

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

DEPT. COMM. NO. 271

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
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IN REPLY PLEASE REFER TO:
21-OED-41

December 29, 2021

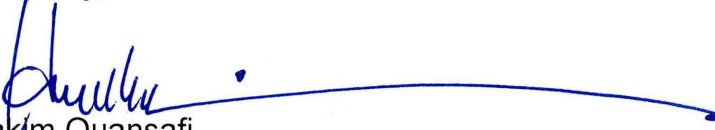
The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

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 (2021), 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,


Hakim Ouansafi
Executive Director

Enclosures

HAWAII PUBLIC HOUSING AUTHORITY



Annual Report
Fiscal Year 2021—2022



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 2022 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 2021 Annual Report.

In reflecting on Fiscal Year 2021, my fellow directors and I want to convey that we are deeply saddened for all of the loss and hardship that negatively affected the thousands of HPHA program participants.

We are extremely proud of the HPHA, under the strong leadership of Executive Director Hakim Ouansafi, in working tirelessly and innovatively to rise to the occasion in navigating the Agency through the unprecedented times of the COVID-19 pandemic. We are also extremely proud of the dedication and commitment of the staff who assisted the most disadvantaged populations that we serve.

I also want to express our gratitude to the many organizations and individuals outside of the HPHA who kept our program participants safe, fed and healthy. You will see the names of some of these partners in the pages of this report. We could not have managed the food preparation, COVID-19 outreach, education and testing, and other special programs needed during the pandemic without their concern and generosity.

We will continue to look for opportunities to serve more people and to serve them more effectively. The Board will continue to provide policy guidance to the HPHA with a focus on providing safe, affordable, quality housing for our community. Thank you to all who assist us in this vital mission.

Respectfully,

Robert Hall
Chairman of the Board



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Message from the Executive Director

Aloha Kakou,

The COVID-19 pandemic continues to starkly demonstrate the importance of housing as a fundamental underpinning for personal, as well as community health. The focus of the Hawaii Public Housing Authority (HPHA) in 2021 was to keep our residents, program participants and staff safe; assuring the continued delivery of essential services; and helping to mitigate the impacts of the pandemic on the most vulnerable community that we serve.

HPHA's public servants' tremendous efforts will forever provide an inspirational example of the strength and determination to serve our community and to excel in our work despite personal struggles, fears, and the difficulty of working in extreme conditions. Staff continued to show up at our housing complexes and offices serving more applicants and keeping the current residents living in safe and healthy housing, with particular emphasis on our seniors and those with disabilities. This HPHA's Fiscal Year 2021 Annual Report summarizes our continued efforts to provide safe and affordable housing to the most disadvantaged members of our community. While the ongoing COVID-19 pandemic remains the cause of much uncertainty, the HPHA has been steadfast in its commitment to serve our residents in as healthy and safe a manner as possible.



Partnering with a wide array of stakeholders, the HPHA staff coordinated 55 vaccination and booster shot clinics, collaborated with all Counties to receive hundreds of thousands in Emergency Rental Assistance funding to keep hundreds of tenants housed; provided Housing Assistance for over 45,000 tenants across all our programs; provided housing to over 2,000 new families; successfully completed the State of Hawaii's first Federal Rental Assistance Demonstration (RAD); converted dozens of additional units to wheelchair accessible and sensory units for the visual and hearing impaired; processed over 762,000 financial transactions and disbursed over \$186 million in expenditures, successfully launched the Aloha Cares Emergency Feeding Program resulting in the distribution of approximately 500,000 deliveries of fresh produce, groceries, and prepared meals to our low-income families, the elderly, disabled and COVID-19 affected households; successfully positioned the School Street Elderly Affordable Housing project to have a groundbreaking of the first 250 new units (out of 800) by mid-2022; applied for and were awarded three (3) State Office of Planning and Sustainable Development TOD planning grants to benefit Lanakila Homes on Hawaii Island, Puuwai Momi on Oahu and Kahekili Terrace on Maui; in Kalaeloa, the HPHA completed the Kauhale pilot project on one of our vacant parcels resulting in the first micro-community comprised of 37 tiny homes that was spearheaded by HomeAid Hawaii and will be administered by U.S. VETS. For this CY21, our total revenues exceeded \$201M, a 19% increase over the previous year and for the fourth year in a row, I am pleased that these successes were all accomplished with zero audit findings.

We confront the deep and daunting challenges that hamper HPHA's every move: aging buildings, underfunded subsidies, the hurdles faced by families with vouchers to find housing, have a place to call home, and prosper. And yet, we are surrounded and sustained by endless stories of hope and success, personal achievements, dreams realized and strong communities. None of this would have been possible without the unwavering support that we have received from the Administration and from the Legislature during these uncertain times. Our mission of promoting adequate, affordable housing and economic opportunities for low-income families and individuals, free from discrimination, has never been more important. We look forward to our continued collaboration in providing such critical housing services to those most in need in our community.

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, 2021 included the following statistics:

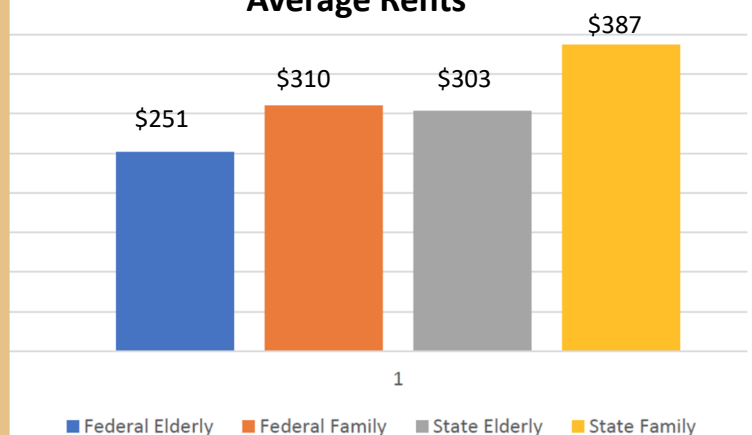
HPHA's portfolio of **85 properties** consists of **6,270** units of low-income public housing across the State:

