

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF
BOARD OF DIRECTORS MEETING
1002 North School Street, Building A
Honolulu, Hawaii 96817
Thursday, December 5, 2024
9:00 a.m.**

AGENDA

**THIS MEETING WILL BE HELD VIA ZOOM (INTERACTIVE AUDIO VISUAL
CONFERENCE TECHNOLOGY) OR TELECONFERENCE CALL (AUDIO-ONLY
COMMUNICATION) AND AT 1002 NORTH SCHOOL STREET, BUILDING A,
HONOLULU, HI 96817**

Viewing/Participating in the Meeting:

Zoom: The public may participate in the Board meeting as it happens via Zoom (a free video conferencing service to hold virtual meetings online) by clicking on this link: <https://zoom.us/j/81665510246?pwd=NHlyWkVKYkw1Y3puRlFOZzFmYTNXUT09>
When prompted, enter the Meeting ID: 816 6551 0246 and the Password: x71pPw

Alternatively, the public may also participate via telephone by calling: 1-669-900-6833. When prompted, callers should enter the Meeting ID: 816 6551 0246 and the Password: 771231. We request that meeting participants change the display on their device to show their first and last name to expedite rollcall. Please keep in mind that many devices will display your cellphone number if not changed.

If the Hawaii Public Housing Authority (HPHA) loses internet or Zoom connection during the meeting where audiovisual communication cannot be maintained with all participating Board members and quorum is lost, the meeting will automatically be recessed for 30 minutes to restore audiovisual communication. **Audio-Only Communication:** If the attempt to restore audiovisual communication is unsuccessful, all Board members, staff, the public may continue to participate in the Board meeting via teleconference call by calling 1-862-799-9759, whereby audio-only communication will be established for all participants and the meeting will continue. When prompted, callers outside of the United States should enter the Access Code: 8232649.

Physical Meeting Location:

The public may also attend the meeting at 1002 North School Street, Building A, Honolulu, HI 96817, which will be connected via Zoom to the remote meeting. At this time, no Board members are scheduled to be physically present at this location.

Providing/Submitting Testimony – Written, Oral, Audiovisual:

Interested persons can submit written testimony in advance of each meeting that will be distributed to the Board members prior to the meeting. Submit written testimony via email to rochelle.k.kepaa@hawaii.gov or via postal mail to the Hawaii Public Housing Authority at P.O. Box 17907, Honolulu, HI 96817. We request written testimony be submitted no later than 48 hours prior to the scheduled meeting to ensure that the testimony may be distributed to the Board prior to the meeting. Late written testimony will be distributed to the Board at the meeting and retained as part of the record and distributed to the Board members as soon as practicable, but we cannot ensure they will receive it with sufficient time for review prior to decision-making on the agenda item in question.

The Board will also consider public testimony given at the meeting on any item relevant to this agenda. Pursuant to Section 92-3, Hawaii Revised Statutes, and Section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

Individuals may submit oral testimony during the meeting by sending an email request to rochelle.k.kepaa@hawaii.gov no later than Tuesday, December 3, 2024, or by using the “Raise Hand” feature in Zoom, or by simply announcing/identifying themselves and the item they want to testify about during the public testimony portion of the meeting. Individuals may also provide audiovisual oral testimony by using the “Raise Hand” feature in Zoom, clicking the “Unmute” icon to talk, and clicking the “Start Video” icon to turn camera on.

Executive Session: If or when the Board of Directors enter executive session, all non-Board members will be moved to the virtual waiting room by the HPHA. Individuals are welcome to wait in the virtual waiting room and will be readmitted to the meeting at the end of the executive session.

I. CALL TO ORDER/ESTABLISHING QUORUM

II. PUBLIC TESTIMONY

Public testimony on any item relevant to this agenda may be taken at this time, or a testifier may wait to testify at the time the agenda item is called for discussion. Pursuant to Section 92-3, Hawaii Revised Statutes, and Section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

III. APPROVAL OF MINUTES

Regular Meeting Minutes, October 17, 2024
Regular Meeting Minutes, November 21, 2024

IV. DISCUSSION AND/OR DECISION MAKING

- A. To Accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year from July 1, 2023 to June 30, 2024 and to Authorize the Executive Director to Submit the Audited Financial Statements to the Office of the Governor, the Hawaii State Legislature, the U.S. Department of Housing and Urban Development, and Other Entities as May Be Required
- B. To Authorize the Executive Director to Execute the Grant of Easement with the County of Hawaii (County) Granting the County a Perpetual and Non-Exclusive Easement at Hale Ho'okipa, Tax Map Key: (3) 8-1-002-049, for Public Thoroughfare and County Access and Utility Purposes
- C. Status update on *Thorson v. Hawaii Public Housing Authority, et al.*, Civil No. CV23-00412 MWJS-WRP (U.S. District Court)

The Board may go into Executive Session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

The Board agenda and packet materials, which include, meeting minutes listed under item III, a written description and narrative discussion of each item and supporting documents listed under item IV, for this meeting are available for inspection on the HPHA's website: <https://hpha.hawaii.gov/meeting-packets> and are available for in person review at the Board's office located at 1002 North School Street, Building E, Honolulu, HI 96817.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Ms. Kanoë Kepaa by telephone at (808) 832-4694 or by email at rochelle.k.kepaa@hawaii.gov as soon as possible, preferably by close of business three days prior to the meeting date. Requests should be made as early as possible to have a greater likelihood of being fulfilled. If a response is received after Tuesday, December 3, 2024, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternate/accessible formats.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A
HONOLULU, HAWAII 96817
ON THURSDAY, OCTOBER 17, 2024
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held their Regular Board Meeting at 1002 North School Street, on Thursday, October 17, 2024. The Board meeting was conducted by video conference via Zoom.

The public was able to participate in the meeting via Zoom or telephone by calling in. The meeting was also open to the public for in person participation at 1002 N. School Street, Building A, Honolulu, HI 96817. No Board members were physically present at this location. It was announced that if the HPHA lost internet or Zoom connection during the meeting, the meeting would be recessed and reconvened pursuant to instructions in the posted agenda.

Chairperson Hall stated that the Board would accept public testimony on any item relevant to the agenda during the public testimony portion of the meeting and at the time the agenda item is called for discussion.

At approximately 9:08 a.m., Chairperson Hall called the meeting to order, held a roll call, and declared a quorum present. Those present were as follows and no one else was with them at their location:

PRESENT: Director Robert Hall, Chairperson
(Via Zoom) Director Betty Lou Larson, Vice Chairperson
Director Susan Kunz, Secretary
Designee Joseph H. Campos, II
Director Lisa Anne Darcy
Director Scott Glenn
Director Christyl Nagao

Deputy Attorney General Linda Chow
Deputy Attorney General Klemen Urbanc
Deputy Attorney General Chase Suzumoto

EXCUSED: Director Roy Katsuda
Director Todd Taniguchi

STAFF PRESENT: Hakim Ouansafi, Executive Director
(Via Zoom) Barbara Arashiro, Executive Assistant
Ryan Akamine, Chief Compliance Officer
Bennett Liu, Chief Financial Officer
Rick Sogawa, Contracts and Procurement Officer

Becky Choi, State Housing Development Administrator
Amanda Suyat, Hearings Officer
Shirley Befitel, Human Resources Supervisor
Gary Nakatsu, Section 8 Subsidy Program Branch Chief
Benjamin Park, Chief Planner
Nicolas Ayabe, Housing Planner
Andrew Tang, Housing Development Specialist
Kauai Seguancia, Property Management Coordinator
Dallis Ontiveros, Housing Information Officer
Stari Nakano, Secretary
Kanoë Kepaa, Secretary

OTHERS PRESENT (via Zoom/teleconference):

Chico Figueiredo, Office of the Governor
Tami Whitney, Office of the Governor
Lindsay Apperson, Office of the Governor
Ryan Kagimoto, House Finance staff
Angie Chapman, Housing Committee Clerk
Sam Arico, Highridge Costa
Caitlin Barrow, Highridge Costa
Chris Deuchar, Form Partners LLC
Scott Jepsen, EJP Consulting Group
Emily Davids, Form Partners LLC
Daniel Simonich, The Michaels Development Co.
Dina Shek, Medical-Legal Partnership for Children in Hawaii
June Talia, Kuhio Park Terrace Low-Rise Resident
Lenda Tominiko, Kuhio Park Terrace Low-Rise Resident
Ana Soke, Kuhio Park Terrace Low-Rise Resident
Faasasalu Faumui, Kuhio Park Terrace Low-Rise Resident
Onolua Tuua, Kuhio Park Terrace Low-Rise Resident
Laurie Thorson, Section 8 participant
Anna Matsunaga
Chun KB (screen name)

Public Testimony

Individuals were allowed to submit written testimony no later than 48 hours prior to the scheduled meeting, which would be distributed to the Board members. The public was instructed to submit written testimony via email to rochelle.k.kepaa@hawaii.gov or by U.S. mail to P.O. Box 17907, Honolulu, HI 96817. The public was also allowed to participate via Zoom or teleconference by using the “Raise Hand” feature in Zoom, or by simply announcing/identifying themselves and the item they want to testify about during the public testimony portion of the meeting. Individuals were also allowed to provide audiovisual oral testimony by using the “Raise Hand” feature in Zoom, clicking the “Unmute” icon to talk, and clicking the “Start Video” icon to turn the camera on.

Chairperson Hall stated that the Board would accept public testimony on any item relevant to the agenda at this time or at the time the agenda item is called for discussion. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

There was no written public testimony submitted or given.

Chairperson Hall accepted oral testimony on any agenda items from the public attendees.

Laurie Thorson provided testimony on item C of the agenda. She shared a display board that she has been sharing in front of Hawaii Public Housing Authority (HPHA) for the last two (2) weeks which alleges improper use of federal funding. She continued to state her findings of HPHA's use of U.S. Department of Housing and Urban Development (HUD) vouchers. Ms. Thorson reported that she has a current lawsuit filed against the HPHA, Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura. She also alleged that she is currently being retaliated against by the HPHA. Attached is Ms. Thorson's written testimony.

Chairperson Hall stated that due to the active lawsuit, HPHA is unable to make any comments.

Faasasalu Faumui, Kuhio Park Terrace (KPT) Low-Rise resident, expressed her concern about redevelopment efforts and living at Kuhio Park Terrace. Ms. Faumui stated that she loves her neighbors and community and does not support the redevelopment. She would like to know whether tenants will be allowed to move back to the redeveloped community.

Onolua Tuua, Kuhio Park Terrace (KPT) Low-Rise resident, expressed her love for her community. She is against Michaels building a high-rise. Ms. Tuua has seen too many people die at the KPT high-rise. She is concerned that the residents still have not been told where they will be relocated to, if they will be able to move back when the construction is completed, and what the rents will be when they return.

Lenda Tominiko, Kuhio Park Terrace Low-Rise resident, echoed the concerns of Ms. Faumui and Ms. Tuua. Ms. Tominiko asked for the agency to provide a written response regarding return rights upon completion of construction and confirmation that rents will not increase.

June Talia, Kuhio Park Terrace Low-Rise resident, would like to know if the redevelopment is a done deal because she does not want to waste people's time. She reported that there are so many unresolved issues. She is requesting a meeting with HPHA staff who can speak to the residents in layman's terms to explain the relocation process and answer the resident's questions.

Dina Shek, Legal Director of Medical-Legal Partnership for Children in Hawaii, echoed the concerns that all the residents raised. Ms. Shek did not have much to add because these concerns have been shared with the Board, Executive Director Ouansafi, and Michaels (developer) at previous meetings. She reported seeing some of the 90-Day Notices that went out to residents which had pages out of order, incorrect phone numbers for Project Managers, same units were being listed in multiple letters, and residents were not being offered comparable units. The letter offers residents four (4) option and in their individual meetings they are immediately crossed off two (2) options. Residents are being pushed to use the Section 8 Housing Choice Vouchers. Ms. Shek is asking the Board and HPHA to please do better by the tenants.

