wkr II	WS09	Per DHRD memo unable to recruit as of 7/15/09
23574	CS	N	P	Bldg. Maint Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
23698	CS	W	P	Public Hsg Spclt I	SR16	Per DHRD memo unable to recruit as of 7/15/09
41666	CS	N	P	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
101115	TA	N	T	General Laborer I	SRNA	No action; cost savings.
ASSET MANAGEMENT PROJECT 37 (MU 7)						

092

HAWAII PUBLIC HOUSING AUTHORITY (HPHA) VACANCIES
As of September 4, 2009

Pos. No.	CS EX TA	Funding Source	Type of Pos. P/T	Authorized Position Title	SR	Status
15721	CS	N	P	Building Maint Worker I	BC09	Per DHRD memo unable to recruit as of 7/15/09
ASSET MANAGEMENT PROJECT 38 (MU 8)						
41349	CS	N	P	Public Housing Supervisor IV	SR22	Per DHRD memo unable to recruit as of 7/15/09
119285	CS	N	T	Public Housing Supervisor III	SR20	Per DHRD memo unable to recruit as of 7/15/09
119260	CS	N	P	Public Housing Specialist II	SR18	Per DHRD memo unable to recruit as of 7/15/09
8756	CS	N	P	Bldg Maint Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
17576	CS	N	P	Bldg Maint Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
10541	CS	N	P	Bldg Maint Helper	BC05	Per DHRD memo unable to recruit as of 7/15/09
43948	CS	N	P	General Laborer II	BC03	89day hire.
102241	TA	N	T	General Laborer I	SRNA	Pending start date.
102242	TA	N	T	General Laborer I	SRNA	Continuous recruitment.
ASSET MANAGEMENT PROJECT 39 (MU 9)						
6352	CS	N	P	Secretary I	SR12	Per DHRD memo unable to recruit as of 7/15/09
4938	CS	N	P	Bldg. Maint. Wkr I	BC09	Per DHRD memo unable to recruit as of 7/15/09
101121	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101122	TA	N	T	General Laborer I	SRNA	No action; cost savings.
101134	TA	N	T	Clerk I	SR04	No action; cost savings.
105750	TA	N	T	General Laborer I	SRNA	No action; cost savings.
PRIVATE MANAGEMENT CONTRACTS SECTION (PMCS)						
102048	EX	W	P	Property Management Specialist	SR22	No action; cost savings.
RESIDENT SERVICES SECTION						
41254	CS	N	T	Secretary I	SR12	No action; cost savings.
103036	EX	N	T	Resident Services Pgm Specialist	SRNA	Pending approval to fill.
111874	EX	N	T	Resident Services Pgm Specialist	SRNA	No action; cost savings.
103044	TA	N	T	Social Service Aide I	SR05	Start date 9/1/09
SECTION 8 - INSPECTION UNIT						
101214	EX	N	T	Lead Housing Inspector	SRNA	No action; cost savings.
119190	CS	N	T	Housing Quality Standards Inspector II	SR15	Per DHRD memo unable to recruit as of 7/15/09
27584	CS	N	P	Office Assistant III	SR08	Employee terminated 08/14/09.
101130	TA	N	T	Office Assistant II	SR04	No action; cost savings.
RENT SUBSIDY PROGRAMS BRANCH (S8S)						
41280	CS	N	P	Public Hsg Supervisor V	SR24	Per DHRD memo unable to recruit as of 7/15/09
RENT SUBSIDYSECTION 1						
29009	CS	N	P	Office Assistant III	SR08	Per DHRD memo unable to recruit as of 7/15/09
9647	CS	N	P	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
RENT SUBSIDY SECTION 2						
111419	CS	N	P	Office Assistant IV	SR10	Per DHRD memo unable to recruit as of 7/15/09.
35416	CS	N	T	Public Hsg Spclt II	SR18	Per DHRD memo unable to recruit as of 7/15/09
101132	TA	N	T	Office Assistant II	SRNA	Applicant Declined

093

Approved by the Executive Director
September 17, 2009

FOR INFORMATION

SUBJECT: Kahikolu Ohana Hale O Waianae Audit Findings and Issues Pertaining to the Ground Lease of the Shelter Site

I. FACTS

A. Hawaii Coalition of Christian Churches (HCCC) acquired a 55-year lease agreement in November 2006, for a 2.46 acre Waianae land parcel with Hawaii Housing and Finance Development Corporation for the purposes of constructing, operating and maintaining a 72-unit and 40-bed dormitory emergency, transitional and affordable rental multifamily housing project.