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

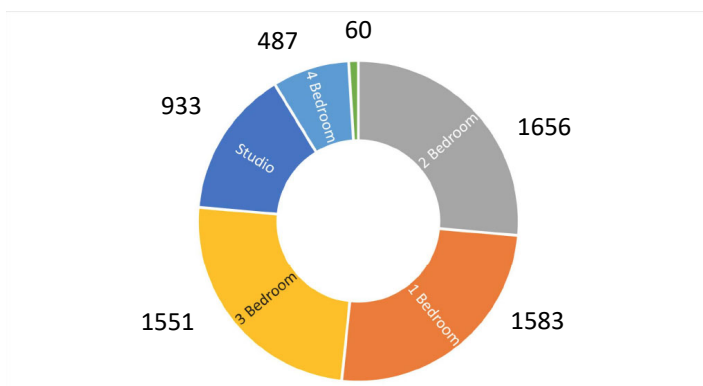
85 properties are grouped into **Seventeen (17) Asset Management Projects**

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

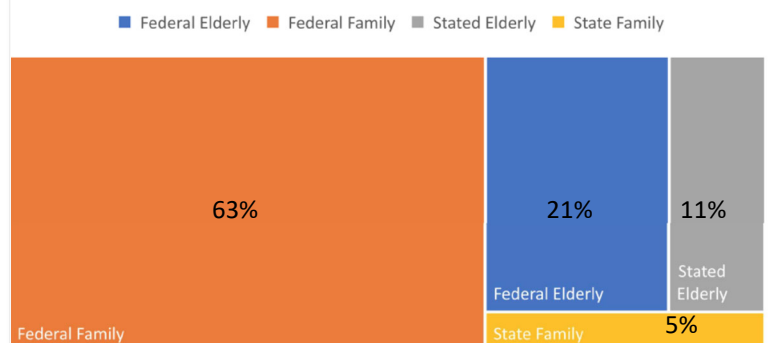
Average Rents



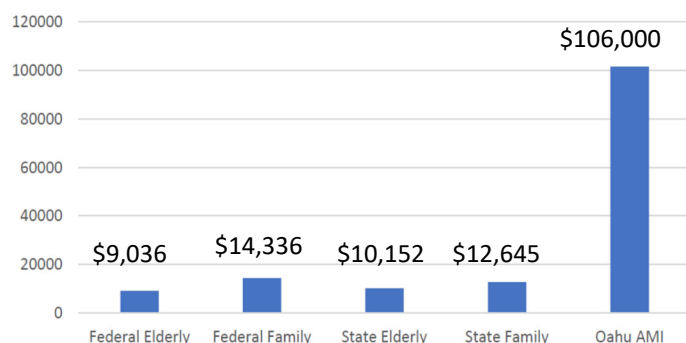
Active Unit Mix



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 FY21 = **\$106,000**
- **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

Resident Outreach

The HPHA continued to collaborate with the State Department of Health Public Health Nurses and Hawaii National Guard to combat the spread of COVID-19 in its public housing properties. Outreach teams carried out multiple resident canvassing events to educate the community about the virus and offer free testing for those who were symptomatic. Residents were also advised to access the HPHA's new COVID-19 website (www.hphaishereforyou.org) which was developed in partnership with the University of Hawaii to provide up-to-date information, resources, and support. Throughout the past year, the HPHA distributed face masks, hand sanitizers, cleaning supplies, and other personal protective equipment to any and all households that requested them.

COVID-19 Vaccination Clinics

The HPHA worked with the State Department of Health, State Executive Office on Aging, City and County of Honolulu Department of Community Services Elderly Affairs Division, American Association of Retired Persons (AARP), Hawaii Public Health Institute, Project Vision, Hawaii Pacific Health Medical Group, Kaiser Permanente, Queens Medical Center, 5 Minute Pharmacy, Pharmacare, Times Pharmacy, Papa Ola Lokahi, Kamehameha Schools, and other non-profit groups to conduct thousands of safe and convenient COVID-19 vaccination clinics at our public housing properties.

The elderly and disabled tenants were addressed first, with family properties being administered soon after. The collaborative effort has focused on vulnerable populations, especially for those in underserved communities who speak English as their second language and may not know how to navigate the healthcare system or vaccination registration process.



Elderly and disabled tenants participated in the Kalakaua Homes, Makua Alii, and Paoakalani vaccination clinic on March 15, 2021.



Public housing tenants at the Kalihi Valley Homes vaccination clinic on May 4, 2021.

Federal and State Public Housing Program

COVID-19 Vaccination Clinics

HPHA Vaccination Clinics	
Property	Date
Pomaikai Homes	January 5, 2021
Hale Hookipa	January 14, 2021
Nani Olu	January 14, 2021
Hale Olaloa	January 26, 2021
Pahala	February 2, 2021
Hale Aloha O Puna	February 5, 2021
Hale Hauoli	February 5, 2021
Kalakaua Homes	March 15, 2021
Makua Alii	March 15, 2021
Paoakalani	March 15, 2021
Kamalu	March 18, 2021
Hoolulu	March 18, 2021
Laiola	March 20, 2021
Hale Nana Kai O Kea	March 21, 2021
Home Nani	March 21, 2021
Halia Hale	March 23, 2021
Pumehana	March 24, 2021
Kupuna Home O Waialua	March 25, 2021
Kalanihuia	March 25, 2021
Punchbowl Homes	March 27, 2021
Makamae	March 27, 2021
Kapaa	April 10, 2021
Kekaha	April 10, 2021
Eleele	April 17, 2021
Port Allen	April 17, 2021
Hui Hanamaulu	April 17, 2021
Kalihi Valley Homes	April 20, 2021
Palolo Valley Homes	April 22, 2021
Puuwai Momi	April 23, 2021
Hale Hoolulu	April 24, 2021
Kalaheo	April 24, 2021
Mayor Wright Homes	April 27, 2021
KPT Low-Rise	April 29, 2021
Kuhio Homes	April 29, 2021
Waimaha Sunflower	May 2, 2021
Kaahumanu Homes	May 4, 2021
Kamehameha Homes	May 4, 2021
Wahiawa Terrace	May 7, 2021
Kauiakalani	May 11, 2021
Koolau Village	May 12, 2021
Hookipa Kahaluu	May 12, 2021
Kaneohe Apartments	May 12, 2021

HPHA Vaccination + Booster Clinics	
Property	Date
Paoakalani	November 8, 2021
Makua Alii	November 8, 2021
Kalakaua Homes	November 8, 2021
Hoolulu	November 29, 2021
Kamalu	November 29, 2021
Laiola	November 30, 2021
Kalanihuia	December 1, 2021
Pumehana	December 1, 2021
Punchbowl Homes	December 2, 2021
Kupuna Home O Waialua	December 7, 2021
Makamae	December 7, 2021
Hale Poai	December 9, 2021
Halia Hale	December 10, 2021



The Queens Health Systems nurses and medical personnel gather to game plan and pray for the Kamehameha and Kaahumanu Homes vaccination event on May 4, 2021.