Laurie Thorson reported that SB 3120 authorizes Hakim Ouansafi to hire his own management staff and pay his management staff a salary that exceeds the Governor's salary. She stated that this is not in compliance with Hawaii Revised Statute that confirms no employee can earn a wage that exceeds the Governor's salary.

Chairperson Hall stated that he did not believe that legislation passed. He reported that this was not a matter of discussion on the agenda.

Approval of Annual Minutes

Director Campos moved,

To Approve the Annual Meeting Minutes of August 15, 2024

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

The minutes were approved as presented.

Approval of Minutes

Director Larson moved,

To Approve the Regular Meeting Minutes of August 15, 2024

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

The minutes were approved as presented.

Discussion and Decision Making

Director Nagao moved,

To Appoint No Less Than One (1) and No More Than Four (4) Directors to the HHA Wilikina Apartments Project, Inc. Board of Directors

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

Executive Director reported that in 2009, the Board of Directors of the HHA Wilikina Apartments Project, Inc. authorized said property for leasehold sale. The HPHA still holds title to the land and entered into a ground lease with VB Wilikina Limited Partnership, a Washington limited partnership. As such, the HHA Wilikina Apartments Project, Inc. Board must continue to have an active Board. The HHA Wilikina Apartments Project By-Laws, Section 1. Number, Qualifications and Election. states:

“There shall be no less than three and no less than eight (8) directors.” And “The directors of the Corporation shall at all times, be limited to individuals who are members of the commission of the Hawaii Housing Authority or persons who have the approval of the commission of the Hawaii Housing Authority.”

Executive Assistant Arashiro advised Chairperson Hall that the HPHA Board needs to appoint additional members to the HHA Wilikina Board of Directors. Current Board members include Betty Lou Larson (Chairperson), Todd Taniguchi (Vice-Chair), and Susan Kunz (Treasurer/Secretary).

Director Larson reported that in the past the HHA Wilikina Board had problems with quorum and suggested appointing two (2) additional members to the Board.

Chairperson Hall asked if any Board members would like to serve on the HHA Wilikina Apartment Project Board of Directors.

Director Larson moved that the Board appoint Director Christyl Nagao and Director Lisa Ann Darcy to the HHA Wilikina Apartment Project Board of Directors.

The motion was unanimously approved.

Director Darcy moved,

To (1) Adopt Proposed Changes to the Hawaii Public Housing Authority’s Chapter 17-2034, Hawaii Administrative Rules, entitled “State-Aided Family Public Housing Projects,” as follows:

(a) Amend Section 17-2034-2 to:

- (i) **Repeal the Definitions for “Low-Income Family” and “Very Low-Income Family;”**
- (ii) **Adopt a Definition of “Project,” “Housing Project,” or “Public Housing Project;”**
- (iii) **Include Ke Kumu Ekahi in the Definition of a “State-Aided Family Public Housing Projects;”**
- (b) **Amend Section 17-2034-3 to Exclude Tenants of the Ke Kumu Ekahi Project Who Were Admitted to the Program Pursuant to Section 17-2034-27 From the Income Limit for Continued Occupancy;**
- (c) **Amend Section 17-2034-4 to Exclude Tenants of the Ke Kumu Ekahi Project Who Were Admitted to the Program Pursuant to Section 17-2034-27 From the Asset Limit for Continued Occupancy;**
- (d) **Adopt Section 17-2034-27 to Allow the Authority to Admit Families Already Residing at the Ke Kumu Ekahi Project as of October 17, 2024, to the Program, Unless They Are Deemed Ineligible to Participate Based on the Criteria Set Forth in Section 17-2034-21;**
- (e) **Amend Section 17-2034-33 to Clarify What Projects are Served by Which Geographic Waiting Lists, and to Establish that the Ke Kumu Ekahi Project Will be Served by the North Hawaii Waiting List; and**
- (f) **Make Technical, Non-Substantive Changes to Sections 17-2034-2, 17-2034-3, and 17-2034-4 for the Purposes of Clarity, Consistency, and Style; and**
- (2) Authorize the Executive Director to Conduct a Public Hearing and Undertake All Other Actions Necessary Under Chapter 91, Hawaii Revised Statutes, and Administrative Directive No. 18-02 to Implement the Revision of Chapter 17-2034, Hawaii Administrative Rules, Including Making Non-Substantive Revisions to Formatting as May Be Required**

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

Executive Director Ouansafi reported that the Ke Kumu Ekahi Project is an HPHA-owned affordable housing project in Waikoloa Village with 48 two-bedroom units. Originally developed under the Low-Income Housing Tax Credit (LIHTC) program, its affordability period expired in 2023. Previously, the units were reserved for families earning up to 60% of the area median income (AMI).

These changes are being proposed to allow current residents to continue living at the project without being subject to income or asset limits that might otherwise force them to leave.

This approach aims to provide stability for the existing community while integrating the project into HPHA's state-aided housing program:

- Section 17-2034-2:
Repeal Definitions for "Low-Income Family" and "Very Low-Income Family": Removes outdated definitions no longer needed due to changes in how projects are classified.
- Adopt Definitions for "Project," "Housing Project," or "Public Housing Project": Introduces clear definitions to help standardize terminology and clarify which properties fall under the rules.
- Include Ke Kumu Ekahi in "State-Aided Family Public Housing Projects": Formally recognizes Ke Kumu Ekahi as part of the state-aided public housing program, aligning it with other projects under HPHA's oversight.
- Section 17-2034-3 & 17-2034-4:
Excluding Ke Kumu Ekahi Tenants from Income and Asset Limits: Tenants who were living at Ke Kumu Ekahi as of October 17, 2024, 43 families: 171 individuals, will not be subject to the program's income or asset limits for continued occupancy. This measure aims to prevent displacement of existing 18 families: 71 individuals as they transition into the program.
- Section 17-2034-27:
Admitting Current Residents of Ke Kumu Ekahi: Allows families already residing at Ke Kumu Ekahi to remain in the housing program, provided they meet eligibility criteria under Section 17-2034-21. This ensures continuity for tenants who have been part of the community.
- Section 17-2034-33:
Clarifying Geographic Waiting Lists: Updates the rules to specify which projects are served by which geographic waiting lists, helping to streamline tenant placement. The amendment designates that Ke Kumu Ekahi will be served by the North Hawaii waiting list.
- Technical Changes:
Improvements for Clarity, Consistency and Style: Non-substantive changes will be made to ensure the rules are clear and consistent throughout, making them easier for the public and staff to understand.

Director Darcy asked if any of the current residents will be excluded or are these amendments being made so that all current tenants can remain housed.

Executive Director Ouansafi reported that 18 families (71 individuals) would not qualify under the current rules. By allowing HPHA to make these rule changes, these families will not be displaced. This helps to keep stability in the community.

Director Larson asked if the rents would change for the 18 families now that they are over the AMI limit in the new system.

Executive Director Ouansafi responded that all tenant rents in this area are calculated at 30% of their income.

Director Larson asked for those tenants that qualify as is, does this also waive them in the future from any increased income and are there any rules to monitor that.

Executive Director Ouansafi reported that the only residents being exempted are those who are residents as of October 17, 2024. Anyone else coming into the program will have to qualify under the rules of State Public Housing. Everyone in the entire portfolio will be treated the same. Even the current residents who are over income.

Director Larson asked if a new family moved in and their income increases to over the 80% AMI, they can continue to stay but would have to pay the increase in rent based on 30% of their income.

Executive Director Ouansafi reported that HPHA will need to make some changes to address that issue. For the federal, HPHA has clear guidance. HPHA's goal for the next few months is to align both federal and state programs.

Director Larson asked how these changes are being communicated to the tenants.

Executive Director Ouansafi explained that once the Board approves this action it will be sent to the Governor for approval to hold a public hearing. If there are any substantive amendments then that would have to be brought back to the Board for approval, but HPHA has been transparent through this process and none of the tenants are being displaced. He also reported that HPHA will have a meeting with the residents to explain everything and answer any questions. HPHA's goal has always been to 1) how can we house as many people as we can, and 2) how can we keep them housed as long as we can.

Director Larson stated that the Board totally supports that and appreciates all the efforts.

Director Larson asked for the number of people on the North Hawaii waiting list.

Executive Director Ouansafi did not have that information available.

Director Campos thanked the entire executive team at HPHA for diligently adhering to the rules and following the guidelines as the agency tries to keep as many people housed. Director Campos expressed his full confidence in all that Executive Director Ouansafi does.

Director Kunz thanked Director Darcy and Director Larson for their questions. Director Kunz reported that Hawaii island has a few projects being developed with a wide range

of AMIs. She would like to be a part of the coordination for those people who are over income to make sure they are being transferred to housing.

Executive Director Ouansafi thanked Director Kunz for her offer and assistance.

Chairperson Hall commented that it has always been a challenge for the agency to have sufficient reserves to operate state housing projects. When the program was created, it was intended for the rents to help upkeep the properties which is impossible.

Chairperson Hall encouraged Executive Director Ouansafi to continue to do what he is doing. It is the Board's intention to keep people housed for as long as they need it.

The motion was unanimously approved.

Director Nagao moved,

To (1) Adopt Payment Standards for the Hawaii Public Housing Authority's (HPHA) Housing Choice Voucher Program for Oahu Zip Codes Where the U.S. Department of Housing and Urban Development (HUD) Has Required the Use of Small Area Fair Market Rents Effective January 1, 2025; and (2) Authorize the Executive Director to Implement the Payment Standards, Including Making Adjustments to the Payment Standards Between 90% and 120% Based on Projected Housing Assistance Funding Shortfall and Allowable HUD Waivers With Adequate Notice to Program Participants and Subject to HUD Approval

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

Executive Director Ouansafi reported the following:

- SAFMRs are calculated by HUD annually at the zip code level to better reflect local rental market conditions. They aim to ensure that payment standards are more accurate in areas with high concentrations of voucher holders. Oahu is one of 24 metropolitan areas where SAFMRs are mandatory.
- In the administration of the Housing Choice Voucher (HCV) program, HPHA is required to use SAFMRs to determine the maximum monthly subsidy (payment standard) that can be provided to voucher holders. Currently, payment standards must fall between 90% and 110% of the published SAFMR. However, due to HPHA's "Moving to Work" (MTW) designation, HUD allows HPHA to set payment standards up to 120% without additional approval.
- Market rents have increased significantly in Oahu zip codes for 2025, with average rent increases of 19% to 21% across different unit sizes. The highest increases occurred in zip codes such as 96792 (Waianae, Makaha, Nanakuli)

and 96707 (Kapolei, Makakilo), which saw increases of up to 50% and 37%, respectively.

- To eliminate confusion among landlords and tenants, HPHA has partnered with the City's Community Assistance Division (CAD) to develop a uniform payment standard schedule for CY 2025. This collaboration aims to prevent landlords from favoring agencies with higher payment standards and to simplify processes for voucher participants across Oahu.
- HPHA and CAD have organized zip codes into nine tiers, with each tier having a matching payment standard. The goal is to align payment standards with local market conditions while considering the availability of rental units, the impact on rent burdens for families, access to low-poverty areas, and the impact on HPHA's budget.
- An analysis of HUD's payment standard tool shows that under the current 2024 payment standards, 27.8% of assisted families are considered rent burdened, paying more than 30% of their income towards rent. With the proposed new standards, this percentage is expected to drop to 10.9% by the end of 2025, significantly easing the financial strain on voucher holders.
- The proposed payment standard schedule is expected to increase HPHA's Housing Assistance Payment (HAP) expenses by approximately \$88,030 per month (a 2.3% increase), raising monthly payments from \$3,893,516 in 2024 to \$3,981,546 by 2025. This is a modest increase, considering the reduction in the percentage of rent-burdened families.
- HPHA is requesting authorization for the Executive Director to adjust payment standards between 90% and 120% of SAFMRs if there are funding shortfalls or changes in HUD waivers. This flexibility is essential to ensure that HPHA can manage its budget effectively while continuing to support voucher holders.
- If approved, the new payment standards will go into effect on January 1, 2025. The Executive Director will be responsible for implementing these changes, including adjusting payment standards as necessary, with proper notice provided to program participants.

