

DAVID Y. IGE
GOVERNOR



DEPT. COMM. NO. 311
HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:
20 OED/52

December 28, 2020

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members
of the House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Hawaii Public Housing Authority Annual Report (2020), as required by Section 356D-20, Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at:

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Hakim Ouansafi", with a long horizontal flourish extending to the right.

Hakim Ouansafi
Executive Director

Enclosures

HAWAII PUBLIC HOUSING AUTHORITY



Annual Report
Fiscal Year 2019—2020



Proposed conceptual illustration

State of Hawaii
Department of Human Services
Hawaii Public Housing Authority
1002 N. School Street
Honolulu, Hawaii 96817

Purpose & Introduction

This report is being submitted in accordance with section 93-16, Hawaii Revised Statutes. This report fulfills the reporting requirements and duties assigned to the Hawaii Public Housing Authority (HPHA) under Hawaii Revised Statutes (HRS) Section 356D-20(3), which states:

The authority shall submit an annual report to the Legislature on all program areas no later than twenty days prior to the convening of each regular session, that shall provide the following information on the status of its programs and finances:

(A) A financial audit and report conducted on an annual basis by a certified public accounting firm; and

(B) Recommendations with reference to any additional legislation or other action that may be necessary to carry out the purposes of this Chapter.

In compliance with HRS Section 356D-20(3), this Report provides the status of its major programs: Federal and State Low Income Public Housing, Section 8 Subsidy Programs, and Construction Management. Additionally, this Report includes the activities and accomplishments of the administrative offices—Property Management and Maintenance Services, Section 8 Subsidy Programs, Contract & Procurement, Planning & Evaluation, Compliance, Hearings, Information Technology, and Human Resources—that work to support the HPHA’s three major programs.

This Report includes financial data on the HPHA’s funds, including non-general funds required under section 37-52.5, Hawaii Revised Statutes, and an auditor’s report, and summarizes legislation proposed by the HPHA for the 2021 Legislative Session that will allow the HPHA to better serve its tenants, voucher holders, the communities they live in, and the State’s very low-income populations.



Chairman's Message



Aloha Mai Kakou,

On behalf of the HPHA's Board of Directors (Board), I am pleased to join Executive Director Hakim Ouansafi, in presenting the HPHA's FY 2020 Annual Report.

The Board continues to provide policy guidance to the HPHA with a focus on improving the living conditions for the residents that call these communities their home.

From meeting virtually to pass emergency rules to keep our public housing communities and the public safe during the COVID-19 pandemic, providing financial relief to keep Section 8 program participants housed, to addressing the redevelopment of our aging properties through public private partnerships, all of the measures taken by the Board during the past fiscal year were done to protect the health and safety our State's most disadvantaged populations.

We look forward to building on our existing partnerships and continuing our important work to assist our current program participants and the future generations to come.

Respectfully,

Robert Hall
Chairman of the Board

Table of Contents

Chairman's Message	3
Executive Director's Message	4
Historical Overview	5
Board of Directors	7
Federal and State Low Income Public Housing	8
Section 8 Subsidy Programs Branch	10
Construction Management Branch	12
Planning and Evaluation	18
Redevelopment Efforts	20
Compliance	21
Hearings	21
Contract & Procurement	22
Information Technology	22
Human Resources	23
Financial Data & Auditor's Report	25
Legislative Proposals	27

Message from the Executive Director

Fiscal Year 2020 (FY 20) was a year like no other filled with unexpected challenges. For the Hawaii Public Housing Authority (HPHA), it was a year of creativity, resolve, resilience, collaboration, agility and care especially in the face of the unparalleled COVID-19 pandemic, which brought the world to a halt and forced a new way of thinking, living and serving.

We didn't let the pandemic define us, and our dedicated public servants understood that our mission has never been more critical. I'm truly proud of how our staff responded to the greatest test of our careers and showed up every day to not only ensure that our over 35,000 people we currently serve are kept informed and safe, but equally as important, our staff were able to serve hundreds more with safe, decent and affordable housing through the efficient and fair delivery of housing services.



No time was wasted in adjusting the way we serve and the Agency moved its operations into a higher gear by immediately taking health and safety measures to protect staff, program participants and the public by distributing tens of thousands of staff-made reusable cloth and commercial face coverings to our tenants statewide, staff and other departments and distributed cleaning supplies and hand sanitizer to families that tested positive. Hawaii Administrative Emergency rules were implemented to keep the community safe, we partnered with the University of Hawaii to keep our tenants and the public informed through our new COVID-19 website www.hphaishereforyou.org, we partnered with Spectrum to launch free Wi-Fi at ten public housing properties to encourage distance learning and tele-health, and partnered with the Department of Health Public Health Nurses and the National Guard and nonprofits to educate our staff and tenants and provide testing to those who were experiencing COVID-19 symptoms free of charge.

The HPHA also implemented its first online Section 8 application and lottery selection for a "Lease in Place" preference to serve 750 families, provided online direct deposit for rent payments, worked expeditiously to focus on repairing vacant units, provided 16 newly constructed public housing units at the Lanakila Homes property in Hilo Hawaii, and 28 modernized public housing units at the Salt Lake Apartments property on Oahu.

In this report, you'll see how our public servants continued our commitment to serve our most disadvantaged families while celebrating No-Audit findings for the fourth year in a row and earning a perfect 100 SEMAP score by the Department of Housing and Urban development (HUD) making us a high performing agency for the Section 8 program.

I'm proud to work alongside such a passionate group of individuals, even when they themselves are coping with the harsh realities of the pandemic. I am inspired by their hard work and look ahead to the horizon of possibilities. A special heartfelt gratitude for the support of Governor Ige, the Legislature, our Board of Directors, our Resident Advisory Board and the relentless dedication and commitment from community partners.

In a year of turmoil, the HPHA family has remained strong because of our values, with a focus on doing the right thing. These are values that have guided us before and are even more relevant to the challenges brought on by COVID-19. Our innovative and dedicated staff look forward to continuing to serve the public with the hopes that our program participants will be able to thrive when given a place to live, an opportunity to grow and a chance to lead better lives.

Sincerely yours,

Hakim Ouansafi
Executive Director

Historical Overview: 85 Years of Service to the People

1935 The Hawaii Housing Authority was created by the Territorial Legislature to provide safe and sanitary housing for low-income residents of Hawaii. Two years later, the U.S. Housing Act of 1937 made federal construction funds available.

1941 After December 7, 1941, an unprecedented defense building program began. After the war, a civilian housing shortage loomed and affordable housing was hard to come by. The average charged in an HHA unit was \$14.03 per month.