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 recently received an additional 182 Emergency Housing Vouchers through the American Rescue Plan of 2021. The HPHA’s goal is to build upon the momentum it achieved during the last fiscal year when 846 newly qualified households were enrolled in the Section 8 program.

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, 2021 included the following statistics:

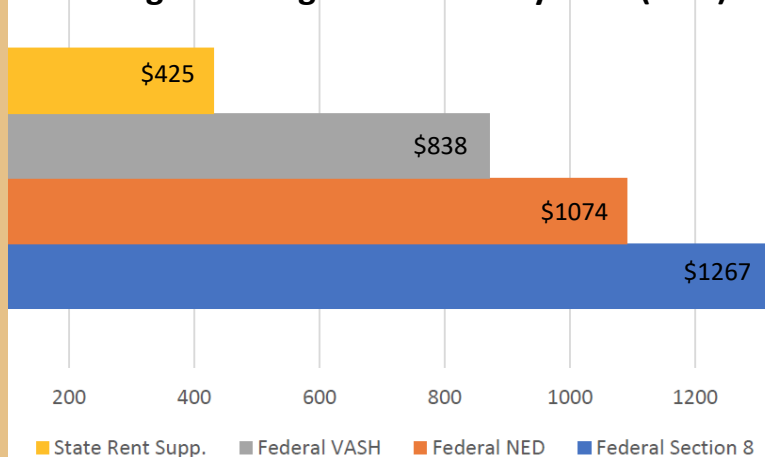
2,726 HUD Housing Choice Vouchers,
Avg. Housing Assistance Payment
(HAP) = **\$1,327** per month

133 Non-Elderly Disabled Vouchers (NED)
Average HAP = **\$1074** month

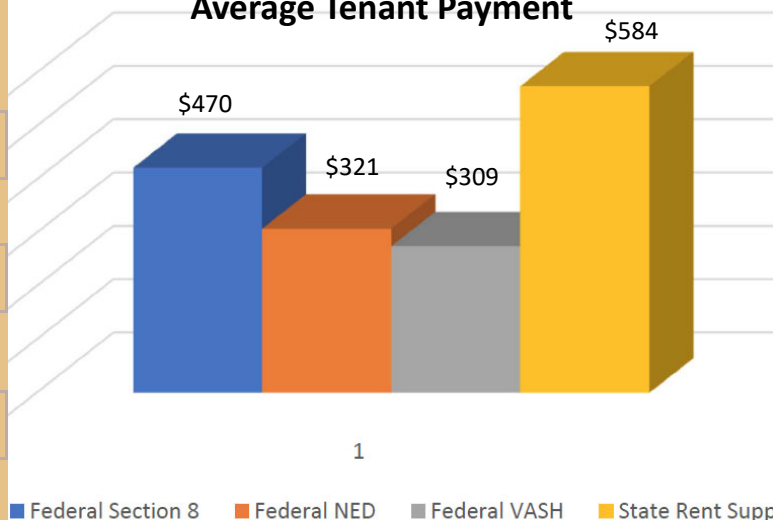
425 Veterans Affairs Supportive Housing
(VASH) , Avg. HAP = **\$838** month

239 State Rent Supplement Program

Average Housing Assistance Payment (HAP)



Average Tenant Payment



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

Avg. payment of **\$425** per household

Section 8 Rental Subsidy Programs Branch

MAINSTREAM VOUCHERS

In addition to the regular tenant-based and project-based voucher programs, the HPHA also administers mainstream vouchers that assist non-elderly persons with disabilities. Mainstream vouchers are administered using the same rules as other housing choice vouchers, but their funding and financial reporting are separate. The HPHA was awarded funds from the Mainstream Voucher Program Fiscal Year 2019 Notice of Funding Availability (NOFA) (FR-6300-N-43). The HPHA contracted the Financial Management Center to distribute 60 mainstream vouchers, with a budget authority of \$850,040 for a term of 12 months. There were 26 participants as of June 30, 2021.

FOSTER YOUTH TO INDEPENDENCE VOUCHERS

HUD's Foster Youth to Independence (FYI) initiative allows the HPHA to provide housing assistance on behalf of youth at least 18 years and not more than 24 years of age who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act, and are homeless or are at risk of becoming homeless. FYI vouchers only provide housing assistance up to 36 months. Youth receiving an FYI voucher are also provided supportive services that assist them on their path to self-sufficiency. The HPHA has entered into a Memorandum of Agreement with the Child Welfare Services Branch of the State Department of Human Services as part of administering the FYI initiative. The HPHA is also working to establish a policy to transition FYI voucher participants to Housing Choice Vouchers once the participant has reached the maximum allowed time. As of June 30, 2021, the HPHA has five participants.

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 21, eight participants graduated from the FSS program with over \$88,000 in savings.



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.

Despite the challenges of the COVID-19 pandemic, HPHA remained committed to providing affordable housing and services that improved the quality of life, safety, and personal successes of the residents we serve and our surrounding communities. The Governor's issuance of Emergency and Supplemental Proclamations helped alleviate the impacts of the pandemic on individuals and families living on the edge, faced with loss of jobs and livelihoods. CMB performed emergency work to quickly make vacant units livable again for families by utilizing a suspension of rules allowed under HRS Section 103D.

HPHA's highest priority is ensuring each resident has access to a clean, safe, and healthy living environment by upgrading major infrastructure, removing hazardous materials such as lead-based paint, asbestos, and contaminated soils.