Executive Director Ouansafi explained that at the Hawaii Public Housing Authority, "we recognize that some individuals do attempt to apply pressure in seeking more than they are rightfully entitled to. Our team members have seen it all from insults to excessive letters. However, as stewards of taxpayer money, our team is trained to focus solely on their responsibilities, disregarding any outside noise or demands, and making decisions strictly in accordance with the laws and regulations that govern us. Our role is to ensure that all residents are treated fairly and receive exactly what they are due - not a penny more, not a penny less. While we do have the ability to adjust payment standards, such

as up to 120% in certain cases, these adjustments are made only when fully warranted and always in compliance with legal requirements. “

Director Larson asked if fewer vouchers would be given out because of the \$1 million gap or will the federal government cover that additional amount.

Executive Director Ouansafi explained that all PHAs have a voucher authority and a budget authority and often they do not match. HUD uses a calendar year and HPHA uses a fiscal year (July 1 to June 30). HUD funds based on the previous year. In addition, HUD and HPHA do not terminate vouchers because of funding issues. These increases are published by HUD, so they are aware.

Director Larson clarified that there would possibly be additional money from HUD to go into the Section 8 program because the rents are increasing.

Executive Director Ouansafi confirmed that it's a possibility.

Director Darcy asked if these adjustments are published once a year or does it happen at other times.

Executive Director Ouansafi reported that HUD publishes this information once a year.

Director Darcy asked if there are other zip code areas that the rents have increased significantly and might need help in those locations as well versus only what has been mandated.

Executive Director Ouansafi reported that HPHA is required to conduct a test of rental reasonableness. For example, sometimes the fair market rent (FMR) might be \$4,000 but due to the laws, rules, and restrictions; HPHA is only allowed to pay \$3,900. The tenant may be asked to negotiate with the landlord.

Chairperson Hall stated that the Board has heard testimony from landlords regarding rent adjustment for the HPHA's standards. Chairperson Hall would like to look at the residents needs and what is best for them and if there are adjustments that needs to be made to get people into a house that should be one of our objectives. Ultimately, the zip codes will get adjusted again, but something that should be added into the evaluation is how it impacts that resident instead of a competition with the landlords.

Chairperson Hall liked the fact that HPHA is on par with the City & County so there is no competition with subsidies. Chairperson Hall is glad that the agencies were able to coordinate on this matter.

The motion was unanimously approved.

Director Nagao moved,

To (1) Amend Chapter 12 – Rental Agreement Terminations of the Hawaii Public Housing Authority’s Admissions and Continued Occupancy Policy by Clarifying That the Over-Income Policy is Set Forth in Chapter 17-2028, Hawaii Administrative Rules, Entitled “Federally Assisted Public Housing Projects” and Including the Current Over-Income Limits as Exhibit 12-1; and (2) Authorize the Executive Director to Undertake All Other Actions Necessary to Implement the Changes, Including Distributing Information to the Resident Advisory Board and Residents in Federal Public Housing

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

Executive Director Ouansafi stated that this action affects HPHA’s federal public housing properties and reported the following:

- The amendment will direct residents and stakeholders to the existing over-income policy detailed in Chapter 17-2028, HAR, ensuring clear communication about policy details.
- The new Exhibit 12-1 will list current over-income limits, calculated at 240% of HUD’s very low-income limits for each county. These limits define eligibility for families whose income exceeds standard thresholds. HPHA will update Exhibit 12-1 annually to remain in compliance with HUD’s requirements, ensuring the policy remains current with income data.
- The Housing Through Modernization Act of 2016 introduced limits for families whose income surpasses the set threshold, requiring public housing agencies to maintain these limits in their policies.
- The over-income policy was previously adopted by HPHA and became effective on November 23, 2023, guiding the management of over-income tenancies.

Director Larson asked how this is being communicated to families who are getting close to these limits. Director Larson is concerned that this could be disturbing to a family.

Executive Director Ouansafi reported that families are notified during their recertification.

The motion was unanimously approved.

For Information:

Status Update on Redevelopment at Lanakila Homes, Located at TMK (3) 2-4-028:007 by Highridge Costa and Form Partners

Executive Director Ouansafi turned the discussion over to the Highridge Costa and Form Partners team for an update. Project updates and a current development schedule was provided. (See attached presentation.)

Executive Director Ouansafi thanked Highridge Costa, Form Partners, and all the consultants that are working diligently and have incorporated a lot of our input into this project.

Director Darcy asked if Highridge Costa or Form Partners has done a project like this before.

Mr. Arico confirmed and reported that this type of product specifically is something that Highridge Costa has done for over 30 years. They do not have a project on Hilo, but have similar projects on Maui and across the nation.

Director Darcy asked if there are any changes being made in Hilo or to that community or is it falling into the standardized process that you have.

Mr. Arico reported that it is very similar. The developers are being very conscious about is rain and weather. For example, they are keeping in mind landings, coverings for staircases and parking. As the design and development progresses termites is another issue being considered.

Chris Deuchar of Form Partners stated that although this is a standardized product for Highridge Costa that gets built across the country for affordable housing for rural and suburban areas we are going to be focusing more on the open space areas. He acknowledged that living in Hawaii is different than other parts of the country and the focus on the gathering areas and the architectural design of the building exteriors are important.

Director Darcy asked if there was input from the public town hall meeting that would be incorporated into the design or decisions moving forward.

Mr. Deuchar reported that there was a good turn out and a lot of positive feedback. Overall, everybody was supportive and anxious for affordable housing in Hilo. If anything, the request was for more housing.

Executive Director Ouansafi stated that another takeaway from that meeting was the desire for our public housing sites to merge and have those kinds of community gatherings.

Director Glenn stated that about 1 to 1-1/2 year ago the Office of Planning awarded a Transit-Oriented Development (TOD) planning grant to HPHA and Hawaii County. He inquired how that planning grant helped them form this design.

Mr. Deuchar reported that HPHA did a fair amount of work through the grant. The planning efforts confirmed that it is important to integrate the project into the community from a TOD standpoint as the area develops. Due to the environmental condition of the site and how it was remediated, the development must ensure it does not impact remediation efforts. The preliminary work enabled the developer to explore only viable solutions.

Emily Davids of Form Partners added that a multi-level traffic assessment was completed by the County and HPHA. Market studies that were previously completed were supplemented with additional information which allowed the developer to move faster once they were able to confirm assumptions.

Mr. Deuchar added that Lanakila is a tricky site. He noted that there are some topsoil issues, site slopes, back fill, dissecting roads, etc. but the planning moved quickly because of the studies that were completed.

Director Glenn stated that one of the things he was excited about the TOD planning study was how much it highlighted the proximity to education and employment centers and planning for pathways for future residents to easily access those centers.

Director Larson asked if there are smaller internal spaces where community building and socialization can occur. She asked whether there are keiki playgrounds or areas for teens.

Mr. Deuchar reported that within the large community buildings there are kitchen areas, party rooms, laundry rooms, and gathering areas. In the play areas and different outdoor areas, the plan looks at creating separate outdoor living rooms. This will become more visible as the plans develop.

Mr. Arico added from a management perspective, the developer will work closely with the property managers to create social events to foster that sense of community. They are also big proponents of resident action committees which are self-appointed groups that meet and talk story about ways they can improve their community.

Director Larson liked the idea of neighbor helping neighbor and having the residents feel like they are a part of the community.

Chairperson Hall stated that the last slide showed the next steps. The Board's comments are consistent with the desire for continued social development of the community. As an agency, Chairperson Hall hopes that we can help families through the process as opposed to just acknowledging them as tenants or residents.

Director Kunz thanked Executive Director Ouansafi, Highridge Costa, and Form Partners for staying on track and staying focused on this project. Hawaii County has a few projects that are coming down the pipeline, but it has been a real challenge in east Hawaii. She stated that this project is very valuable and will be filling a huge gap for East Hawaii.

Executive Director Ouansafi stated that this project is moving extremely fast. He thanked the developers for being diligent and putting all the necessary resources on this project. Executive Director Ouansafi also thanked OPSD for the initial grant. That allowed HPHA to find out the community's expectations prior to initiating the project. He went on to thank Director Kunz, Mayor Roth, the Governor's office, Director Glenn, the state and county offices, and the HPHA staff for their efforts in expediting this project and keeping it on track.

Chairperson Hall recognized the individuals who provided testimony at today's meeting. He acknowledged the Compliance Office staff who are handling these issues the best they can with the resources given to them. Chairperson Hall is anticipating that the respective staff will continue to address the issues brought up today. Especially, when it pertains to legal issues and challenges that face us every day.

Executive Director's Report

Chairperson Hall asked the Board for questions related to the Executive Director's report.

Executive Director Ouansafi reported that plan has been established to address the late recertifications at Section 8. Although the HPHA successfully leased up 800 families in two (2) months, it resulted in many late recertifications. That lease up effort, combined with a shortage of staff and computer servers' issues contributed to the late recertifications. He stated that it is refreshing to see that all the staff within HPHA are coming together to help. HPHA is working to address the late recertifications. This does not affect the tenants or landlords. It does affect some of our administrative fees.

Executive Director Ouansafi reported that all the projects included in the Ka Lei Momi Redevelopment Project is moving forward and is on time and on track. As an example, HPHA is awaiting an allocation from HHFDC for Kapaa. In the next couple of months, the team will be developing a website for the Ka Lei Momi Redevelopment Project that will provide current updates for each project. HPHA has a 10-year phase by phase outline for the Ka Lei Momi Redevelopment Project.

Executive Director Ouansafi expressed his optimism about HPHA's hiring process and progress. He also acknowledged the Compliance Office for the work they are doing. Executive Director Ouansafi thanked the AG's office and the HPHA staff.

Director Darcy expressed that this is a meeting that she thoroughly enjoys no matter what topics come up because everyone keeps their cameras on, and she is not talking

to a dark screen. She wanted to thank everyone for keeping their cameras on. Director Darcy stated that it makes a difference when you are talking about difficult discussions to see people on the other side.

Chairperson Hall thanked Director Darcy for her comment.

Director Nagao moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 11:04 a.m.

MINUTES CERTIFICATION:

Minutes Prepared by:

<i>R. Kanoë Kepaa</i>	12/05/2024
_____ Rochelle Kanoë Kepaa Secretary	_____ Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on December 5, 2024 As Presented [] As Amended

<i>Susan Kunz</i>	Dec 7, 2024
_____ Director Susan Kunz Board Secretary	_____ Date

THE FRAUD SCHEME
by
Hawaii Public Housing Authority

I caught the Hawaii Public Housing Authority stealing federal funds from the Section 8 Housing Choice Voucher Program. I can prove that the HPHA stole over \$103M since 2015, and continues to steal \$800K - \$1M each month.

I can prove that the HPHA altered their financial records so that it appears they used ALL the subsidy they received from HUD. The HPHA lied to HUD and reported that they used 100% of the subsidy they received from HUD, but HUD confirms that the HPHA actually issued only 80% of the vouchers they received from HUD.

This is how HPHA is able to steal federal funds from the Section 8 program:

Part A – The HPHA maximizes the amount of subsidy they receive from HUD for each and every voucher. The HPHA currently receives **120% subsidy** (based on HUD's FMR/payment standard) for each and every Section 8 voucher.

Part B – The HPHA minimizes the amount of rent (subsidy) they pay to the landlords for each and every voucher. In order to reduce the contract rent as low as the HPHA can, the HPHA has fabricated and enforces the illegal policy to use **low comparables** in all rent reasonableness determinations for each and every voucher. This reduces the amount of rent paid to all of the Section 8 landlords. The HPHA Executive Director, Hakim Ouansafi, already admitted in a HPHA board meeting that he uses low comparables, and he admitted the illegal policy to use low comparables is not in compliance with HUD regulations.