B. HCCC constructed the project using the following funding sources:

Dwelling Unit Revolving Funds	$ 400,000
Legislative grants-in-aid	$5,250,000
Rental Housing Trust Funds	$7,856,000
Weinberg Trust	$3,000,000
Total:	**$16,506,000**

C. HCCC formed a subsidiary nonprofit, Kahikolu Ohana Hale O Waianae (KOHOW), to operate the facility.

D. KOHOW applied for and received Hawaii Public Housing Authority (HPHA) homeless stipend funding for the contract year August 1, 2008 to July 31, 2009, and started operations as a homeless emergency and transitional shelter in August 2008.

E. In July 2009, HPHA contracted with KOHOW for an additional three months (Aug. 1, 2009 through Oct. 31, 2010) under the State homeless stipend program while the agency continues to implement corrective action under the leadership of interim executive director, Michael Kahikina, with regard to their contract obligations to HPHA.

F. The HPHA homeless stipend funding contract covers the following KOHOW units:

1. 24 studio transitional and emergency units
2. 24 2-bedroom transitional and emergency units
3 2 dormitories which include 40 dormitory beds

There are also 24 affordable rental units for families at 50% or below of median income which are not covered by the homeless stipend contract.

G. On August 24, 2009, the Hawaii Housing Finance and Development Corporation (HHFDC) cancelled its 55 year lease with HCCC, because HCCC was in material default of the lease. Specifically, HCCC did not submit required budgets and audited financial reports to HHFDC; and HCCC did not maintain appropriate licenses to run the affordable housing component of the project (broker's license required, by law).

II. DISCUSSION

A. The sequence of events leading up to the lease termination Included:

1. March 13, 2009. HHFDC sent HCCC a reminder of the need to comply with the financial requirements and the need for a broker's license;
2, April 13, 2009. HHFDC sent HCCC notice of the above defaults and gave HCCC 60 days to cure;
3. August 24, 2009. HHFDC terminated the lease because HCCC failed to respond by curing any of the defaults cited.

B. These requirements are material requirements. The purpose of the lease is for the proper operation of an emergency, transitional, and affordable housing project on the property. It is impossible for HHFDC to verify the proper use of the property without the required budgets and financial reports.

C. HHFDC is currently pursuing alternatives to provide for the continued operation of the housing project which includes the possibility of restructuring its lease with HCCC, if certain requirements are first met. The goal is to have the situation resolved as soon as possible with the following target dates:

1. August 28, 2009--deadline for HCCC response to HHFDC invitation to discuss a possible new lease;
2. September 14, 2009--deadline by which the defaults must be cured;
3. October 1, 2009--target date for a new lease.

D. In the meantime, KOHOW continues to operate: the project under a contract with HPHA. Continued progress in correcting areas of contract noncompliance with HPHA may result in an extension of the current three month contract, but is contingent upon resolution of the ground lease issue with HHFDC.

E. Homeless Programs specialists conducted a follow-up site audit on August 18, which indicated that KOHOW has initiated dramatic improvements in service delivery and case management. However, there remain open issues of qualified staffing per their organizational chart, missing client-shelter program agreements, incomplete client assessment and case management, and expenditures that are inconsistent with the contract budget. Additionally, KOHOW needs to correct their mid term financial report and is delinquent on submittal of their mid term activity report.

F. HPHA will work in continued collaboration with HHFDC to ensure that services to shelter residents are handled in a least disruptive manner as the issues relating to the ground lease proceed.

Prepared by: Sandra J. Miyoshi, Homeless Programs Branch Administrator J for SJM