During FY21, 142 units were returned back into service as part of a larger modernization projects or Type C unit repairs. Type C vacant units are units damaged to the point of requiring an architect or engineer to design and a licensed contractor to construct needed repairs. HPHA was enabled to perform procurements at a faster rate due to the Governor's Emergency Proclamations.

We will continue in our efforts to maximize any appropriation it receives by tackling the much-needed deferred maintenance of the agency's aging inventory. The goal of HPHA's CIP request is to seek funding for construction projects that will be shovel ready by the time the funds are released.

Funding as of June 30, 2021:

In Contract:

\$25,554,576 – Federal funds (Capital Fund Program, CFP)

\$146,459,577 – State funds (Capital Improvement Projects, CIP)

\$172,014,153 – Total in Contract

New Contracts in FY 2020-2021:

5 New Consultant Contracts

9 New Construction Contracts

15 New Service Contracts

5 In-House Designs

14 Total New Contracts (plus 5 in-house designs and 15 service contracts)

\$697,237 in New Consultant Contracts

\$33,401,075 in New Construction Contracts

\$5,314,988 in New Service Contracts

\$39,413,300 Total New Contracts

Budgeted:

\$43,967,527 – Federal CFP funds appropriated and budgeted

\$167,878,501 – State CIP funds appropriated and budgeted

\$211,846,028 – Total Budgeted

Expended:

\$7,573,435 – Federal funds (CFP 727 – 730)

\$112,858,670 – State funds (CIP FY13-14 – 20-21)

\$120,432,105 – Total Expended

**Construction Management Branch
FY 2020-2021**

PROJECT: Modifications to ADA Unit Entrances at Hale Laulima (HA 1027)
CONTRACTOR: T. Iida Contracting, Ltd. (CMS 20-06), \$123,400.00 CIP
CONSULTANT: CDS International (Missed ADA Requirements from Contract CMS 13-26), \$0
PROJECT COMPLETION: August 2020

SCOPE: Improvements include modification to stair structures, access to front entrances from sidewalk and access to laundry facilities at rear entrances to meet ADA requirements for four units. Build temporary ADA compliant pathway for tenants during construction and remove after construction complete.



Before: Typical building front entrance exterior



After: Typical building front entrance exterior



Before: Typical building rear entrance exterior



After: Typical building rear entrance exterior

**Construction Management Branch
FY 2020-2021**

PROJECT: Modernization of Salt Lake Apartments Phase 2
CONTRACTOR: Hako Construction. (CMS 14-04), \$5,465,337.28 CIP / \$2,485,530.36 CFP
CONSULTANT: Awa and Associates, LLC (Awa)
PROJECT COMPLETION: September 2020

SCOPE: Complete renovation: new plumbing, electrical, and fire alarm systems, new accessible and for the visual and hearing impaired units, parking lot and landscape.



Before: Exterior



After: Exterior



Before: Kitchen



After: Kitchen



Before: Bathroom

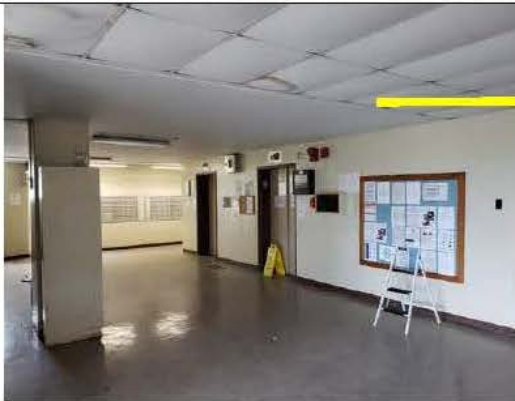


After: Bathroom

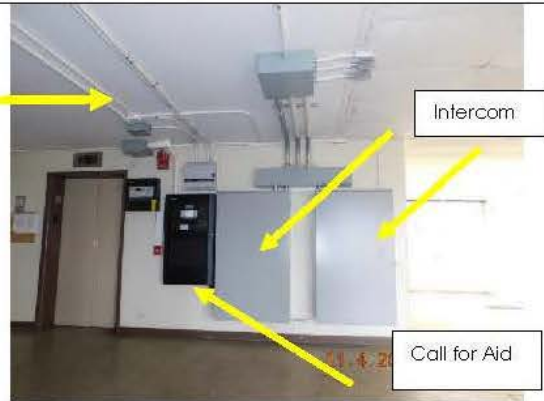
**Construction Management Branch
FY 2020-2021**

PROJECT: Upgrade to Fire Alarm Systems at Punchbowl Homes, HA 1011
CONTRACTOR: Rambaud Electric, LLC, (CMS 17-22), \$2,004,248.00 CFP
CONSULTANT: InSynergy, Inc. (CMS 11-04),
PROJECT COMPLETION: November 2020

SCOPE: Installation of new and complete Call for Aid and Intercom Systems.



Before photo of the Punchbowl Homes Lobby without the call for aid and Intercom panels



After photo of the Punchbowl Homes Lobby with the newly install Call for Aid and Intercom panels



Before photo of the Punchbowl Homes Lobby without the call for aid annunciator



After photo of the Punchbowl Homes Lobby with the newly installed call for aid annunciator



Before photo of the old intercom system



After photo of the newly installed intercom System

**Construction Management Branch
FY 2020-2021**

PROJECT: Repairs to 15 Vacant Units on Oahu
CONTRACTOR: Amethyst Builders, LLC. Contract No. CMS 20-25 \$1,078,263.00
CONSULTANT: None
PROJECT COMPLETION: March 2021

SCOPE: Repair 15 vacant units at various AMPs to make them rentable under the COVID 19 Emergency Proclamations. AMPs affected are Puuwai Momi, Waipahu I, Hauiki Homes, Puahala Homes and Waimaha-Sunflower.



Before: Puuwai Momi



After: Repaired Bathroom



Before: Hale Laulima



After: Repaired bathroom

**Construction Management Branch
FY 2020-2021**

PROJECT: Repairs to 30 Vacant Units on Oahu
CONTRACTOR: Artistic Builders, Corporation. Contract No. CMS 20-24 \$2,311,161.43
CONSULTANT: None
PROJECT COMPLETION: March 2021

SCOPE: Repair 30 vacant units at various AMPs to make them rentable under the COVID 19 Emergency Proclamations. AMPs affected are Mayor Wright Homes, Kaahumanu Homes, Paoakalani, Kalakaua Homes, Makua Alii, Kalanihulia, Makamae and Pumahana.