Part C – The HPHA maximizes the amount of subsidy they receive (Part A), then the HPHA minimizes the amount of rent (subsidy) they pay to the landlords (Plan B). The HPHA steals the difference (Plan C). The HPHA lied in their financial records and lied to HUD when they claimed they **used 100% of the subsidy they received**, because HUD confirms that the HPHA only **issued 80% of the vouchers** they received from HUD. Yes, you read that correctly. So where are the 20% of vouchers not used? Where is the 20% of subsidy that was actually not used to issue a voucher? Hakim Ouansafi stole it!!

This is a huge red flag to all the locals, who desperately need affordable housing. Why is there a waiting list for Section 8 vouchers? Because the vouchers are just sitting on Hakim Ouansafi's desk!

This is a huge red flag to all the landlords, who will never get the FMR (Fair Market Rent) for their rental if they participate in the Section 8 program.

Because I disputed the HPHA using low comparables, and because I filed a lawsuit (**U.S. District Court Case #23-CV-00412-MWJS-WRP**), the HPHA has retaliated against me by intentionally interfering with my voucher, and now **I am homeless at 65 years old.**

Section 8 recipients:

I know the "low comparable" method was used to lower your rent too.

Section 8 landlords:

I know the "low comparable" method caused your rent to be reduced below HUD's Fair Market Rent for your rental.

Please contact me if you want to be a part of a class action lawsuit against the HPHA. Write to me and tell me your story - email: HPHAFRAUD@GMAIL.COM

PRAY I FIND AN ATTORNEY WHO CAN HELP US.

Pray for new leadership in the Hawaii Public Housing Authority. Hawaii deserves better. The following is public information about Hakim Ouansafi, Executive Director of the HPHA:

FRAUD SCHEME (ADMISSION OF GUILT BY HAKIM OUANSAFI)

Evidence proves that Hakim Ouansafi has stolen over \$103M since 2015, and is currently stealing \$800k-\$1M each month. Hakim Ouansafi has already admitted guilt for fabricating and enforcing the illegal policy to use low comparables in all Section 8 rent reasonableness tests, which according to Hakim Ouansafi is a method that "...differs from the HUD mandate...". But Hakim Ouansafi does not act alone.

SB 3120

SB 3120 authorizes Hakim Ouansafi to bypass the HPHA Board of Directors and the Hawaii Revised Statutes, so that Hakim Ouansafi can hire his own managerial staff (*with no accountability*), and pay his management staff "...salaries that are required to be above the Governor's salary..." Refer to SB 3120, page 12.

On February 8, 2024, Hakim Ouansafi submitted his statement before the 'Senate Committee on Housing' in "...strong support..." of SB 3120, in which he writes:

"...Clarifies that the employment of certain positions and the adjustment of **salaries are authorized by the Executive Director and not the Board of Directors**. Deletes the wage ceiling requirement for positions in the HPHA..." "...Additionally, this bill will also clarify the title of the **Chief Financial Officer [Bennett Liu]**, codify the **Chief Compliance Officer [Ryan Akamine]**, Housing Contract and Procurement Officer, and Human Resources and Safety Officer positions [that were established exempt from section 76-16(b) before 2014] clarify that the **staff report to the Executive Director, and authorize the Executive Director to hire staff that may need salaries that are required to be above the Governor's salary...**"

SB 3120 WAS PASSED ON JANUARY 24, 2024.

Refer to page 12, begin at line 16, which reads: "...executive director and executive assistant, whose salaries shall be set by the board [currently, it is noted in a board meeting agenda that Hakim Ouansafi's salary is 99% of the Governor's salary, and his executive assistant's salary is 99% of Hakim Ouansafi's salary]..."

"...The executive director shall employ...a **chief financial officer [Bennett Liu]**, a property management branch chief, a chief planner, a redevelopment officer, a **chief compliance officer [Ryan Akamine]**, a housing contract and procurement officer, a human resources and safety officer, and a housing policy and program coordinator, **whose salaries shall be set by the executive director...**"

HPHA employees Bennett Liu (Chief Financial Officer) and Ryan Akamine (Chief Compliance Officer) are beneficiaries of SB 3120. Hakim Ouansafi hires men who are loyal to him and support his fraud scheme, and then rewards them handsomely for being co-conspirators by increasing their salaries to earn more than the Governor.

HCR 100

"ISLAM" Day is honored in Hawaii on 9/11

Hakim Ouansafi lied to the legislature to get bill HCR 100 passed in honoring 9/11 as "Islam Day". In March 2009, Hakim Ouansafi **lied** to the legislature when he submitted his original request that November 21 be honored by Hawaiians as "Islam Day". But after HCR 100 passed and was approved, Hakim Ouansafi amended HCR 100 in May 2009 **to change the date of "Islam Day" from November 21 to September 24, which is actually September 11** (according to the Gregorian calendar).

Then, Hakim Ouansafi applied and was hired on January 2010 as the Executive Director of the Hawaii Public Housing Authority. If he lied then, he's lying now. By the way: Nobody cares about another person's religious beliefs, unless that person's religion causes them to kill, steal, and destroy. John 10:10 - - - **9/11 killed our people.**

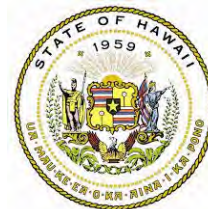
LANAKILA HOMES

HPHA Board Meeting

October 17, 2024



CHANGING LIVES FOR GENERATIONS OF KAMA'ĀINA



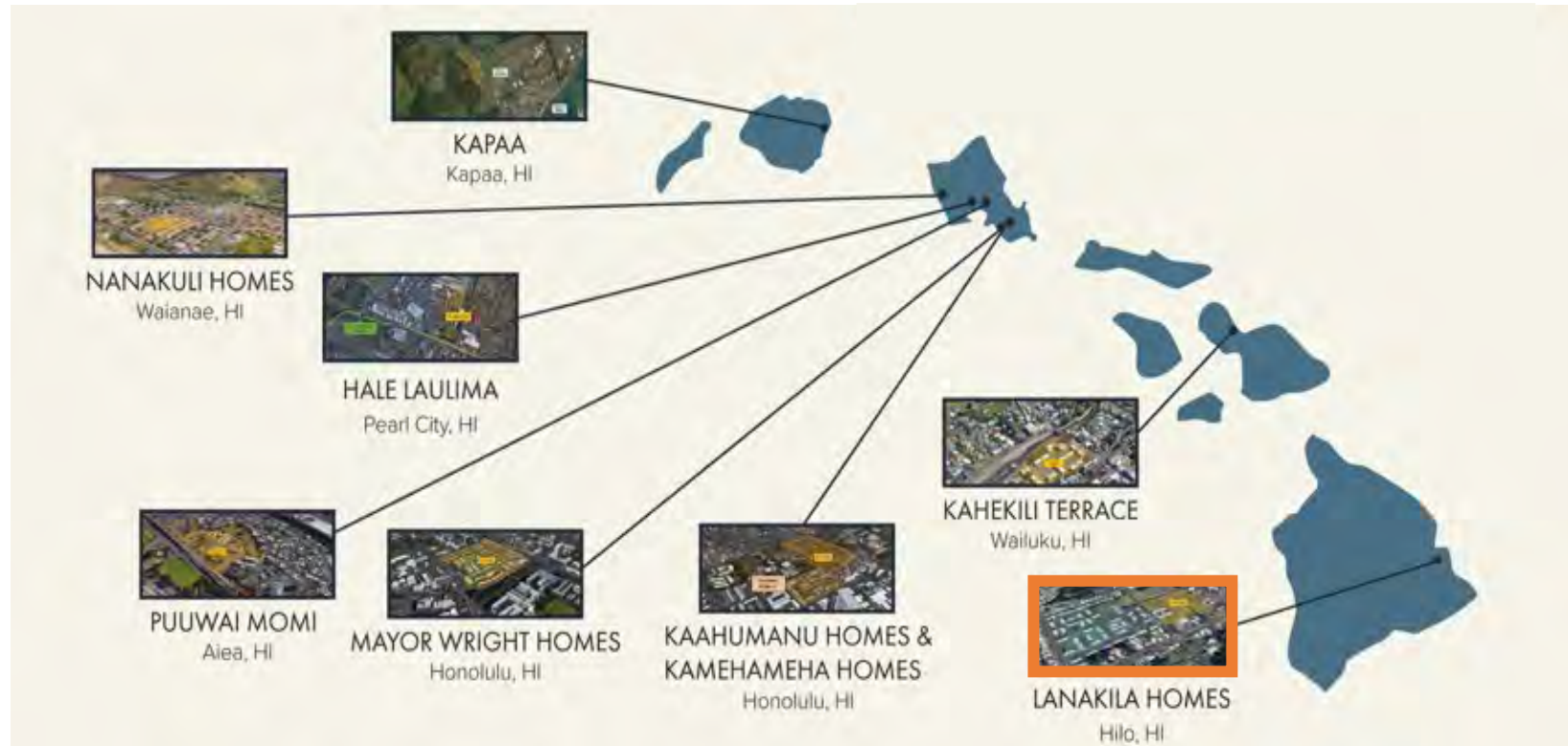
AGENDA

- Lanakila Homes - Project Update
- Entitlement Process & Schedule

KA LEI MOMI – LANAKILA HOMES

- HCDC and HPHA executed agreements to redevelop nine HPHA sites, inclusive of Lanakila Homes in June 2023.
- Mayor Wright Homes & Kapa'a Homes entitled in Jan/Feb 2024
- Lanakila Homes is the next KLM priority property seeking entitlements for redevelopment.

- Mayor Wright Homes
- Kapa'a
- Lanakila Homes
- Puuwai Momi
- Kamehameha Homes
- Ka'ahumanu Homes
- Hale Laulima
- Nanakuli
- Kahekili Terrace



The slide features a background of light blue line-art flowers. A central orange rectangle contains the text "PROJECT UPDATE" in white, bold, uppercase letters. A solid orange bar is at the bottom of the slide.

PROJECT UPDATE

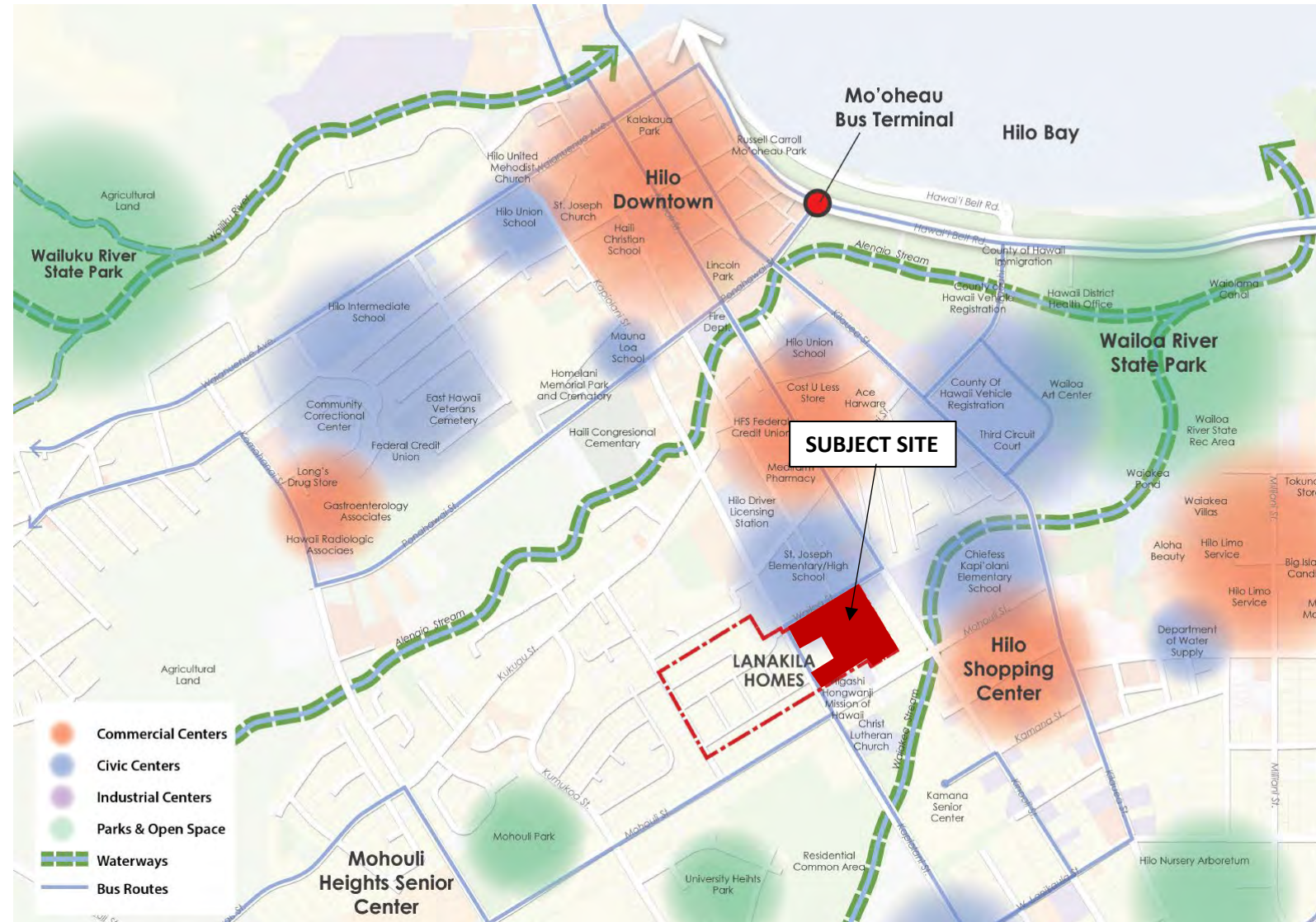
AFFORDABILITY BELONGS HERE

Property

- 9.63 acres
- Urban SLU District
- RD-3.75 Double-Family Residential
- Vacant Land; adjacent to existing public housing