1951 The HHA was Hawaii's largest rental agency. Throughout the 1950's, Oahu experienced unprecedented economic growth with development spreading in the windward and leeward areas. By the end of the decade, HHA completed eight new developments which provided 1,752 new units for Hawaii's families.



Photo of the main administrative offices of the Hawaii Housing Authority in the 1960's



Even in 1961, the executive staff of the HHA would meet frequently to plan future developments for the people of Hawaii.

1960 The Governor issued an executive order implementing the Government Reorganization Act of 1959, which created a new Department, and placed the Hawaii Housing Authority in the Department of Social Services for administrative purposes only.

By the mid-60's, the HHA had responded to the changes in the housing market and opened housing projects designed for the special economic, social and physical needs of Hawaii's senior citizens.

1970 By 1970, the State Legislature broadened HHA's duties by enacting Act 105 which permitted the State to raise \$100 million to build low and moderate income housing.

1988 By 1988, HHA had developed through Act 105, a staggering 10,132 dwelling units—single family, townhouse, duplex, apartment and house lot unit types. The State of Hawaii's Housing Finance and Development Corporation was created by Act 337 as part of Governor John Waihe'e's initiative to create one streamlined State organization to promote and develop a continuum of affordable housing. The change allowed the HHA to refocus its energies as the statewide public housing authority.

1990's In the 1990's, the HHA once again broadened its responsibilities adding the State's Homeless Programs. During this time, the HHA also realized the value of a comprehensive approach and grew its programs on drugs and crime prevention, education, job training and self-sufficiency.

HHA opened the Family Investment center to address the self-sufficiency needs of families in public housing. Equipped with a computer lab and classrooms, residents were able to complete GED classes and obtain valuable job training.

By June 1998, the HHA must once again ride the waves of change when it is abolished. Act 350, under the Cayetano Administration, consolidated the Hawaii Housing Authority and Housing Finance and Development Corporation into a single housing agency known as the Housing and Community Development Corporation of Hawaii (HCDCH).

2005 On July 5, 2005, Act 196 effectively bifurcated the HCDCH into two agencies, the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC). Under this new structure, HPHA's core function is to manage federal and state public housing programs, including Section 8 and senior housing. In the next year, Homeless Programs are transferred to the Department of Human Services.

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

2014 The HPHA achieved a record high occupancy of 98% in its public housing programs. The Section 8 Program is rated a high performer under the Federal Assessment System. With a combined State and Federal capital program, the HPHA is managing approximately \$150M in ongoing design and construction projects for its aging inventory.

2015 The HPHA embarked on expansion and redevelopment of its property inventory by establishing public/private relationships for the redevelopment of Mayor Wright Homes and HPHA's N. School Street Administrative Offices, and Kuhio Park Terrace.



Former Executive Director, the late Mitsuo Shito listens to a resident at an event on Molokai in the 1980's.

2016 The HPHA successfully exhausted the Section 8 Housing Choice Voucher waitlist, after ten years of being closed due to the amount of applicants requesting vouchers. The HPHA is now working toward assisting new residents suffering hardship with their housing needs.

2017—2020 For the first time, the HPHA's independent auditors report that there are no compliance findings related to internal controls over the HPHA's major programs and no audit findings. This is a major accomplishment for the HPHA with the steady progress made in reducing and eventually removing all audit findings since 2012.

2019 The HPHA entered into a Memorandum of Agreement with the University of Hawaii Community Design Center to conduct multi-disciplinary efforts across the University of Hawaii spectrum with the School of Architecture, Center on the Family and the School of Sociology.

Mission Statement

The Hawaii Public Housing Authority is committed to promoting adequate and affordable housing, economic opportunity and a suitable living environment, for low income families and individuals, free from discrimination.

HPHA Board of Directors

The Hawaii Public Housing Authority is governed by an eleven member Board of Directors that represent a cross section of public and private entities who provide guidance concerning policy matters.



Robert Hall



Pono Shim



Betty Lou Larson



Cathy Betts



Joseph H. Campos II



Leilani Pulmano



George De Mello



Susan Kunz



Roy Katsuda



Todd Taniguchi



Kymberly Sparlin

Robert Hall, Chairperson

Oahu Member

Pono Shim, Vice-Chairperson

At-Large Member

Betty Lou Larson

Advocate for Persons with Disabilities

Cathy Betts

Ex-Officio, DHS Director

(Joseph H. Campos II)

(DHS Designee)

Leilani Pulmano

Maui Member

George De Mello

Public Housing Resident Member

Susan Kunz

Hawaii Member

Roy Katsuda, Secretary

Low-Income/Homeless Advocate

Todd Taniguchi

At-Large Member

Vacant

Kauai Member

Kymberly Sparlin

Ex-Officio, Designee of Governor David Y. Ige

Federal and State Public Housing Program

FEDERAL PUBLIC HOUSING is a U.S. Department of Housing and Urban Development (HUD) program established to provide decent, safe rental housing for eligible low-income families, the elderly, and persons with disabilities. The HPHA is the sole statewide Public Housing Agency (PHA) for the State of Hawaii, established by the Territory of Hawai'i in 1935 to provide safe, decent, and sanitary housing for low-income residents. Guided by an eleven (11) member Board of Directors appointed by the Governor of Hawaii, today the HPHA Federal and State Low-Income Public Housing programs combine to serve over 5,600 families or approximately 19,000 individuals.

The HPHA's Public Housing portfolio, as of June 30, 2020 included the following statistics:

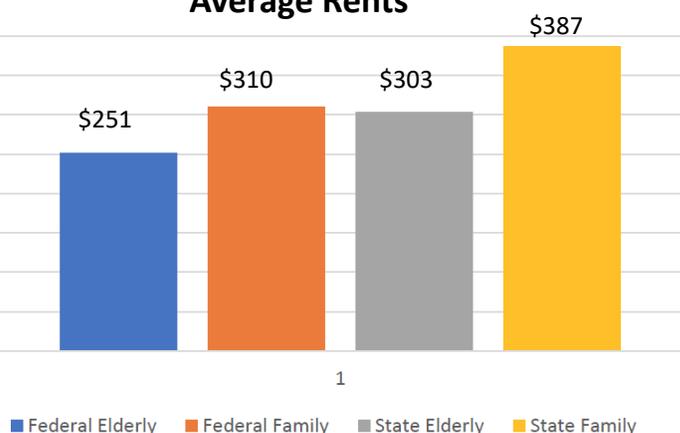
HPHA's portfolio of **85 properties** consists of **6,270 units** of low-income public housing across the State:

- **5,406 units** HUD subsidized
- **864 units** State (no subsidy)