Before: Mayor Wright Housing



After: Repaired Kitchen



Before: Kaahumanu



After: Repaired Kitchen

**Construction Management Branch
FY 2020-2021**

PROJECT: Renovate Burnt Unit at Lanakila Homes, HA 1013
CONTRACTOR: Stan's Contracting, Inc. (CMS 20-02), \$408,700.00 CFP
CONSULTANT: N/A (In-House)
PROJECT COMPLETION: May 4, 2021

SCOPE: Renovate Building 10 which was damaged by fire.



Before: Damaged building exterior.



After: Building exterior was repaired, including the installation of new roof panels.



Before: Inside damaged unit.



After: Repaired unit.

**Construction Management Branch
FY 2020-2021**

PROJECT: Spall Repair and Painting at 19 Buildings and Site Improvements at Kaahumanu Homes, HA1009

CONTRACTOR: Shioi Construction, Inc (CMS 14-29), \$4,980,000.00 CIP, \$504,254.00 CFP

CONSULTANT: HDR Engineering, Inc. (CMS 12-04), \$540,292.34 CIP, 8,689.78 CFP

PROJECT COMPLETION: June, 2021

SCOPE: Spall repair to 19 buildings, Paint and perimeter security fencing and gates.



Before: Typical building exterior



After: Typical building exterior has been renovated



Before: Typical perimeter fencing



After: Typical perimeter fence

Construction Management Branch

\$18,100,232 Total Completed Design/Construction Project Costs in FY 2020-2021

15 Completed Design + Construction Projects (Capitalized) in FY 2020-2021

08/24/2020 – **Waipahu I** – Structural Assessment; Des: \$15,971 CFP

08/24/2020 – **Waipahu II** – Structural Assessment; Des: \$15,971 CFP

09/05/2020 – **Salt Lake Apartments** – Major Modernization Ph II; Des: \$94,935 CIP;
Const: \$7,869,905 (\$5,384,375 CIP, \$2,485,530 CFP)

10/21/2020 – **Hale Laulima** – ADA Modifications; Des: \$0; Const: \$123,400 CIP

11/06/2020 – **Punchbowl Homes** – Call for Aid Upgrade; Des: \$134,425 CIP;
Const: \$2,004,248 CFP

12/08/2020 – **AMP 38 (Kaua`i)** – Emergency Proclamation Vacant Units Repairs; Des: In-House;
Const: \$1,522,016 AMP Federal Operating Funds

01/12/2021 – **Hui O Hanamaulu** – AMP 38 Infrastructure Improvements; Des: \$87,317 CIP;
Const: \$556,250 CIP

01/12/2021 – **Hale Nana Kai O Kea** – AMP 38 Infrastructure Improvements; Des: \$130,757 CIP;
Const: \$365,075 CIP

01/12/2021 – **Hale Ho`olulu** – AMP 38 Infrastructure Improvements; Des: \$30,124 CIP;
Const: \$31,140 CIP

01/26/2021 – **Hale Aloha O Puna** – Emergency Proclamation Vacant Units Repairs;
Des: In-House; Const: \$361,891 AMP Federal Operating Funds

03/12/2021 – **15 Vacant Units Various O`ahu Sites** – Emergency Proclamation Vacant Units Repairs; Des: In-House; Const: \$1,078,263 AMP Federal Operating Funds

03/29/2021 – **34 Vacant Units Various O`ahu Sites** – Emergency Proclamation Vacant Units Repairs; Des: In-House; Const: \$2,311,167 AMP Federal Operating Funds

05/04/2021 – **Lanakila Homes** – Burnt Unit Repairs; Des: In-House; Const: \$391,464 CIP

05/25/2021 – **Makamae** – Ventilation System Upgrade; Des: \$8,000 CIP; Const: \$95,476 CIP

05/25/2021 – **Kalanihuia** – Ventilation System Upgrade; Des: \$7,725 CIP; Const: \$63,716 CIP

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 & HUD Regulatory Waivers

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 communities that include physical distancing, wearing of facial coverings, restricting visitors, and restricting gatherings. These rules can be viewed at: http://www.hpha.hawaii.gov/referenceinformation/admin_rule.htm.

The HPHA has also taken advantage of regulatory waivers approved by HUD as a part of the federal response to the COVID-19 pandemic. The CARES Act, passed in March 2020, enabled HUD to waive certain statutes and regulatory requirements for public housing and HCV programs. Although most statutory and regulatory waivers related to the pandemic are set to expire at the end of the year, HUD issued Notice PIH 2021-34 which provided information on flexibilities it will continue to provide to PHAs. These include:

1. Flexibilities for which no waivers will be required (e.g., capital fund grant deadline extensions, income verification hierarchy alternatives, remote video housing quality standards inspection, etc.);
2. PHA-requested waivers which HUD will review through a streamlined process; and
3. Additional PHA-requested waivers that HUD will review through its normal review process.

Planning and Evaluation

Broadband Pilot Project with HDOT, Hawaiian Telcom

The HPHA is working with the Hawaii Department of Transportation (HDOT) Highways Division to incorporate our public housing properties into their Broadband Pilot Project with Hawaiian Telcom, Inc. The project would provide free broadband Wi-Fi to 421 units at seven State public housing properties over the next three years. The family State public housing projects include Puahala Homes I-IV (128 units) and Hauiki Homes (46 units). The elderly State public housing projects include Halia Hale (41 units) and Hale Poai (206 units). Community meetings to discuss the project are scheduled for December 2021.

The HPHA included the project in its 2022-2023 Public Housing Agency (PHA) Plan. On October 21, 2021, the HPHA Board of Directors approved to enter into a Memorandum of Agreement (MOA) with HDOT. The HPHA hopes to fulfil all federal requirements established under the National Environmental Protection Act (NEPA) by March 2022. Afterwards, the HPHA plans to enter into another MOA with HDOT to provide broadband Wi-Fi to 1845 units at 17 federal public housing properties statewide over the next three years, per available funding.