Attributes

- Affordable homes for individuals and families earning 60% AMI or below
- Close proximity to schools, community services, retail, and job centers within central Hilo



URBAN VISION

Multi-Modal Opportunities

- Completed in April 2023 and funded by State appropriation, HPHA and its planning/design consultant (HDR) prepared several development scenarios aligned with the County of Hawai'i's Mobility Master Plans

Connectivity

- 5-minute walk to major points of interest
- 5-minute bike ride to UH and Downtown Hilo
- Bus stations (proposed and existing) adjacent to property

Legend

- Project Area
- Existing HPHA Multifamily Housing
- 5min Walk Circle (Radius: 1/4 mile)
- 5min Bike Circle (Radius: 1 mile)
- Point of Interest
- Signalized Intersection
- Existing Bike Lane¹
- Proposed Bike Lane²
- Proposed Bike Route²
- Proposed Separated Bikeway
- Existing Bus Route² and Bus Stop

¹ Downtown Hilo Multimodal Master Plan, April 2018
² Hilo - on Bus Route 104 Bus Schedules & Maps. Data retrieved from <http://www.hikonibus.org/sunbox/Route%20104.pdf> as of October, 2022.



LANAKILA HOMES

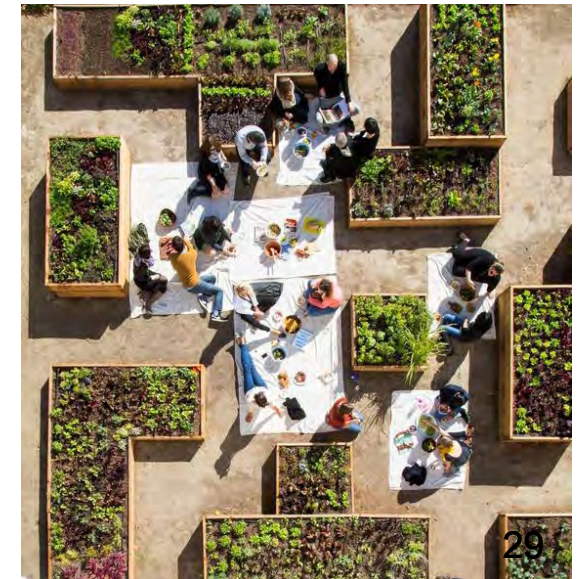
SITE HISTORY & TIMELINE

- In 2016, 31 obsolete buildings were demolished across Phase IIIb and Phase IV.
- In 2017, soil remediation was completed to prepare for new development on Phase IIIb.
- In 2019, 16 new units were constructed on the Phase IIIb.
- In 2021, soil remediation was completed to prepare for new development on Phase IV (subject site).
- In 2023, HPHA completed a visioning study for Lanakila Homes Phase IV.



Area outlined in yellow represents the subject site.

DESIGN INSPIRATION



DRAFT LANAKILA HOMES MASTER PLAN

PROGRAM

- (22) 12-Plex Buildings, Three-story Walk-up
- (2) Community Buildings
- Units capped at 60% AMI of below
- Analyzing Faircloth to RAD units

PHASES

- Phase I: 152 Units
- Phase II: 106 Units

UNIT TYPES

- 1-bedrooms, 2-bedrooms, and 3-bedrooms affordable units for qualifying kama'āina 'ohana



PARKING

- Total Parking Count: 378
- Parking Ratio: 1.46/Unit



CIRCULATION PLAN

PROGRAM LEGEND

-  Bus Route
-  Bus Stop
-  Existing Bike Lane
-  Propose Bike Lane
-  Bike Storage
-  Propose Pedestrian Path
-  Elevated Crosswalk / Speed Bumps







Massing Concept – Aerial View Looking North





ENTITLEMENT PROCESS & SCHEDULE

LANAKILA HOMES ENTITLEMENTS

COMMUNITY OUTREACH

- Consult with Mayor Roth's Cabinet – 3/13/24
 - Consult with Mayor Roth, CM Kimball, and Planning Dept – 7/16/24
 - Public Town Hall Meeting #1 – 9/25/24
 - Public Town Hall Meeting #2 – Targeting Q4 2024/Q1 2025
-

ENTITLEMENTS

- Draft 201H application submitted to HHFDC – 9/19/24
- EA Exemption Agency Consultation Letter – targeting Sept 2024
- HHFDC Board Meeting For Action – targeting 12/12/24
- DPP Director Executes Resolution – targeting by 2/1/25
- Submit Phase 1 LIHTC Financing application to HHFDC in Feb 2024



DEVELOPMENT SCHEDULE

Task	Anticipated Timeline
Meetings with Community Stakeholders	Ongoing
Submit Draft 201H Package to HHFDC	9/19/24
Finalize Studies, Design, and 201H Application	October 2024
Anticipated 201H (EP) Approval	Jan/Feb 2025
Submit Financing Application (Phase I)	Feb 2025
HHFDC Award of Financing (Phase I)	Aug 2025
Design & Permitting (Phase I)	2025-2026
Construction Start (Phase I)	2027
Completion & Move-In (Phase I)	2028

MAHALO

CHANGING LIVES FOR GENERATIONS OF KAMA'ĀINA



HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE REGULAR MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING A
HONOLULU, HAWAII 96817
ON THURSDAY, NOVEMBER 21, 2024
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held their Regular Board Meeting at 1002 North School Street, on Thursday, November 21, 2024. The Board meeting was conducted by video conference via Zoom.

The public was able to participate in the meeting via Zoom or telephone by calling in. The meeting was also open to the public for in person participation at 1002 N. School Street, Building A, Honolulu, HI 96817. No Board members were physically present at this location. It was announced that if the HPHA lost internet or Zoom connection during the meeting, the meeting would be recessed and reconvened pursuant to instructions in the posted agenda.

Chairperson Hall stated that the Board would accept public testimony on any item relevant to the agenda during the public testimony portion of the meeting and at the time the agenda item is called for discussion.

At approximately 9:08 a.m., Chairperson Hall called the meeting to order, held a roll call, and declared a quorum present. Those present were as follows and no one else was with them at their location:

PRESENT: Director Robert Hall, Chairperson
(Via Zoom) Designee Joseph H. Campos, II
Director Lisa Anne Darcy
Director Roy Katsuda
Director Christyl Nagao
Director Todd Taniguchi

Deputy Attorney General Linda Chow
Deputy Attorney General Klemen Urbanc
Deputy Attorney General Chase Suzumoto

EXCUSED: Director Betty Lou Larson, Vice Chairperson
Director Susan Kunz, Secretary
Director Scott Glenn

STAFF PRESENT: Hakim Ouansafi, Executive Director
(Via Zoom) Barbara Arashiro, Executive Assistant
Ryan Akamine, Chief Compliance Officer
Bennett Liu, Chief Financial Officer
Rick Sogawa, Contracts and Procurement Officer

Amanda Suyat, Hearings Officer
Dale Fujimoto, Property Mgt & Maint Services Branch Chief
Shirley Befitel, Human Resources Supervisor
Jennifer Weber, Section 8 Landlord Liasion
Gary Nakatsu, Section 8 Subsidy Program Branch Chief
Benjamin Park, Chief Planner
Nicolas Ayabe, Housing Planner
Dallis Ontiveros, Housing Information Officer
Angela Nabua, Secretary
Kanoë Kepaa, Secretary

OTHERS PRESENT (via Zoom/teleconference):

Chico Figueiredo, Office of the Governor
Lindsay Apperson, Office of the Governor
Jesse Wu, U.S. Department of Housing & Urban Development
Desiree Moore, U.S. Department of Housing & Urban
Development
Scott Jepsen, EJP Consulting Group
Daniel Simonich, The Michaels Development Co.
Laurie Thorson, Section 8 Participant
June Talia, Kuhio Park Terrace Low-Rise Resident
Lenda Tominiko, Kuhio Park Terrace Low-Rise Resident
Joy's Meet Geek Notetaker (AI screen name)
Anna Matsunaga
RH (screen name)

Public Testimony

Individuals were allowed to submit written testimony no later than 48 hours prior to the scheduled meeting, which would be distributed to the Board members. The public was instructed to submit written testimony via email to rochelle.k.kepaa@hawaii.gov or by U.S. mail to P.O. Box 17907, Honolulu, HI 96817. The public was also allowed to participate via Zoom or teleconference by using the "Raise Hand" feature in Zoom, or by simply announcing/identifying themselves and the item they want to testify about during the public testimony portion of the meeting. Individuals were also allowed to provide audiovisual oral testimony by using the "Raise Hand" feature in Zoom, clicking the "Unmute" icon to talk, and clicking the "Start Video" icon to turn the camera on.

Chairperson Hall stated that the Board would accept public testimony on any item relevant to the agenda at this time or at the time the agenda item is called for discussion. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

Executive Assistant Barbara Arashiro stated that written testimony was received. Chairperson Hall confirmed that the Board received copies of the written testimony.

Chairperson Hall allowed Lenda Tominiko, Kuhio Park Terrace Low-Rise Resident to open the meeting with a prayer.

June Talia, Kuhio Park Terrace Low-Rise Resident informed the Board and HPHA staff that this would be the last meeting she will attend until the second phase of the KPT redevelopment. Ms. Talia thanked everyone for being kind to her and for helping her community.

Laurie Thorson, Section 8 Participant asked if all the Board members received a copy of her written testimony and the fifteen (15) page chart that was attached to it. Ms. Thorson read her written testimony and provided her website address <https://governmentcorruptioninhawaii.wordpress.com> Attached is Ms. Thorson's written testimony.

Approval of Minutes

Director Campos moved,

To Approve the Regular Meeting Minutes of October 17, 2024

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

The minutes were not approved with five ayes and one abstention.

Discussion and Decision Making

Director Katsuda moved,

To (1) Approve the Hawaii Public Housing Authority's Draft Amended Moving to Work (MTW) Supplement for Fiscal Year 2025; and (2) Authorize the Executive Director to Take the Required Actions to Submit the Amended Moving to Work Supplement for Fiscal Year 2025 to the U.S. Department of Housing and Urban Development

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

Executive Director Ouansafi reported that under the MTW Operations Notice (Notice PIH 2021-03), all PHAs in the MTW Demonstration Program Expansion must submit an MTW Supplement as an addendum to their Annual PHA Plans. The MTW Supplement

informs HUD, program participants, and the public about planned or implemented MTW policies and activities for the fiscal year and serves as a tool for HUD to monitor and evaluate the effectiveness of these policies.