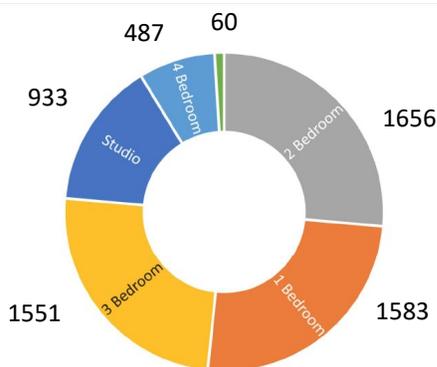
85 properties are grouped into **Seventeen (17) Asset Management Projects**

- **8 AMPs** managed by State employees
- **8 AMPs** managed by private contractors

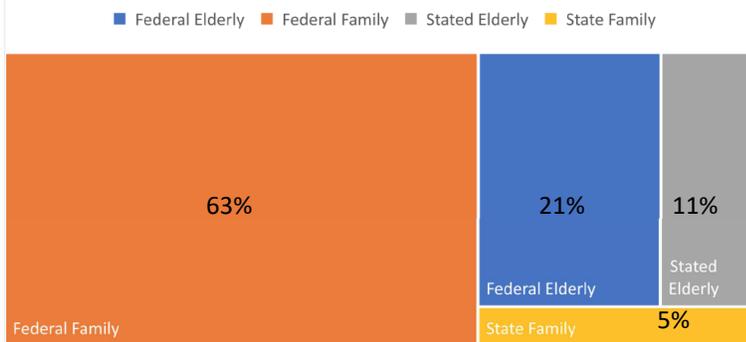
Average Rents



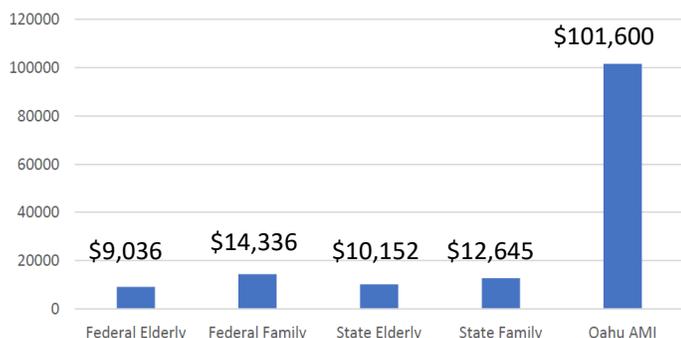
Active Unit Mix



Public Housing Program Beneficiaries



Median Income



HPHA serves "**Low Income**" families earning **80% Area Median Income (AMI) or less**

- Honolulu Metropolitan Statistical Area AMI, family of 4 at 80% for FY20 = **\$100,720**
- **Not less than 40%** of Federal family public housing units are restricted to "**Extremely Low Income**" families earning **30% AMI or less**

Federal and State Public Housing Program

Special Thanks to our Partners

The HPHA, in collaboration with other government agencies and nonprofit organizations, is tackling COVID-19 outreach and prevention head on and has taken the following measures to prevent and combat the spread of the COVID-19 virus in its public housing properties.

The HPHA worked hand-in-hand with the Hawaii State Department of Health Public Health Nurses and the Hawaii National Guard to conduct COVID-19 Outreach events at the Agency's larger public housing properties.



Teams of nurses, doctors, guard members and interpreters canvass the properties and talk to residents and hand out flyers in English and other translated languages to educate the community about the COVID-19 virus and offered free testing to those with symptoms.

Mainly educational in nature, the teams show people how they can stay safe and healthy, but also test anyone in the household that has flu-like symptoms. Below is a list of COVID-19 Outreach events on the island of Oahu and the island of Hawaii that covered 23 properties and over 2,400 units:



Oahu

- Kalihi Valley Homes – May 15, 2020
- Palolo Valley Homes – May 28, 2020
- Mayor Wright Homes – June 9, 2020
- Kuhio Park Terrace Low-Rise and Kuhio Homes – June 24, 2020
- Kauhale Nani and Wahiawa Terrace – July 9, 2020
- Kamehameha Homes and Kaahumanu Homes – July 20, 2020
- Nanakuli Homes, Maili I & II, Kauliokalani and Waimaha Sunflower – July 24, 2020
- Puuwai Momi – September 4, 2020



Hawaii

- Lanakila Homes – August 26, 2020
- Lokahi – September 4, 2020
- Punahale Homes – September 4, 2020
- Hale Olaloa – September 23, 2020
- Pomaikai Homes – September 30, 2020
- Kahale Kahaluu – October 28, 2020

Section 8 Rental Subsidy Programs Branch

FEDERAL AND STATE RENTAL SUBSIDIES

The Section 8 Housing Choice Voucher (HCV) Program, commonly known as “Section 8”, is a HUD program established to provide rental subsidies for units that are chosen by the tenant in the private market with assistance provided through tenant-based vouchers. It is the largest of the HPHA’s rental subsidy programs and is administered on Oahu only. The HPHA also administers Non-elderly Disabled vouchers, Veteran’s Affairs Supportive Housing vouchers, Performance Based Contract Administration (PBCA), tenant protection vouchers, Foster Youth Initiative vouchers, and Section 8 project based vouchers. The State of Hawai’i provides the HPHA with funding for a Rent Supplement Program (RSP) that is administered similarly to the federal program, providing shallow rent subsidies for units statewide.

The HPHA’s Section 8 portfolio, as of June 30, 2020 included the following statistics:

1,822 HUD Housing Choice Vouchers,
Avg. Housing Assistance Payment
(HAP) = **\$1,327** per month

132 Non-Elderly Disabled Vouchers (NED)
Average HAP = **\$1091** month

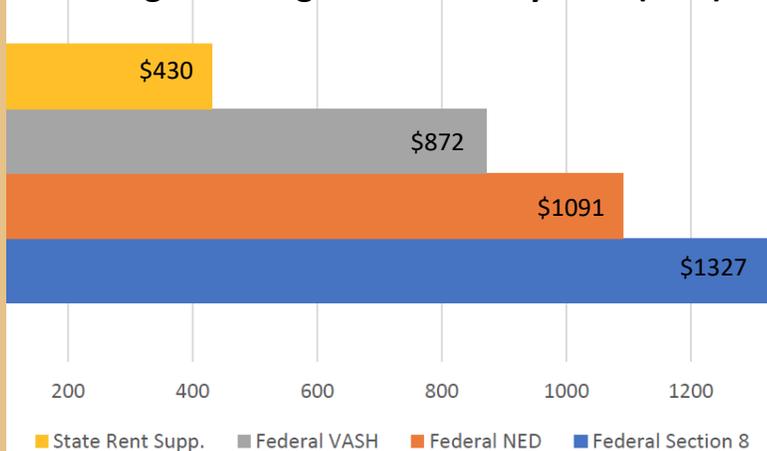
387 Veterans Affairs Supportive Housing
(VASH) , Avg. HAP = **\$872** month