Moving to Work Demonstration Program

The HPHA submitted its Moving to Work (MTW) Plan and Application Package to HUD's MTW Demonstration Program Expansion for FY21 Cohort #4—Landlord Incentives. The HPHA would implement three landlord incentives if selected. These incentives were based on an assessment of local rental housing market conditions and feedback from landlords. They include:

1. Vacancy Loss Payments

Example: The HPHA could pay a landlord up to one month of contract rent as reimbursement for the time the unit spent vacant in between Section 8 participants. This would apply to tenant-based vouchers only.

2. Front-End Vacancy Loss Payments

Example: The HPHA could pay a landlord up to one month of contract rent as reimbursement for the time the unit spent vacant when the previous tenant was not a Section 8 participant. This would apply to tenant-based vouchers only.

3. Other Landlord Incentives—Signing Bonuses

Example: The HPHA could provide an incentive payment, or “signing bonus”, of up to one month of contract rent to incentivize landlords to join the Section 8 program. This would apply only to tenant based vouchers only.

To read the HPHA's MTW application package, please see:

<http://hpha.hawaii.gov/mtw/>

HUD is expected to announce its selections in Quarter 1 of 2022.

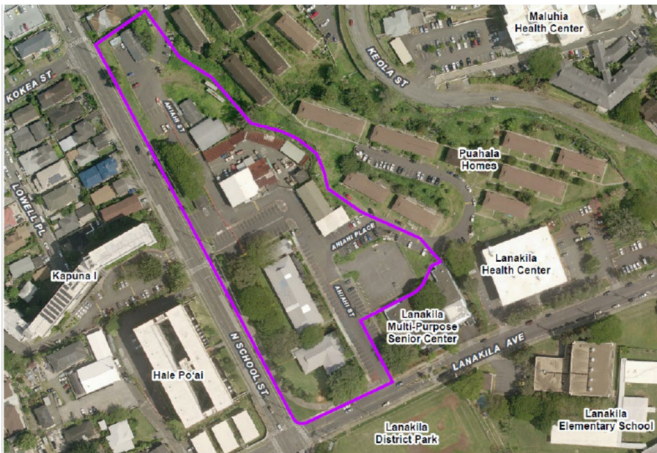
Redevelopment

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.

School Street Elderly Affordable Housing

HPHA has partnered with nonprofit Retirement Housing Foundation to redevelop HPHA's administrative campus located at 1002 N School Street for affordable housing.

The project will deliver 800 age-restricted senior, affordable housing units over three development phases expected to be completed over an eight- to 10-year development horizon.



Community engagement has been a hallmark of the development effort culminating in the approval of the project's 201H zoning and entitlement application by the Honolulu City Council on November 5, 2020 as Resolution 20- 251, CD1, FD1.

The Resolution granted the project approximately \$9.9 million in fee and other exemptions from statutes, ordinances, charter provisions, and rules relating to planning, zoning, construction standards for subdivision and development pursuant to HRS Sections 46-15.1 and 201H-38.

The project also received \$40 million in appropriation support as part of the Governor's FY 21 - 22 Budget. The project has applied for Low Income Housing Tax Credits (LIHTC) under the State's Qualified Allocation Plan administered by the Hawaii Housing Finance and Development Corporation (HHFDC).

While the HPHA and its development partner await HHFDC's determination on the allocation of LIHTC, the project team continues to prepare its permit submission to the City and County of Honolulu's Department of Planning and Permitting.



Redevelopment

Kuhio Park Terrace Low-rises and Homes

HPHA and Michaels Development Company (MDC) continue to work expeditiously on this project under a Restated and Amended Master Development Agreement (MDA) executed in June 2020. Contracts have been finalized and executed with the primary consulting team including a project architect, planner, and civil engineer. The updated Master Planning and Environmental Review efforts are now underway.



Kuhio Park Towers RAD Conversion

HPHA and MDC are also moving forward with the Rental Assistance Demonstration (RAD) conversion for Kuhio Park Towers. This project will convert the remaining 347 public housing units in this development to a Project Based Voucher (PBV) subsidy program to best serve our residents. The United States Department of Housing and Urban Development (HUD) issued Commitments to Enter into a Housing Assistance Payment (CHAP) to HPHA in October 2018 for Kuhio Park Towers, Kuhio Homes, and Kuhio Park Terrace Low-Rise. A Financing Plan for the conversion for Kuhio Park Towers was submitted to HUD in December 2020. HUD's Office of Multifamily Housing issued a RAD Conversion Commitment (RCC) for the conversion of the remaining public housing units at Kuhio Park Towers to PBV under the RAD program in May 2021. The RAD conversion, the first such conversion completed in Hawaii, successfully closed on November 30, 2021 with a Housing Assistance Payment ("HAP") effective contract date of December 1, 2021.



Mayor Wright

Much progress has been made on this project since HPHA terminated its Master Development Agreement with Hunt Companies (Hunt) for convenience in July 2020. HPHA has been working with an architectural firm to complete several potential gross massing designs based for the project based on the existing Master Plan. The gross massing design will inform the final 201H-38 zoning and entitlement application for the project and will also be presented for comment during public engagement once the new development partner has been selected and COVID-19 protocols allow. Procurement for a new development partner for phase 1 of the project is now underway.



Redevelopment

Hawai'i County—Lanakila Homes Project

HPHA's Lanakila Homes project on the Island of Hawai'i has been selected by the state Office of Planning and Sustainable Development (OPSD) for funding under its FY21 \$1.5 million CIP (GO) appropriation (Act 6, SLH 2020, Section 3, Item K, Capital Project No. 0.1). HPHA's Lanakila project was granted the largest award at \$550,000.

The OPSD grant will provide funding for an updated Master Plan for the site to address new site conditions and streets that will need to be constructed to the recently revised County of Hawai'i Standards. The updated Master Plan will also examine how additional density could deliver additional affordable housing units, what the appropriate demographic mix of those units should be, and determine what infrastructure may be required to support them. Additionally, as the County of Hawai'i moves forward with its Complete Streets program to provide a functional multi-modal transportation system, HPHA recognizes the importance of creating adjacent streetscapes that provide "first and last mile" walking and bicycling opportunities. This can facilitate ease of access to future nearby bus facilities along Mo'ho'uli and Kino'ole Streets. Improvements may include sidewalk infill, installation of bike lanes, curb extensions, safe crossings, and potential bus stops.