The Board previously approved the original MTW Supplement for FY 2025 on March 21, 2024, which was submitted to HUD on April 11, 2024, and received final approval on July 8, 2024. This proposed amendment includes three new waivers under the Project-Based Voucher (PBV) Program:

1. **Increase PBV Limit:** Allows HPHA to project-base up to 50% of its total Housing Choice Voucher (HCV) units, compared to the current 20% limit.
2. **Raise Single-Project PBV Cap:** Permits project-basing up to 100% of units in a single project, enhancing financial viability for developments.
3. **Adjust Rent Determinations:** Authorizes HPHA to set rents up to 120% of Small Area Fair Market Rents (SAFMR), providing flexibility to address local market conditions.

These changes aim to increase housing choices for low-income families, address barriers to voucher utilization, and support redevelopment efforts.

The HPHA will follow a public consultation process, including a public hearing on January 13, 2025, and final submission to HUD by January 21, 2025. The draft amendment will be made accessible online, at HPHA offices, and via newspaper announcements.

Director Darcy asked if these changes would affect the budget or is this just ensuring protocol is followed.

Executive Director Ouansafi stated that this is a tool allowed to PHAs that have the MTW designations. It is very useful during development. The budget is set by HUD based on the previous year's utilization. The MTW provides HPHA with certain flexibilities.

The motion was unanimously approved.

Director Campos moved,

To Reappoint Ms. Sylvia Wilmeth to the Hawaii Public Housing Authority's ("HPHA") Federal Eviction Board as a Board Member, for a Four-Year Term Beginning December 1, 2024, and Ending November 30, 2028

Chairperson Hall stated that the Board would accept public testimony on this item. No public testimony was given.

Executive Director Ouansafi stated that the action before the Board is to reappoint Ms. Sylvia Wilmeth to the HPHA's Federal Eviction Board for a four-year term starting December 1, 2024, and ending November 30, 2028.

Executive Director Ouansafi reported that the Federal and State Eviction Boards ensure due process for public housing tenants during lease termination proceedings. These boards are composed of trained volunteers from the community with diverse professional backgrounds. Maintaining an adequate number of board members helps ensure hearings proceed efficiently and without cancellation due to a lack of quorum.

Ms. Wilmeth has been a dedicated board member since 2010, bringing her experience as a retired librarian and middle school teacher to the decision-making process. She has expressed her willingness to continue serving and remains a valuable resource to the board. The HPHA will ensure no conflicts of interest arise in cases heard by Ms. Wilmeth.

Chairperson Hall thanked Ms. Wilmeth for her continued support of HPHA as a volunteer and requested that the staff extend the Board's appreciation.

The motion was unanimously approved.

Executive Director's Report

Chairperson Hall asked the Board for questions related to the Executive Director's report. No questions were asked.

Executive Director Ouansafi reminded Board members that the December Board of Directors meeting is being rescheduled to Thursday, December 5, 2024, at 9:00 a.m.

Director Taniguchi stated that he had no desire for a specific update on the redevelopment projects unless there is a challenge that needs attention either from the staff or from the redevelopment team.

Executive Director Ouansafi confirmed that everything is going extremely well with the redevelopment projects. HPHA is paying a little bit closer attention to KPT. Executive Director Ouansafi stated that Michaels Development, Highridge Costa, Form Partners are all performing well and moving expeditiously.

Chairperson Hall wished all Board members and staff a Happy Thanksgiving. He acknowledged the staff for everything they are doing to help the people of Hawaii sustain and maintain their housing.

Director Katsuda moved,

To Adjourn the Meeting

The motion was unanimously approved.

The meeting adjourned at 9:31 a.m.

MINUTES CERTIFICATION:

Minutes Prepared by:

<i>R. Kanoë Kepaa</i>	12/05/2024
_____ Rochelle Kanoë Kepaa Secretary	_____ Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on December 5, 2024 [] As Presented [] As Amended

<i>Susan Kunz</i>	Dec 7, 2024
_____ Director Susan Kunz Board Secretary	_____ Date

Attachment

WRITTEN TESTIMONY

by Laurie Thorson

(submitted on 11.18.24 to the HPHA, to be forwarded to all the HPHA board members for review before the HPHA board meeting scheduled for 11.21.24)

TO: ALL BOARD MEMBERS OF THE HAWAII PUBLIC HOUSING AUTHORITY
FROM: LAURIE THORSON

I am providing the attached Chart to the board members of the Hawaii Public Housing Authority, to prove that Hakim Ouansafi, the Executive Director of the Hawaii Public Housing Authority, has stolen **\$106,861,491** (since 2015) from the Section 8 Housing Choice Voucher Program; and that Hakim Ouansafi continues to steal, on average, \$800k-\$1m each and every month.

The attached Chart proves that Hakim Ouansafi lied to HUD, lied to the HPHA Board of Directors, lied to the State auditors, and altered the HPHA financial statements, in order to hide the fact that he is stealing money from the Section 8 program. The figures in this chart prove that Hakim Ouansafi lied when he claimed $\pm 100\%$ of the subsidy was used by the HPHA, when facts prove the HPHA actually issued only $\pm 80\%$ of the Section 8 vouchers it received from HUD. Even though I created this chart, I did not create the figures, which were extracted from public documents prepared by HUD and the HPHA.

18 U.S.C. §666 confirms it is a federal crime to steal federal funds from a federal program, and is confirmed in the Department of Justice's Criminal Resource Manual 1002. Because I do not have the authority to file criminal charges against Hakim Ouansafi, I do have the authority to request that, on behalf of the community, that the board members of the Hawaii Public Housing Authority immediately terminate Hakim Ouansafi as the Executive Director of the Hawaii Public Housing Authority.

Please consider this a formal request that Hakim Ouansafi be terminated as the Executive Director of the Hawaii Public Housing Authority.

In the name of Jesus, I pray that Hawaii would be an example of excellent governing, and that all government corruption would be eliminated.

Sincerely,

Laurie Thorson
P.O. Box 1409
Kailua, HI 96734
(808) 222-5885
Lthorson7@gmail.com

CHART PROVES FRAUD

fraud implemented by Hakim Ouansafi, Executive Director, Hawaii Public Housing Authority

THIS CHART PROVES THAT HAKIM OUANSAFI, THE EXECUTIVE DIRECTOR OF THE HAWAII PUBLIC HOUSING AUTHORITY, STOLE **\$106,861,491** FROM THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, **AND THAT HE CONTINUES TO STEAL ON AVERAGE \$800K-\$1M EACH MONTH.** STEALING FEDERAL FUNDS FROM A FEDERAL PROGRAM IS A FEDERAL CRIME ACCORDING TO 42 U.S.C. §666 (REFER TO DOJ CRM 1002 - DEPARTMENT OF JUSTICE, CRIMINAL RESOURCE MANUAL, SECTION 1002).

THIS CHART PROVES THAT HAKIM OUANSAFI LIED TO HUD, LIED TO THE HPHA BOARD OF DIRECTORS, LIED TO THE STATE AUDITORS, AND ALTERED THE HPHA FINANCIAL STATEMENTS IN ORDER TO HIDE THE FACT THAT HE IS STEALING FROM THE SECTION 8 PROGRAM. THE FACTS IN THIS CHART PROVES THAT HAKIM OUANSAFI LIED WHEN HE CLAIMED **±100% OF THE SUBSIDY WAS USED** BY THE HPHA, WHEN FACTS PROVE THE HPHA **ISSUED ONLY ±80% OF THE S8 VOUCHERS** IT RECEIVED FROM HUD. EVEN THOUGH I CREATED THIS CHART, I DID NOT CREATE THE FIGURES, WHICH I EXTRACTED FROM HUD & HPHA PUBLIC DOCUMENTS.

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAII PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....							HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)	
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
09.2024	4,397	3,373	76.71%		\$5,083,275	\$5,377,560	\$5,222,440 / 3,373	23.29%
								105.79% of budget used to issue only 76.71% of vouchers (\$1,183,894)
07.31.24	4,397	3,414	77.64%		\$4,772,962	\$5,018,455	\$5,162,951 / 3,414	22.36% =
								105.14% of budget used to issue only 77.64% of vouchers (\$1,004,708)
06.30.24	4,397	3,442	78.28%		\$5,024,374	\$5,661,703	\$5,661,703 / 3,442	21.72% =
								112.68% of budget used to issue only 78.28% of vouchers (\$1,091,294)
06.30.24	YTD			\$57,039,499			\$61,741,016	
05.31.24	4,319	3,442	79.69%		\$4,784,161	\$4,651,930	\$4,865,733 / 3,442	20.31% =
								97.24% of budget used to issue only 79.69% of vouchers (\$971,663)
04.30.24	4,319	3,457	80.04%		\$4,772,962	\$4,760,062	\$5,171,175 / 3,457	19.96% =
								99.72% of budget used to issue only 80.04% of vouchers (\$952,683)
							TOTAL OF THIS PAGE ONLY =	\$5,204,242

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....							HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)	
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
03.31.24	4,319	3,468	80.30%		\$4,782,859	\$4,903,077	\$4,453,486 / 3,476	19.70% =
				102.51% of budget used to issue only 80.30% of vouchers				(\$942,223)
02.29.24	4,319	3,470	80.34%		\$4,782,859	\$4,625,657		19.66% =
				96.71% of budget used to issue only 80.34% of vouchers				(\$940,310)
01.31.24	4,319	3,499	81.01%		\$4,792,046	\$4,973,538	\$4,987,708 / 3,518	18.99% =
				103.79% of budget used to issue only 81.01% of vouchers				(\$910,009)
12.31.23	4,321	3,521	81.49%		\$4,779,483	\$4,654,048	\$4,851,747 / 3,521	18.51% =
				97.38% of budget used to issue only 81.49% of vouchers				(\$884,682)
11.30.23	4,321	3,527	81.62%		\$4,779,483	\$4,700,666	\$4,775,679 / 3,515	18.38% =
				98.35% of budget used to issue only 81.62% of vouchers				(\$878,468)
10.31.23	4,311	3,522	81.70%		\$4,770,195	\$4,799,029	\$4,708,330 / 3,523	18.30% =
				100.60% of budget used to issue only 81.70% of vouchers				(\$872,945)
09.30.23	4,268	3,514	82.33%		\$4,750,418	\$4,758,458	\$4,843,974 / 3,526	17.67% =
				100.17% of budget used to issue only 82.33% of vouchers				(\$839,398)
08.31.23	4,248	3,515	82.74%		\$4,724,816	\$4,754,983	\$4,765,532 / 3,528	17.26% =
				100.64% of budget used to issue only 82.74% of vouchers				(\$815,503)
07.31.23	4,412	3,515	82.74%		\$4,742,816	\$4,771,388	\$4,403,154 / 3,529	17.26% =
				100.99% of budget used to issue only 83.00% of vouchers				(\$818,610)
TOTAL OF THIS PAGE ONLY =							\$6,959,925	