305 State Rent Supplement Program
Avg. payment of **\$430** per household

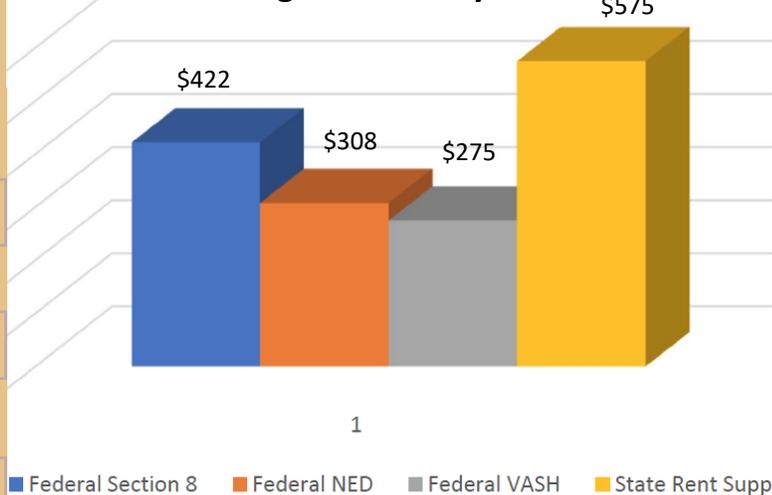
3,000 Project Based Contract Administration

Program	Median Income
Federal Section 8	\$19,186
Federal NED	\$10,544
Federal VASH	\$10,701
State Rent Supplement	\$15,351
Oahu AMI	\$101,600

Average Housing Assistance Payment (HAP)



Average Tenant Payment



Section 8 Rental Subsidy Programs Branch

FAMILY SELF-SUFFICIENCY PROGRAM

The HPHA administers the Family Self-Sufficiency (FSS) Program and its participants are linked to social services to help them gain economic independence from government assistance. Participants sign a FSS contract which sets out goals for their progress. As part of the program, an interest-bearing FSS escrow account is established by the HPHA for each participating family. As their income grows, the funds are deposited into the escrow account for the family who is eligible to receive the funds at the completion of their contract. In FY 20, four participants graduated from the FSS program with over \$34,000 in savings.

Hawaii Administrative Emergency Rules COVID-19 Initiatives

The Section 8—Housing Choice Voucher Emergency Rules Relating to COVID-19 Emergency were urgently needed to provide financial relief and housing assistance to keep Section 8 program participants housed, which helped to address the risk of rapid community spread of COVID-19 and to protect all of the community, especially the elderly and disabled and those with underlying health conditions.

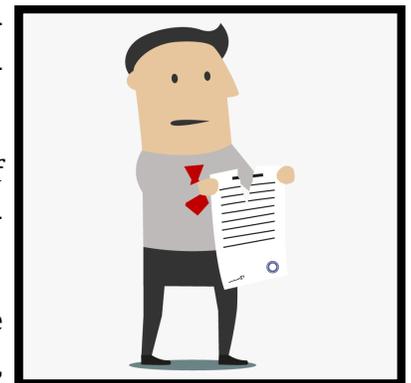
Interim rent adjustments due to loss of income: Adjustments reflecting a lower rent were made effective as of the date the participant's income decreased due to the COVID-19 emergency.

Faster leasing of Section 8 participants: Allowing for the execution of a Housing Assistance Payments (HAP) contract if the unit has non-life-threatening deficiencies to allow a tenant to move in quickly.

Eliminating face-to-face interaction: Allowing the use of alternate means to conduct voucher briefings which include, but are not limited to, telephone or video conferencing.

Providing more financial assistance: Allowing the increase of a payment standard during interim rent adjustments.

Providing housing security: Non-termination of the HAP contract if the tenant's income increases and no HAP is paid, thereby protecting his/her standing in the Section program if their income decreases.



Construction Management Branch

The Construction Management Branch focuses primarily on managing and administering all capital improvement projects, including bringing vacant units that are classified as Type C (units needing major repairs) back into use, and ensuring the timely obligation and expenditure of capital improvement funds.

The COVID-19 pandemic hindered design and construction projects in the second half of the year as the state went into lockdown and the agency implemented a teleworking schedule and travel was restricted. Work and construction protocols had to be established to ensure tenant, staff and contractors' safety. Holding Pre-Bid Site Visit Meetings and Pre-Construction Meetings especially on the neighbor islands with restrictions on travel proved to be challenging and greatly impacted operations.

In Fiscal Year 2019-2020, the HPHA was able to be on track in encumbering all of the Biennium 2017-2019 appropriation by the June 30, 2020 deadline. Despite COVID-19 challenges, HPHA was able to successfully obligate 47% of the Federal CFP (Capital Fund Program) 2018 funds appropriated by the Department of Housing and Urban Development, and the HPHA repaired and placed dozens of Type C vacant units back into service and assisted more families into permanent housing.

Of highest priority to the HPHA, is ensuring that its residents have a safe and healthful living environment. This includes striving for a living environment free of hazardous materials such as lead-based paint, asbestos, contaminated soils, etc.

Two years ago, HPHA performed an agency-wide Lead Based Paint (LBP) testing on all properties built prior to 1978 and a Lead Risk Assessment last year on all properties that tested positive for LBP. The HPHA is currently in the process of removing all LBP from all properties with a priority on the family properties.

Funding as of June 30, 2020:

In Contract:

\$23,614,563 – Federal funds (Capital Fund Program, CFP)

\$117,510,271 – State funds (Capital Improvement Projects, CIP)

\$141,124,834 – Total in Contract

New Contracts in FY 2019-2020:

9 New Consultant Contracts

7 New Construction Contracts

2 New Service Contracts

3 In-House Designs

16 Total New Contracts (plus 3

in-house designs and 2 service contracts)

\$1,288,150 in New Consultant Contracts

\$13,612,043 in New Construction Contracts

\$73,944 in New Service Contracts

\$14,974,137 Total New Contracts

Budgeted:

\$26,914,334 – Federal CFP funds

appropriated and budgeted

\$168,878,501 – State CIP funds

appropriated and budgeted

\$195,792,835 – Total Budgeted

Expended:

\$8,008,302 – Federal funds (CFP 726 – 729)

\$103,008,778 – State funds (CIP FY13-14 – 19-20)

\$111,017,080 – Total Expended

Construction Management Branch

FY 2019-2020

PROJECT: Physical Improvements to Lanakila Public Housing, Phase IIIB, HA1105

JOB No.: 95-003-1105-S-IIIB

CONTRACTOR: Constructors Hawaii, Inc. (CMS 15-05), \$5,900,266.00 CIP, \$467,602.00 CFP, \$56,682.00 EDI

CONSULTANT: INK ARCHITECTS, (CMS 14-24), \$880,226.00 CIP, \$2,000.00 CFP, \$43,655.00 EDI

PROJECT COMPLETION: March 2020

SCOPE: Demolish existing buildings and construct new buildings from the ground up. Including parking lot, trash enclosures, and walkways.