This award was the result of a highly collaborative effort between the HPHA and multiple Hawai'i County agencies including but not limited to the Office of Housing and Community Development, the Department of Public Works, the Planning Department, and the Mass Transit Authority. An RFQ for Professional Services to complete the Master Plan and Environmental Review has been issued (RFQ-DEV-2021-18). The HPHA looks forward to continuing these efforts to benefit the residents of Hawaii County.

Maui County

HPHA's Kahekili project located in the Wailuku redevelopment district of Maui also submitted a proposal to the OPSD for a CIP TOD planning grant in FY21. Unfortunately, this project was not selected for a planning award. The property was, however, added to the State's Strategic TOD plan, which better positions it for future grant and funding opportunities. HPHA plans to submit to OPSD for a CIP TOD FY22 planning grant.

Kauai County

HPHA continues to explore the possible development or redevelopment of its properties on Kauai, including a vacant parcel of land next to the Hale Ho'olulu property and the public housing site at 4726 Malu Road. No definitive plans have been confirmed at this time due to the ongoing COVID-19 pandemic.

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 800 tenant requests for R.A.s
- Expended \$57,034.52 for over 2,000 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, 2021, out of a total of 5,926 units, 388 units or 5.70% were accessible for mobility and 178 units or 3.0% were accessible for the visual/hearing impaired. With another 42 units for mobility and 30 units for the visual/hearing impaired currently under construction. With continued legislative support, HPHA will be achieve its goals of expanding housing accessibility for the most disadvantaged members of our community.

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.

For Fiscal Year 2021, the Hearings Office received 24 case referrals, 14 for cases relating to criminal activities, drug use, or misconduct. The other cases involved: Failure to recertify, denying management entry to install necessary equipment, unauthorized equipment storage, and repeatedly parking unauthorized vehicles on site. For this period, a total of 21 families were evicted statewide, 1 placed on conditions, 1 was offered voluntary departure, and 1 has not gone to hearing yet. Due to the COVID-19 pandemic, the HPHA did not evict any families for nonpayment of rent.

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) maintains the strategic direction of the HPHA through supporting core functions such as communication, data management, process improvement and resource planning.

The constant challenges presented by the ongoing COVID-19 pandemic resulted in the continued reliance upon teleconferencing infrastructure to comply with State and local social distancing requirements. The ITO was critical in providing technical assistance to staff and residents connecting to virtual meetings on Zoom and Microsoft Teams.

As the agency shifts towards streamlining and digitizing some of its many services and housing processes, the ITO also took steps to improve the online security of the HPHA's staff. Virtual Private Network access was set up for approved work computers and laptops to further protect confidential resident and staff information. The ITO also assisted the Applications Office with the development of its online waiting lists (i.e. WebApp and Applicant Portals). These services will help the HPHA in its goal to provide much needed housing related assistance statewide in as efficient and prompt a manner as possible.

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 over 300 Full-Time and Tenant Aides in various Civil Service and Exempt capacities statewide as of June 30, 2021. Pursuant to Section 356D-2 HRS, the HPHA provides the following on the employment of civil service positions.

While other state employees continue to work from home (telework), our employees continue to report to work during this second year of the Covid pandemic in providing customer service to the general public and our residents. This year, we are proud to present Team Award to our Section 8 Branch and Sustained Superior Award to our Development Officer.

The State Incentive and Service Awards Program, established by Section 78-29 of the Hawai'i Revised Statutes, is a statewide program that promotes the recognition of employees who contribute to the efficiency, economy, or other improvement of government operations or who perform exceptionally meritorious special acts or services in the public interest, and for their loyal and dedicated service.

Sustained Superior Performance Awardee is nominated based on: the nominee's achievements including: 1. exceptional contributions to the attainment of program objectives; 2. Significant improvements in the delivery of service or cost savings to the State, or both; 3. Sustained superior performance in one's job during the current contest year, 2020-2021; 4. Significant contributions to social, scientific or technological progress; 5. Creative solutions to difficult government problems; and 6. Distinctive participation in professional and community affairs.)

This year, we are proud to announce that **Kevin Auger, Redevelopment Officer** was nominated and selected as the HPHA's Sustained Superior Performance Awardee for his significant contributions to the HPHA's billion-dollar redevelopment efforts at Kuhio Park Terrace, Mayor Wright Homes, School Street Senior Housing, and other TOD projects.



L-R: Executive Director Hakim Ouansafi and HPHA Redevelopment Officer Kevin Auger

Human Resources

The Team of the Year is nominated based on: (1) the way and degree to which the team demonstrated exemplary initiative and leadership, outstanding work performance, creativity and innovation in achieving work efficiency or generating revenues or cost savings, and/or significant contribution towards the attainment of program objectives; and (2) benefits or results realized.

This year, we are proud to announce that the **Section 8 Lease In Place Team** was nominated and selected by the Department of Human Services for their exemplary efforts. The team, who had set a goal of leasing up 250 new applicants found themselves processing over a thousand applications. The expectation was that the application processing would follow the normal course and the team expected that a majority of the applications would become ineligible bringing them to their lofty goal of issuing 250 vouchers to new families. What happened instead was rather than falling out of the process, the majority of applicants were processed as eligible and the staff ended up processing over a thousand applications. When all was said and done, the HPHA's Lease In Place team surpassed their goal of 250+ new applicants and had enrolled 795 new families (representing over 2,300 individuals) into the Section 8 program. They had tripled their goal.

While many others outside the Branch assisted when time permitted, the Section 8 Lease In Place team did the bulk of the heavy lifting to bring this effort to fruition.



L-R: Dewayne Malachi, Sarah Beamer, Taryn Rivera, Adam Quon, Cosme Caal, John Forrester, Karl Schiller, John Velligas, Noelani Gaumont, Mary Jane Jaralba, Sydney Kameenui, Suzane Lacuesta, Shenandoah Greco, Samson Dang, Gary Shinde, Lyle Matsuura, Barney Wagner, and Gary Nakatsu. (Missing: Angela Abrams, Noble Ah Choy, Nelson Lee, Lisa Oura,)

Financial Management Office

The Fiscal Management Office (FMO) provides fiscal oversight for all budgeting and accounting needs of the Hawaii Public Housing Authority (HPHA). During Fiscal Year 2021, the FMO processed 763,000 financial transactions, and disbursed over \$186 million in expenditures. The FMO generates the HPHA's Annual Financial Reports and Financial Data Schedules to report to HUD. The FMO continues to improve, through staff training, strengthening quality control, and consistently implementing operational procedures to gain operational effectiveness and efficiency.