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
06.30.23	4,248	3,526	83.00%		\$4,724,816	\$4,602,981	\$4,617,309 / 3,527	17.00% =
								(97.42% of budget used to issue only 83.00% of vouchers (\$803,218))
06.30.23	YTD			\$64,969,302			\$57,109,283	
05.31.23	4,248	3,521	82.89%		\$4,724,816	\$4,581,858	\$4,536,719 / 3,528	17.11% =
								(96.97% of budget used to issue only 82.89% of vouchers (\$808,416))
04.30.23	4,248	3,501	82.42%		\$4,724,816	\$4,517,780	\$4,403,682 / 3,514	17.58% =
								(95.62% of budget used to issue only 82.42% of vouchers (\$830,622))
03.31.23	4,240	3,497	82.48%		\$4,714,919	\$4,505,074	\$4,659,581 / 3,525	17.52% =
								(95.55% of budget used to issue only 82.48% of vouchers (\$826,053))
02.28.23	4,240	3,498	82.50%		\$4,714,919	\$4,507,374	\$4,946,694 / 4,093	17.50% =
								(95.60% of budget used to issue only 82.50% of vouchers (\$825,110))
01.31.23	4,230	3,493	82.58%		\$4,705,732	\$4,514,040	\$4,273,230 / 3,468	17.42% =
								(95.93% of budget used to issue only 82.58% of vouchers (\$819,738))
12.31.22	4,229	3,529	83.45%		\$4,516,282	\$6,024,659	\$3,630,811 / 3,542	16.55% =
								(133.40% of budget used to issue only 83.45% of vouchers (\$747,444))
11.30.22	4,229	3,524	83.33%		\$4,330,802	\$4,540,804	\$4,545,621 / 3,537	16.67% =
								(104.85% of budget used to issue only 83.33% of vouchers (\$721,944))
TOTAL OF THIS PAGE ONLY =							\$6,382,545	

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....							HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)	
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
10.31.22	4,229	3,520	83.23%		\$4,330,802	\$4,255,915		16.77% =
				98.27% of budget used to issue only 83.23% of vouchers				(\$726,276)
09.30.22	4,201	3,520	83.79%		\$4,295,534	\$4,565,794	\$4,575,609 / 3,534	16.21% =
				106.29% of budget used to issue only 83.79% of vouchers				(\$696,306)
08.31.22	4,201	3,517	83.72%		\$4,295,534	\$4,171,866	\$4,187,409 / 3,509	16.28% =
				97.12% of budget used to issue only 83.72% of vouchers				(\$699,312)
07.31.22	4,201	3,519	83.77%		\$4,296,829	\$4,058,262		16.23% =
				94.45% of budget used to issue only 83.77% of vouchers				(\$697,375)
06.30.22	4,201	3,516	83.69%		\$4,296,829	\$4,191,632	\$4,232,510 / 3,524	16.31% =
				97.55% of budget used to issue only 83.69% of vouchers				(\$700,812)
05.31.22	4,201	3,517	83.72%		\$4,296,829	\$4,028,864	\$3,754,794 / 3,505	16.28% =
				93.76% of budget used to issue only 83.72% of vouchers				(\$699,523)
04.30.22	4,201	3,518	83.74%		\$4,405,258	\$4,033,839	\$4,160,279 / 3,515	16.26% =
				91.57% of budget used to issue only 83.74% of vouchers				(\$716,294)
03.31.22	4,201	3,515	83.67%		\$4,298,123	\$4,050,772	\$4,662,930 / 3,525	16.33% =
				94.25% of budget used to issue only 83.67% of vouchers				(\$701,883)
02.28.22	4,201	3,501	83.34%		\$4,298,123	\$4,074,367	\$3,922,375 / 3,512	16.66% =
				94.79% of budget used to issue only 83.34% of vouchers				(\$716,067)
TOTAL OF THIS PAGE ONLY =							\$6,353,847	

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
01.31.22	4,201	3,508	83.50%		\$4,299,418	\$4,099,244	\$3,824,688 / 3,433	16.50% =
				95.34% of budget used to issue only 83.50% of vouchers				(\$709,403)
12.31.21	3,854	3,212	83.34%		\$7,927,909	\$3,725,851		16.66% =
				47.00% of budget used to issue only 83.34% of vouchers				(\$1,320,789)
11.30.21	3,854	3,219	83.52%		\$3,143,499	\$3,743,025	\$3,751,257 / 3,233	16.48% =
				119.07% of budget used to issue only 83.52% of vouchers				(\$518,048)
10.31.21	3,854	3,223	83.63%		\$3,144,722	\$3,748,537	\$3,761,876 / 3,231	16.37% =
				119.20% of budget used to issue only 83.63% of vouchers				(\$514,790)
09.30.21	3,854	3,232	83.86%		\$3,223,754	\$3,701,784	\$3,705,292 / 3,252	16.14% =
				114.83% of budget used to issue only 83.86% of vouchers				(\$520,313)
08.31.21	3,854	3,229	83.78%		\$3,144,722	\$3,850,409	\$3,873,204 / 3,257	16.22% =
				122.44% of budget used to issue only 83.78% of vouchers				(\$510,073)
07.31.21	3,853	3,233	83.91%		\$3,143,427	\$3,785,797		16.08% =
				120.44% of budget used to issue only 83.91% of vouchers				(\$505,463)
06.30.21	3,853	3,245	84.22%		\$3,143,427	\$3,687,684	\$3,790,144 / 3,229	15.78% =
				117.31% of budget used to issue only 84.22% of vouchers				(\$496,032)
06.30.21	YTD			\$42,926,572			\$41,019,011	
						TOTAL OF THIS PAGE ONLY = \$5,094,911		

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....							HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)	
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
05.31.21	3,853	3,235	83.96%		\$3,143,427	\$3,691,644	\$3,660,955 / 3,243	16.04% =
				117.44% of budget used to issue only 83.96% of vouchers				(\$504,205)
04.30.21	3,852	3,231	83.88%		\$3,143,356	\$3,688,093	\$3,596,595 / 3,251	16.18% =
				117.33% of budget used to issue only 83.88% of vouchers				(\$508,595)
03.31.21	3,852	3,227	83.77%		\$3,143,356	\$3,735,667	\$3,855,644 / 3,203	16.23% =
				118.84% of budget used to issue only 83.77% of vouchers				(\$510,166)
02.28.21	3,852	3,205	83.20%		\$3,144,470	\$3,727,141	\$3,155,584 / 2,513	16.80% =
				118.53% of budget used to issue only 83.20% of vouchers				(\$528,270)
01.31.21	3,851	3,044	79.04%		\$3,166,772	\$3,657,151	\$2,874,910 / 2,414	20.96% =
				115.49% of budget used to issue only 79.04% of vouchers				(\$663,755)
12.31.20	3,851	2,416	62.74%		\$2,961,739	\$2,937,086	\$2,937,086 / 2,414	37.26% =
				99.17% of budget used to issue only 62.74% of vouchers				(\$1,103,543)
11.30.20	3,851	2,417	62.76%		\$3,992,348	\$3,016,979	\$3,020,103 / 2,415	37.24% =
				75.57% of budget used to issue only 62.76% of vouchers				(\$1,486,750)
10.31.20	3,850	2,414	62.70%		\$2,960,516	\$3,039,654		37.30% =
				102.67% of budget used to issue only 62.70% of vouchers				(\$1,104,272)
09.30.20	3,850	2,414	62.70%		\$4,960,516	\$3,068,734	\$3,068,626 / 2,420	37.30% =
				61.86% of budget used to issue only 62.70% of vouchers				(\$1,850,272)
TOTAL OF THIS PAGE ONLY =							\$8,259,828	

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
08.31.20	3,850	2,408	62.55%		\$2,960,516	\$3,067,238	\$2,998,438 / 2,424	37.45% =
								103.60% of budget used to issue only 62.55% of vouchers
								(\$1,108,713)
07.31.20	3,850	2,409	62.57%		\$2,960,516	\$3,036,446	\$3,035,244 / 2,344	37.43% =
								102.56% of budget used to issue only 62.57% of vouchers
								(\$1,108,121)
06.30.20	3,850	2,428	63.06%		\$2,960,516	\$3,103,575	\$3,109,426 / 2,370	36.94% =
								104.83% of budget used to issue only 63.06% of vouchers
								(\$1,093,614)
06.30.20	YTD			\$38,358,008			\$35,894,505	
05.31.20	3,850	2,410	62.60%		\$2,961,222	\$3,084,678	\$3,090,242 / 2,354	37.40% =
								104.17% of budget used to issue only 62.60% of vouchers
								(\$1,107,497)
04.30.20	3,849	2,411	62.64%		\$2,959,293	\$3,033,422	\$3,030,733 / 2,358	37.36% =
								102.50% of budget used to issue only 62.64% of vouchers
								(\$1,105,591)
03.31.20	3,849	2,403	62.43%		\$2,959,293	\$2,896,156		37.57% =
								97.87% of budget used to issue only 62.43% of vouchers
								(\$1,111,806)
02.29.20	3,848	2,393	62.19%		\$2,958,179	\$2,937,364	\$2,938,087 / 2,360	37.81% =
								99.30% of budget used to issue only 62.19% of vouchers
								(\$1,118,487)
01.31.20	3,820	2,404	62.93%		\$2,967,625	\$2,902,836	\$2,909,063 / 2,366	37.08% =
								97.82% of budget used to issue only 62.93% of vouchers
								(\$1,100,395)
						TOTAL OF THIS PAGE ONLY = \$8,854,224		

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
12.31.19	3,820	2,408	63.04%		\$2,682,012	\$2,913,761	\$2,941,842 / 2,383	36.96% =
				108.64% of budget used to issue only 63.04% of vouchers				(\$991,271)
11.30.19	3,820	2,413	63.17%		\$2,682,012	\$2,940,218	\$2,984,679 / 2,479	36.83% =
				109.63% of budget used to issue only 63.17% of vouchers				(\$987,785)
10.31.19	3,820	2,390	62.57%		\$2,682,012	\$2,945,298	\$2,952,630 / 2,394	37.43% =
				109.82% of budget used to issue only 62.57% of vouchers				(\$1,003,877)
09.30.19	3,820	2,379	62.28%		\$2,682,012	\$2,894,388	\$2,884,188 / 2,376	37.72% =
				107.92% of budget used to issue only 62.28% of vouchers				(\$1,011,654)
08.31.19	3,820	2,381	62.33%		\$2,682,012	\$2,837,151	\$2,872,504 / 2,370	37.67% =
				105.78% of budget used to issue only 62.33% of vouchers				(\$1,010,313)
07.31.19	3,820	2,389	62.54%		\$2,682,012	\$2,969,266	\$2,966,034 / 2,415	37.46% =
				110.71% of budget used to issue only 62.54% of vouchers				(\$1,004,681)
06.30.19	3,820	2,405	62.96%		\$2,682,012	\$2,792,960	\$2,896,385 / 2,421	37.04% =
				104.14% of budget used to issue only 62.96% of vouchers				(\$993,417)
06.30.19	YTD			\$35,152,564			\$33,396,488	
05.31.19	3,820	2,397	62.75%		\$2,682,012	\$2,857,890	\$2,938,981 / 2,452	37.25% =
				106.56% of budget used to issue only 62.75% of vouchers				(\$999,049)
						TOTAL OF THIS PAGE ONLY = \$8,002,047		

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
04.30.19	3,820	2,392	62.62%		\$2,682,012	\$2,829,560	\$2,848,385 / 2,434	37.38% =
				105.50% of budget used to issue only 62.62% of vouchers				(\$1,002,536)
03.31.19	3,820	2,375	62.17%		\$2,682,012	\$2,799,906	\$2,851,477 / 2,422	37.83% =
				104.40% of budget used to issue only 62.17% of vouchers				(\$1,014,605)
02.28.19	3,820	2,363	61.86%		\$2,682,012	\$2,778,792	\$2,784,325 / 2,326	38.14% =
				103.61% of budget used to issue only 61.86% of vouchers				(\$1,022,919)
01.31.19	3,785	2,351	62.11%		\$2,648,969	\$2,912,769	\$2,782,260 / 2,357	37.89% =
				109.96% of budget used to issue only 62.11% of vouchers				(\$1,003,694)
12.31.18	3,785	2,355	62.22%		\$2,805,755	\$2,647,647	\$2,747,112 / 2,292	37.78% =
				94.36% of budget used to issue only 62.22% of vouchers				(\$1,060,014)
11.30.18	3,785	2,375	62.75%		\$2,805,755	\$2,665,572	(HPHA HAS BEGUN	37.25% =
				95.00% of budget used to issue only 62.75% of vouchers			DELETING THE	(\$1,045,143)
10.31.18	3,785	2,335	61.69%		\$2,805,755	\$2,667,340	BOARD MTG NOTES,	38.31% =
				95.07% of budget used to issue only 61.69% of vouchers			ALL AUDITS AND	(\$1,074,884)
09.30.18	3,785	2,274	60.08%		\$2,805,755	\$2,559,297	FINANCIAL STMTS	39.92% =
				91.22% of budget used to issue only 60.08% of vouchers			AND HAP FIGURES)	(\$1,120,057)
TOTAL OF THIS PAGE ONLY =							\$8,343,852	