Before: Old buildings that were demolished



After: New Buildings were constructed



Before: Typical site looking up towards Phase IIIA



After: New parking lot looking up towards Phase IIIA

Construction Management Branch

FY 2019-2020

PROJECT: [Renovation and Repairs to Units at AMP 38](#)

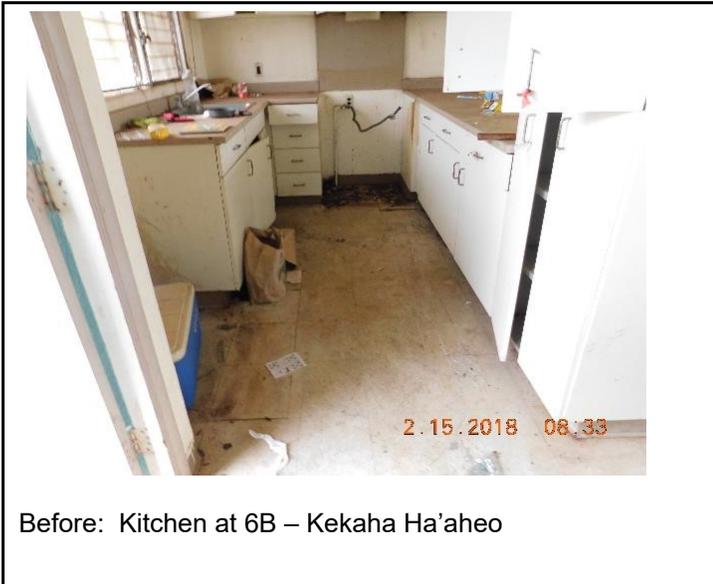
CONTRACTOR: Artistic Builders Corporation. (CMS 18-14), \$1,700,653.31 CIP

CONSULTANT: In-House Design

PROJECT COMPLETION: December 2019

SCOPE: Renovation to 16 units at the following properties:

<u>Property</u>	<u>Unit Nos.</u>
Eleele Homes	9R, 10L, 12L
Hale Nana Kai O Kea	1B, 4B, 9A, 13A
Hui O Hanamaulu	8R, 21R
Kawailehua (state)	B203, B204
Kawailehua (federal)	G102, E106
Kekaha Haaheo	2D, 4D, 6B



Construction Management Branch

FY 2019-2020

PROJECT: Repair to Trash Chutes at Punchbowl Homes (HA 1011), Makamae (HA 1046), and Pumehana (HA 1047)

CONTRACTOR: All Maintenance and Repair (CMS 16-12), \$1,423,792.00 CIP / \$96,364.00 CFP

CONSULTANT: Okahara and Associates, Inc

PROJECT COMPLETION: June 2020

SCOPE: Trash chutes and enclosures repair, including accessibility.



Before: Makamae



After: Makamae



Before: Punchbowl Homes



After: Punchbowl Homes



Before: Pumehana



After: Pumehana

Construction Management Branch

FY 2019-2020

PROJECT: Wahiawa Terrace Site and Building Improvements

CONTRACTOR: Society Contracting (CMS 16-08), \$5,181,626.24 CIP , \$3,908,833.37 CFP

CONSULTANT: Architects Hawaii, Ltd. (CMS 13-30) \$885,718.00 CIP , \$2,000.00 CFP

PROJECT COMPLETION: March 2020

SCOPE: Major Modification and Site improvements



Before: Typical Building



After: Completed improvements



Before: Boiler Room



After: Completed with energy savings controllers

Construction Management Branch

- 8/15/2019 – **Waipahu II** – Replace Hot Water Storage Tank; Des: In-House; Const: \$60,633 CIP
- 9/30/2019 – **Lanakila Homes** – Fair Housing Improvements; Des: \$157,699 CIP; Const: \$1,306,720 CIP
- 11/25/2019 – **Punchbowl Homes** – New Trash Chute; Des: \$65,545 CFP; Const: \$308,254 (\$371,544 CIP, \$32,121 CFP)
- 12/10/2019 – **Makamae** – New Trash Chute; Des: \$65,542 CFP; Const: \$276,133 CIP, \$32,121 CFP
- 12/12/2019 – **Hale Aloha O Puna** – Re-roof 9 Residential Bldgs; Des: In-House; Const: \$1,352,416 CIP
- 12/17/2019 – **Kekaha Ha`aheo** – Renovation of Units; Des: In-House; Const: \$204,432 CIP
- 12/17/2019 – **Kawailehua (Federal)** – Renovation of Units; Des: In-House; Const: \$257,642 CIP
- 12/17/2019 – **Kawailehua (State)** – Renovation of Units; Des: In-House; Const: \$226,532 CIP
- 10/17/2019 – **Hui Hanamaulu** – Renovation of Units; Des: In-House; Const: 305,774 CIP
- 12/17/2019 – **Hale Nana Kai O Kea** – Renovation of Units; Des: In-House; Const: \$283,991 CIP
- 12/17/2019 – **Ele`ele Homes** – Renovation of Units; Des: In-House; Const: \$442,283 CIP
- 1/30/2020 – **La`ioloa** – Modernization of Elevators; Des: \$24,430 CIP; Const: \$686,305 CIP
- 1/30/2020 – **Halia Hale** – Modernization of Elevators; Des: \$12,215 CIP; Const: \$434,630 CIP
- 2/4/2020 – **Ma`ili II** – Renovation of Sewer and Drainage; Des: \$23,162 CIP; Const: \$247,189 CIP
- 2/5/2020 – **Pumehana** – Upgrade to Fire Alarm and Call-For-Aid Systems; Des: \$66,598 CIP; Const: \$1,993,929 CIP
- 2/6/2020 – **Pumehana** – New Trash Chute; Des: \$65,545 CIP; Const: 808,237 (\$771,116 CIP, \$32,121 CFP)
- 2/28/2020 – **Hale Po`ai** – Modernization of Elevators; Des: \$24,430 CIP; Const: \$718,605 CIP
- 2//29/2020 – **Nanakuli Homes** – Site and Drainage Improvements: Des: \$147,883 (\$145,883 CIP, \$2,000 CFP); Const: \$1,332,367 CIP
- 4/17/2020 – **Pahala Elderly** – Renovation of Units; Des: In-House; Const: \$1,457,064 (\$1,145,264 CIP, \$311,800 Other)
- 5/11/2020 – **Home Nani** – Infrastructure and Site Improvements; Des: \$54,987 CIP; Const: \$277,096 CIP
- 5/11/2020 – **Kekaha Ha`aheo** – Infrastructure and Site Improvements; Des: \$89,003 CIP; Const: \$1,768,415 CIP
- 5/22/2020 – **Kamalu** – Upgrade to Ventilation System; Des: \$5,300 CIP; Const: \$96,559 CIP
- 5/22/2020 – **Kamalu** – Upgrade to Ventilation System; Des: \$5,300 CIP; Const: \$99,143 CIP
- 5/22/2020 – **La`ioloa** – Upgrade to Ventilation System; Des: \$5,300 CIP; Const: \$77,238
- 5/22/2020 – **Halia Hale** – Upgrade to Ventilation System; Des: 2,264 CIP; Const: \$27,334 CIP
- 5/22/2020 – **Makua Ali`i** – Upgrade to Ventilation System; Des: \$2,264 CIP; Const: \$33,508 CIP
- 5/22/2020 – **Kalākaua Homes** – Upgrade to Ventilation System; Des: \$5,300 CIP; Const: \$96,686 CIP
- 5/28/2020 – **La`ioloa** – Installation of Security Cameras; Des: In-House; Const: \$132,365 CIP
- 5/28/2020 – **Halia Hale** – Installation of Security Cameras; Des; In-House; Const: \$87,878 CIP
- 5/28/2020 – **Hale Po`ai** – Installation of Security Cameras; Des: In-House; Const: \$116,566 CIP
- 6/30/2020 – **Kau`iokalani** – Renovation of 46 Units and Site Improvements; Des: \$426,606 CIP; Const: \$7,634,000