All financial statements are generated in-house by the FMO and must be GAAP-compliant adhering to Federal and State Regulations. Accordingly, the HPHA FMO has steadily improved in compliance with Generally Accepted Accounting Principles as well as federal and state requirements. This has resulted in the HPHA having no audit findings in the past four (4) consecutive fiscal years. As such, the agency has been qualified as a low-risk auditee since Fiscal Year 2019.

Financial Data and Auditor's Report:

HAWAII PUBLIC HOUSING AUTHORITY Condensed Statements of Net Position June 30, 2021 and June 30, 2020 (In thousand of dollars)

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	72,856	66,318	91,981	98,071	164,837	164,389
Capital assets	3,806	3,788	371,362	377,093	375,167	380,881
Other assets	0	0	8,717	8,717	8,717	8,717
Total Assets	76,661	70,106	472,060	483,880	548,721	553,986
Deferred Outflows of Resources	623	747	8,900	10,094	9,522	10,840
Total Assets & Deferred Outflows of Resources	77,284	70,853	480,959	493,973	558,243	564,826
Liabilities						
Current and other liabilities	4,296	7,353	8,958	7,150	13,254	14,503
Long-term liabilities	5,891	5,865	77,879	76,641	83,770	82,505
Total Liabilities	10,187	13,218	86,837	83,791	97,024	97,009
Deferred Inflows of Resources	195	23	3,322	1,212	3,517	1,236
Net position						
Investment in capital assets	3,806	3,788	371,362	377,093	375,167	380,881
Restricted	207	90	0	0	207	90
Unrestricted	62,889	53,734	19,438	31,877	82,328	85,611
Total Net Position	66,902	57,612	390,800	408,970	457,702	466,582
Total liabilities, Deferred Inflows of Resources and net position	77,284	70,853	480,959	493,973	558,243	564,826

Financial Management Office

Financial Data and Auditor's Report (Continued):

HAWAII PUBLIC HOUSING AUTHORITY								
Government-Wide Statements of Activities								
June 30, 2021 and June 30, 2020								
(In thousands of dollars)								
	Governmental Activities		Business Activities		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues								
Program Revenues:								
Charges for services	551	514	24,489	24,989	(944)	(854)	24,095	24,649
Operating grants and contributions	85,451	76,999	33,687	31,070			119,138	108,069
Capital grants and contributions	0	0	5,863	3,005			5,863	3,005
Other income	1	1	207	406			208	406
General Revenues:								
State allotted appropriations, net of lapsed funds	27,908	8,769	0	0			27,908	8,769
Total revenues	113,911	86,283	64,246	59,470	(944)	(854)	177,212	144,898
Expenses								
Governmental Activities								
Rental housing assistance program	90,948	79,600			(944)	(854)	90,003	78,746
Business-type activities								
Federal low rent housing program			79,783	70,155			79,783	70,155
State and other housing program			11,272	11,181			11,272	11,181
Other program			5,032	5,389			5,032	5,389
Total government-wide expenses	90,948	79,600	96,087	86,725	(944)	(854)	186,090	165,471
Excess (deficiency) of revenues over (under) expenses	22,963	6,682	(31,841)	(27,255)	0	0	(8,878)	(20,572)
Capital contributions	(9,676)	(28,152)	9,676	28,152			0	0
Transfers	(3,996)	(5,614)	3,996	5,614			0	0
CHANGES IN NET POSITION	9,290	(27,084)	(18,169)	6,512	0	0	(8,878)	(20,572)
Net position, beginning of year	57,612	84,696	408,970	402,458			466,582	487,154
Prior fiscal year adjustment	0	0	0	0			0	0
Total net position, end of year	66,902	57,612	390,801	408,970	0	0	457,703	466,582

Financial Management Office

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.

Non-general Funds

<u>Fund Name</u>	Cite of Law	Intended purpose	Current program activities
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

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, 2021 (in \$1,000)

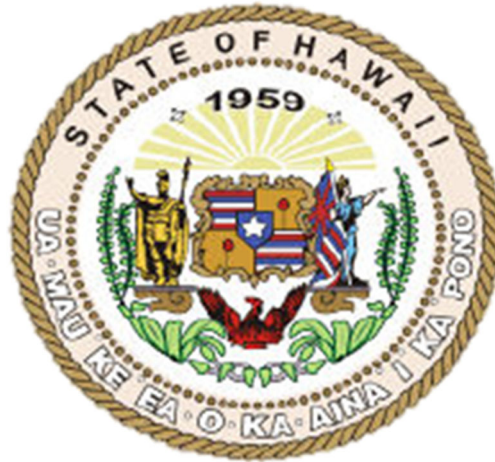
Fund Number	Fund Name	Beginning Balance	Expenditure	Revenue	Transfer in	Encumbrance	Ending Balance
		07/01/20	FY20 -21	FY20 -21	FY20 -21	06/30/21	06/30/21
308	State Low-income Housing Revolving Fund	1,119	2,349	1,565		282	335
332	Public Housing Revolving Fund	7,700	33,208	28,405			2,896
335	Vehicle Rental Revolving Fund	723	217	127			633
336	Equipment Rental Revolving Fund	804	27	28			805
337	Housing for Elders Revolving Fund	5,411	2,356	2,236		562	5,292
912	Payroll Clearing Trust Account	0	25,986	25,986			0
913	Temporary Deposit - Payroll Overpayment Trust Fund	42	0	0			42

2021 Legislative Acts

During the 2021 legislative session, the following bills were enacted which will positively impact the HPHA.

Title/ Intent	Bill Purpose	Act
RELATING TO STATE BUDGET	Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2021-2022 and 2022-2023.	Act 88

The HPHA will not pursue any legislative proposals in 2022. This portion of the report is required under Section 356D-20(3)(B), Hawaii Revised Statutes.



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