CIP = State funded Capital Improvement Project

CFP = Federal funded Capital Fund Program

Planning and Evaluation

The HPHA's Planning and Evaluation Office (PEO) performs overall planning evaluation and research activities for programs and policies administered by the HPHA, coordinates legislative activities and oversees the Agency's redevelopment efforts.

Collaboration

Across the State of Hawaii, housing for our residents in the low-income to workforce income spectrum is on the top of the priority list at all government levels. PEO works closely with Federal, State, and County partners through the Housing Directors' meeting, Hawaii Interagency Council for Transit Oriented Development meetings, Neighborhood Board meetings and with area legislators to come up with solutions to increase our housing inventory and prevent homelessness.

PEO periodically updates long and short-range functional plans to meet the HPHA's program objectives and HUD requirements. During the fiscal year, the HPHA updated its Five Year and Annual Public Housing Agency Plan (PHA Plan) for the federal public housing and Section 8 programs for the coming years. Some of the proposed improvements described in the PHA Plan include:

- Strengthening Hawaii Administrative Rules and policies for our State Family and Elderly public housing programs, State Eviction—Practice and Procedure, Section 8 program and Section 8 Administrative Plan.
- Administering public hearings.

These plans can be viewed at: <http://www.hpha.hawaii.gov/housingplans/index.htm>

Hawaii Administrative Emergency Rules

During the COVID-19 Emergency Period, the HPHA informed the HPHA Board of Directors (Board) that the spread of COVID-19 in our public housing communities to be an imminent peril to the public's health and safety, and the Board took proactive action to address these issues by approving Hawaii Administrative Emergency Rules that set forth health and safety requirements in public housing

These rules can be viewed at: http://www.hpha.hawaii.gov/referenceinformation/admin_rule.htm



Planning and Evaluation

Aloha Cares Emergency Feeding Program (ACEFP)

At the request of the Hawaii State Emergency Management Agency (HIEMA), the HPHA agreed to administer the Aloha Cares Emergency Feeding Program (ACEFP). This emergency feeding program protected the public from the spread of COVID-19 by ensuring people affected by State and local COVID-19 stay at home orders and the homebound to receive meals and access to food (e.g., food boxes) as appropriate.

This program served:

- Medical Clients who tested positive or were exposed to COVID-19 that do not require hospitalization but need isolation or quarantine (including those exiting from hospitals).
- Asymptomatic at risk or high-risk populations with underlying health conditions requiring physical distancing including populations removed from congregate locations relocated to non-congregate locations to ensure physical distancing or to decompress congregate locations.
- Unaffiliated, underserved economic, and/or vulnerable populations who are unable to prepare meals or do not have access to food due to isolation stay at home orders, or do not receive services from other government subsidized meal programs.
- Individuals at high risk for COVID-19 such as those over 65 years of age.
- Other populations based on the direction or guidance of appropriate public health official.



The ACEFP served approximately 500,000 meals to the elderly, disabled and COVID-19 exposed participants, and the HPHA was thankful for the privilege to serve all of the participants so they could be safer at home during the COVID-19 pandemic.

Photo: Suzanne Chun Oakland and HPHA Staff

Redevelopment

The United States Department of Housing and Urban Development (HUD), who provides the majority of HPHA's annual operating funding, encourages this approach through Mixed-Finance strategies and other programs such as Rental Assistance Demonstration (RAD). These programs are typically executed through public private partnerships, better positioning HPHA properties to access the private capital and financing necessary to revitalize them into vibrant communities for future generations.

North School Street

HPHA's Administrative Offices

The HPHA partnered with nonprofit Retirement Housing Foundation to redevelop the HPHA administrative offices located at 1002 N. School Street. The project will include 800 units of Senior Housing, HPHA offices, and retail uses that best serve the surrounding community.



The 201H application was approved by the Honolulu City Council on November 5, 2020 as Resolution 20-251, CD1, FD1. The first phase is anticipated to deliver 250 elderly affordable units and projected to break ground in the 4th quarter of 2021. Community engagement has been, and will continue to be a vital part of this project.

Kuhio Park Terrace Low-rises and Homes

A Restated and Amended Master Development Agreement (MDA) between HPHA and Michaels Development Company (MDC) was approved by the Board of Directors at the June 25, 2020 Regular meeting. The MDA has now been executed and MDC is currently actively seeking proposals from the consultants required to undertake the Master Planning and Environmental Review efforts required to move this project forward. TMO is also in the process of refining the overall schedule for the project



HPHA and MDC are moving forward with the RAD conversion for Kuhio Park Towers, which will convert the remaining public housing units in this development to a Project Based Voucher subsidy program in order to best serve our residents.

Compliance Office

The Compliance Office performs activities to ensure the HPHA manages and operates programs in accordance with federal and state requirements, and agency policies and directives.

Specifically, the Compliance Office covers fair housing, accessibility, reasonable accommodations, language access, the Violence Against Women's Act, Declarations of Trust, and the Uniform Relocation Act.

Some accomplishments for fiscal year 2020 include:

- Responded to over 672 tenant requests for R.A.s
- Expended \$69,295.91 for over 2,074 LEP encounters in 22 different languages

Section 504 Self-Evaluation and Transition Plan

The Compliance Office worked with EMG to address barriers to accessibility at HPHA properties. Site assessments for mobility and visual/hearing accessibility were completed at all HPHA federal and state public housing properties, management offices and administrative offices. HPHA's DRAFT Title II Transition Plan was approved by the HPHA Board of Directors in October of 2019, and a public hearing was held in December; on-site staff training re: ADA-compliance is temporarily on hold due to COVID-19 concerns, and we continue to work with consultant EMG to finalize HPHA's Section 504 Transition Plans.

As of June 30, 2020, out of a total of 5,926 units, 321 units or 5.42% were accessible for mobility and 165 units or 2.78% were accessible for the visual/hearing impaired. With another 54 units for mobility and 74 units for the visual/hearing impaired currently under construction, when completed HPHA will be at 6.33% accessible for mobility and 4.03% accessible for the visual/hearing impaired.

Hearings Office

The Hearings Office manages the Federal Low Income Public Housing Evictions pursuant to Chapter 356D, Hawaii Revised Statutes and Chapter 17-2020, Hawaii Administrative Rules.

There are seven (7) Federal eviction boards, three (3) boards for the island of Oahu and one (1) board each for Kona, Hilo, Maui/Molokai and Kauai. There is one (1) State eviction board to hear and resolve State project lease violations.

Due to the COVID-19 eviction moratorium, which began March 2020 and continues through December 2020 the following data is for Federal pre-March 2020 cases.

For Fiscal Year 2020, the Hearings Office received 21 case referrals, 17 cases were for the nonpayment of rent and 4 for cases relating to criminal activities, drug use, or misconduct. For this period, a total of 10 families were evicted statewide, 3 placed on conditions, 1 placed on 10-day cure, 2 dismissed and 5 continued. Similarly, for State pre-March 2020 cases there were 4 case referrals, 2 for rent, 2 for non-rental with 2 evictions, 1 condition and 1 continued.

Contract and Procurement

The HPHA receives federal and state funds for the procurement of a variety of goods and services such as capital improvement projects, repair and maintenance services, security services, property management and architectural/engineering services. The Contract and Procurement Office is responsible to oversee all procurements of goods, services, professional services, construction and health and human services for the Hawaii Public Housing Authority (HPHA). The Contract and Procurement Office's objective is to: 1) provide a procurement system of quality and integrity; 2) provide for the fair and equitable treatment of all persons or firms involved in purchasing by the HPHA; 3) assure that supplies, services and construction are procured efficiently, effectively, and at the best value to the HPHA; 4) promote competition in contracting; and 5) assure that HPHA purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local laws.

During the fiscal year, the HPHA executed 125 new contracts and supplemental contracts in the amount of \$10,976,943 (state funds) and \$20,634,263 (federal funds) for a sum total of \$31,611,206. The HPHA also processed over 1,800 individual small purchases via pCard or purchase order. While most Managers have delegated procurement authority for micro purchases, the Procurement Office processed over \$6.8M in small purchases over the micro purchase threshold.

Information Technology

The Information Technology Office (ITO) continuously strives to align the business roadmap to maintain and support the strategic direction of the Agency, complements and supplements operational and strategic practices of the HPHA by supporting core functions such as communication, data management, process improvement and resource planning.

This year, due to COVID-19, ITO has supported teleconferencing infrastructure to allow for compliance with social distancing and used technology to achieve it. The purchase and setting of laptops, webcams, access points and implementation of Quality of Service (QOS) to allow for video and voicing to broadcast in parallel with data traffic has allowed a higher quality of service delivery.

Updating our core application (Emphasys Elite) to version 2.0 increased performance and compliance with HUD mandated changes. Various offices were affected and training and changes to SOP were conducted. The implementation and opening of the MyHousing shifted traditional methods of application (physical presence and queues) into a streamlined online presence where applications can be done in rapid succession, in bulk and removing many operational layers involving staff labor and presence.

Lastly, due to new emerging threats in cyber security, ITO in conjunction of Enterprise Technology Services (SOH|ETS) implemented various security upgrades. The most significant one being the replacement of Norton AV to Sentinel, to secure communication transmissions, detect and prevent viruses and other malicious applications, and customized to work with O365 products.

Human Resources

The Human Resources Office provides personnel staff support and advisory services to the Executive Director, managers and employees of the HPHA; and manages the personnel programs and activities for the agency. The HPHA currently employs 295 Full-Time and Tenant Aides in various Civil Service and Exempt capacities statewide as of June 30, 2020.

During these difficult times, we work through the COVID-19 restrictions just as other employers. The Human Resources Office continues to recruit positions while ensuring the health and safety of HPHA staff. Despite the restrictions in participating in job fair events, meeting with vendors and conducting face-to-face interviews, the agency hired over 63 positions, including but not limited to Property Managers, Maintenance Housing Managers, Deputy Property Managers, Compliance Specialists, Project Engineers, Program Specialists, System Analysts, Maintenance and Support Staff. This was accomplished by relying more on technology-based resources instead of traditional means that required person-to-person contact.



Photo (L to R) : HPHA Executive Assistant Barbara Arashiro, Governor David Y. Ige, MaryJane Hall-Ramiro, HPHA Executive Director Hakim Ouansafi

During the DHS Incentive and Service Awards, Ms. MaryJane “Pua” Hall-Ramiro, Acting Property Management and Maintenance Branch Chief was recognized with a “Sustained Superior Performance Award”. As we all know her by “Pua”, she works tirelessly to meet the Property Management Branch achieve goals and objectives. She rises to the challenge when faced with daily tenant relations and operational issues that involves staffing, health and safety violations in the housing program. Her professionalism, dedication and hard work is a clear evidence her passion in working with residents and co-worker has led to her years of civil servant of 33 years.

Human Resources

By using virtual technology resources such as Zoom, Skype, Microsoft Teams, etc., we have minimized the presence of “face-to-face” interviews greatly reducing exposure for applicants and HPHA staff. This technology allows the applicants to interview using their own computer or smartphone and gives the interviewer flexibility in conducting interviews. The agency will continue to seek other “new normal” strategies in the recruiting and hiring process such as reaching out to the communities via social media outlets and participating in virtual job fair events.

During the COVID epidemic, HR was the coordinator for the entire agency in having staff volunteers to sew facial coverings in making sure that staff and residents are safe. The staff volunteers were able to produce over 5000 sewn masks which were delivered to our elderly and disabled residents.



HPHA installed plexiglass shields on desks and other high traffic areas. Staff have access to an available supply of PPE including masks, gloves, face shields, safety glasses, etc. Staff and custodians are required to wipe down their work stations and high touch areas on a daily basis. The HPHA’s janitorial contract was also amended to include daily sanitization.

HPHA allowed buildings that had previously turned off the hot water as a cost cutting measure to have the hot water turned back on to promote proper hand washing. Foot pulls were installed on bathroom doors to reduce the need for people to use their hands to open doors. Floor areas are demarcated with tape to prevent employees from crowding into one area. Public areas were outfitted with air purifiers to reduce allergens to promote general well-being.



Flyers and regular verbal reminders are used to keep promoting good hygiene and social distancing amongst staff. HPHA purchased additional laptops and cell phones to support employees to work from home. Staff who can work from home are being allowed to telework. Maintenance staff are being allowed to travel in their own vehicles to work sites to promote physical distancing. Offices were closed to the public to prevent face-to-face interaction, but all staff are accessible by phone, email, or U.S. mail. As an essential service, the HPHA’s employees continue to service its tenants using alternative

means of communication.

Financial Management Office

The Fiscal Management Office (FMO) oversees all budgeting and accounting needs of our agency. During Fiscal Year 2020, the FMO processed over 783,000 financial transactions, and disbursed over \$162 million in expenditures. The FMO has developed its capacity to generate the HPHA's Annual Financial Report and Financial Data Schedules in-house, and continues to improve itself to gain operational effectiveness and efficiency.

Financial Data and Auditor's Report

Pursuant to section 37-52.5 Hawaii Revised Statutes, this audited report on non-general funds is being submitted listing all administratively established funds or accounts along with a statement of the revenues, expenditures, encumbrances, and ending balance for each fund or account. Copies of the HPHA's full audited financial statements can be found at www.hpha.hawaii.gov.

<u>Fund Name</u>	<u>Cite of Law</u>	<u>Intended purpose</u>	<u>Current program activities</u>
Equipment Rental Revolving Fund	Administratively Established	The fund purchases equipment by its administrative office and rents to various programs administered by HPHA.	Purchasing and renting equipment
Housing for Elders Revolving Fund	356D-72, HRS	The fund supports the management, operation and maintenance of housing for the elderly and the disabled.	Serving the housing needs for the elderly and the disabled
Payroll Clearing Trust Account	Administratively Established	The account is used as overdraft account to support the payroll activities of HPHA	Whenever there is a balance due. HPHA clears it promptly.
Public Housing Revolving Fund	356D-28, HRS	The fund supports developing and administering public housing for low-to-moderate income families	Serving the housing needs for low-to-moderate income families
State Low-income Housing Revolving Fund	356D-45, HRS	The fund supports developing and administering public housing for low income families	Serving the housing needs for low income families
Temporary Deposit - Payroll Overpayment Trust Fund	Administratively Established	The fund serves as temporary deposit for payroll that is overpaid to HPHA employees	Collecting reimbursements from employees and returning the proceeds to Central Payroll
Vehicle Rental Revolving Fund	Administratively Established	The fund collects vehicle rental fees to purchase replacement vehicles for HPHA administrative and area offices	Purchasing and renting vehicles

Financial Management Office

Below is an audited financial activity report on all administratively established funds or accounts, which includes a statement of the revenues, expenditures, encumbrances, and ending balance for each fund or account.

Non-general Fund Report for FY Ended June 30, 2020 (in \$1,000)

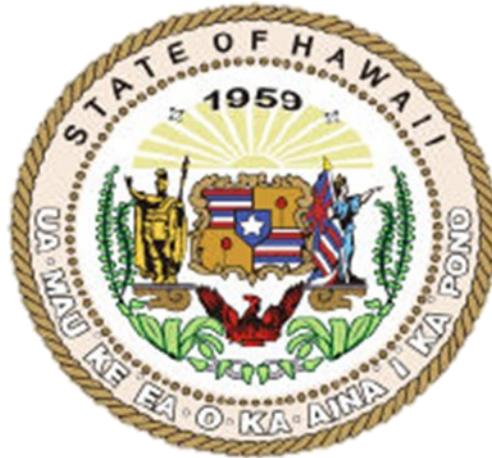
Fund Number	Fund Name	Beginning Balance	Expenditure	Revenue	Transfer in	Encumbrance	Ending Balance
		07/01/19	FY19 -20	FY19 -20	FY19 -20	06/30/20	06/30/20
308	State Low-income Housing Revolving Fund	1,211	1,823	1,731		293	1,119
332	Public Housing Revolving Fund	9,618	29,347	27,429			7,700
335	Vehicle Rental Revolving Fund	594	2	131			723
336	Equipment Rental Revolving Fund	767	3	39			804
337	Housing for Elders Revolving Fund	4,537	2,481	3,355		665	5,411
912	Payroll Clearing Trust Account	0	25,716	25,716			0
913	Temporary Deposit - Payroll Overpayment Trust Fund	42	0	0			42

2020 Legislative Acts

During the 2020 legislative session, the following bills were enacted which will positively impact the HPHA.

Title/ Intent	Bill Purpose	Act
RELATING TO CAPITAL IMPROVEMENTS	Appropriates funds for supplemental capital improvement projects for fiscal biennium 2019-2021	Act 6
RELATING TO STATE BUDGET	Adjusts and makes additional appropriations for fiscal biennium 2019-2021 to fund the operations of executive branch agencies and programs.	Act 7
RELATING TO STATE BUDGET	Amends the Supplemental Appropriations Act of 2020, Supplemental Improvements Act of 2020, Judiciary Supplemental Appropriations Act of 2020, and other measures affecting the fiscal biennium beginning 7/1/2019, and ending 6/30/2021.	Act 9

The HPHA will not pursue any legislative proposals in 2021. This portion of the report is required under Section 356D-20(3)(B), Hawaii Revised Statutes.



Hawaii Public Housing Authority

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