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
08.31.18	3,785	2,286	60.40%		\$2,805,755	\$2,587,505		39.60% =
			92.22% of budget used to issue only 60.40% of vouchers					(\$1,111,078)
07.31.18	3,785	2,298	60.17%		\$2,805,755	\$2,705,959		39.83% =
			96.44% of budget used to issue only 60.17% of vouchers					(\$1,117,532)
06.30.18	3,785	2,315	61.16%		\$2,830,174	\$2,471,266		38.84% =
			87.32% of budget used to issue only 61.16% of vouchers					(\$1,099,239)
05.31.18	3,785	2,323	61.37%		\$2,805,755	\$2,570,811		38.63% =
			91.63% of budget used to issue only 61.37% of vouchers					(\$1,083,863)
04.30.18	3,785	2,319	61.27%		\$2,805,755	\$2,575,525		38.73% =
			91.79% of budget used to issue only 61.27% of vouchers					(\$1,086,668)
03.31.18	3,785	2,335	61.69%		\$2,805,755	\$2,594,409		38.31% =
			92.47% of budget used to issue only 61.69% of vouchers					(\$1,074,884)
02.28.18	3,785	2,347	62.01%		\$2,805,755	\$2,599,270		37.99% =
			92.64% of budget used to issue only 62.01% of vouchers					(\$1,065,906)
01.31.18	3,785	2,348	62.03%		\$2,821,513	\$2,623,618		37.97% =
			92.99% of budget used to issue only 62.03% of vouchers					(\$1,071,328)
12.31.17	3,785	2,341	61.85%		\$2,365,569	\$2,616,547		38.15% =
			110.61% of budget used to issue only 61.85% of vouchers					(\$902,464)
						TOTAL OF THIS PAGE ONLY = \$9,612,962		

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
11.30.17	3,785	2,343	61.90%		\$2,365,569	\$2,623,593		38.10% =
								110.91% of budget used to issue only 61.90% of vouchers (\$901,281)
10.31.17	3,785	2,356	62.25%		\$2,454,813	\$2,622,478		37.75% =
								106.83% of budget used to issue only 62.26% of vouchers (\$926,691)
09.30.17	3,785	2,363	62.43%		\$2,365,569	\$2,624,012		37.57% =
								110.93% of budget used to issue only 62.43% of vouchers (\$888,744)
08.31.17	3,785	2,339	61.80%		\$2,410,485	\$2,599,039		38.20% =
								107.82% of budget used to issue only 61.80% of vouchers (\$920,805)
07.31.17	3,785	2,294	60.61%		\$2,410,485	\$2,661,951		39.39% =
								110.43% of budget used to issue only 60.61% of vouchers (\$949,490)
06.30.17	3,785	2,294	60.61%		\$2,410,485	\$2,457,568		39.39% =
								101.95% of budget used to issue only 60.61% of vouchers (\$949,490)
05.31.17	3,785	2,309	61.00%		\$2,410,485	\$2,495,352		39.00% =
								103.52% of budget used to issue only 61.00% of vouchers (\$940,089)
06.30.17	3,785	2,294	60.61%		\$2,410,485	\$2,457,568		39.39% =
								101.95% of budget used to issue only 60.61% of vouchers (\$949,490)
						TOTAL OF THIS PAGE ONLY = \$7,426,080		

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAII PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....							HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)	
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
06.30.17	YTD			\$32,070,826			\$29,658,116	
05.31.17	3,785	2,309	61.00%		\$2,410,485	\$2,495,352		39.00% = (\$940,089)
								103.52% of budget used to issue only 61.00% of vouchers
04.30.17	3,785	2,313	61.11%		\$2,410,485	\$2,518,316		38.89% = (\$937,437)
								104.47% of budget used to issue only 61.11% of vouchers
03.31.17	3,785	2,298	60.71%		\$2,410,485	\$2,522,717		39.29% = (\$947,079)
								104.66% of budget used to issue only 60.71% of vouchers
02.28.17	3,785	2,287	60.42%		\$2,410,485	\$2,491,800		39.58% = (\$954,069)
								103.37% of budget used to issue only 60.42% of vouchers
01.31.17	3,765	2,256	59.92%		\$2,394,727	\$2,442,589		40.08% = (\$959,806)
								102.00% of budget used to issue only 59.95% of vouchers
12.31.16	3,765	2,269	60.27%		\$2,216,742	\$2,367,201		39.73% = (\$880,711)
								106.79% of budget used to issue only 60.27% of vouchers
11.30.16	3,765	2,299	61.06%		\$2,216,742	\$2,414,761		38.96% = (\$863,642)
								108.93% of budget used to issue only 61.06% of vouchers
							TOTAL OF THIS PAGE ONLY =	\$6,482,833

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....							HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)	
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
10.31.16	3,765	2,261	60.05%		\$2,216,742	\$2,389,011		39.95% =
								107.77% of budget used to issue only 60.05% of vouchers
								(\$885,588)
09.30.16	3,765	2,252	59.81%		\$2,216,742	\$2,393,815		40.19% =
								107.99% of budget used to issue only 59.81% of vouchers
								(\$890,908)
08.31.16	3,708	2,250	60.68%		\$2,171,826	\$2,371,478		39.32% =
								109.19% of budget used to issue only 60.68% of vouchers
								(\$853,961)
07.31.16	3,708	2,244	60.52%		\$2,194,712	\$2,386,543		39.48% =
								108.74% of budget used to issue only 60.52% of vouchers
								(\$866,472)
06.30.16	3,708	2,229	60.11%		\$2,194,712	\$2,351,782		39.89% =
								107.16% of budget used to issue only 60.11% of vouchers
								(\$875,470)
06.30.16	YTD			\$29,964,655			\$27,701,265	
05.31.16	3,708	2,219	59.84%		\$2,194,712	\$2,342,657		40.16% =
								106.74% of budget used to issue only 59.84% of vouchers
								(\$881,396)
04.30.16	3,708	2,215	59.74%		\$2,194,712	\$2,326,072		40.26% =
								105.99% of budget used to issue only 59.74% of vouchers
								(\$883,591)
03.31.16	3,708	2,213	59.68%		\$2,194,712	\$2,288,099		40.32% =
								104.26% of budget used to issue only 59.68% of vouchers
								(\$884,907)
TOTAL OF THIS PAGE ONLY =							\$7,022,293	

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
02.29.16	3,708	2,219	59.84%		\$2,194,712	\$2,303,614		40.16% =
								(\$881,396)
			104.96% of budget used to issue only 59.84% of vouchers					
01.31.16	3,708	2,217	59.79%		\$2,194,712	\$2,335,150		40.21% =
								(\$882,493)
			106.40% of budget used to issue only 59.79% of vouchers					
12.31.15	3,708	2,159	58.23%		\$2,079,015	\$2,230,371		41.77% =
								(\$868,406)
			107.28% of budget used to issue only 58.23% of vouchers					
11.30.15	3,708	2,167	58.44%		\$2,071,432	\$2,168,116		41.56% =
								(\$860,887)
			104.78% of budget used to issue only 58.44% of vouchers					
10.31.15	3,708	2,160	58.25%		\$2,071,432	\$2,327,518		41.75% =
								(\$864,822)
			112.36% of budget used to issue only 58.25% of vouchers					
09.30.15	3,708	2,156	58.14%		\$2,127,255	\$2,179,043		41.86% =
								(\$890,468)
			102.43% of budget used to issue only 58.14% of vouchers					
08.31.15	3,708	2,119	57.15%		\$2,141,945	\$2,244,584		42.85% =
								(\$917,823)
			104.79% of budget used to issue only 57.15% of vouchers					
07.31.15	3,678	2,116	57.53%		\$2,143,521	\$2,200,578		42.47% =
								(\$910,353)
			102.66% of budget used to issue only 57.53% of vouchers					
06.30.15	3,678	2,098	57.04%		\$2,119,59	\$2,143,496		42.96% =
								(\$910,575)
			101.15% of budget used to issue only 57.04% of vouchers					
06.30.15	YTD			\$25,486,975		\$24,598,735		
								TOTAL OF THIS PAGE ONLY = \$7,987,221

HUD (FIGURES PER HUD/PIH BUDGET & RESERVES FOR PHA 'HAAH PUBLIC HOUSING AUTHORITY' (HPHA) - SECTION 8 VOUCHERS ONLY).....						HPHA (PER HPHA FINANCIAL AUDITS & BOARD MEETINGS)		
MONTH/YEAR	TOTAL VOUCHERS HUD ISSUED TO HPHA	TOTAL S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL % OF S8 VOUCHERS HUD CONFIRMS HPHA USED	TOTAL ANNUAL BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET 100% OF SUBSIDY HUD ACTUALLY PAID TO HPHA	TOTAL MONTHLY BUDGET HPHA LIED TO HUD CLAIMING IT USED ±100% OF SUBSIDY	TOTAL MONTHLY BUDGET HPHA LIED AGAIN, CLAIMING IT USED 100% OF SUBSIDY TO ISSUE ONLY ±80% VOUCHERS	TOTAL % OF VOUCHERS NOT ISSUED = TOTAL SUBSIDY STOLEN FROM THE S8 PROGRAM
05.31.15	3,678	2,073	56.36%		\$2,119,059	\$2,157,804		43.64% =
			101.83% of budget used to issue only 56.36% of vouchers					(\$924,757)
04.30.15	3,678	2,027	55.11%		\$2,119,059	\$2,089,317		44.89% =
			98.60% of budget used to issue only 55.11% of vouchers					(\$951,245)
03.31.15	3,678	1,956	53.18%		\$2,119,059	\$2,002,958		46.82% =
			94.52 of budget used to issue only 53.18% of vouchers					(\$992,143)
02.28.15	3,678	1,940	52.75%		\$2,119,059	\$1,974,470		47.25% =
			93.18% of budget used to issue only 52.75% of vouchers					(\$1,001,255)
01.31.15	3,678	1,933	52.56%		\$2,119,059	\$2,006,408		47.44% =
			94.68% of budget used to issue only 52.56% of vouchers					(\$1,005,281)
						TOTAL OF THIS PAGE ONLY = \$4,874,681		
						GRAND TOTAL OF ALL PAGES = \$106,861,491		

IN ADDITION TO LYING THAT HE USED 100% OF THE SUBSIDY TO ISSUE ONLY ±80% OF THE S8 VOUCHERS, HAKIM OUANSAFI ALSO ADOPTED THE FOLLOWING ILLEGAL POLICY TO INCREASE THE AMOUNT OF SUBSIDY HE CAN STEAL FROM THE SECTION 8 PROGRAM. **PART B, NOTED BELOW, IS THE ILLEGAL POLICY** THAT HAKIM OUANSAFI FABRICATED AND ENFORCED AGAINST MY VOUCHER, AND AGAINST EACH AND EVERY SECTION 8 VOUCHER, BUT FOR THE SOLE PURPOSE OF INCREASING THE AMOUNT OF SUBSIDY HE CAN STEAL FROM THE SECTION 8 PROGRAM:

FRAUD SCHEME:

PART A – HPHA MAXIMIZES THE AMOUNT OF SUBSIDY IT RECEIVES FROM HUD, WHICH IS CURRENTLY EQUAL TO 120% OF THE HUD FMR/PAYMENT STANDARD.

PART B – HPHA MINIMIZES THE AMOUNT OF SUBSIDY IT PAYS TO THE LANDLORDS (VIA HAP CONTRACTS) BY ENFORCING ILLEGAL POLICIES, WHICH INCLUDES, THE ILLEGAL POLICY TO USE LOW COMPARABLES AGAINST THE CONTRACT RENT IN ALL RENT REASONABLENESS DETERMINATIONS. THIS REDUCES THE CONTRACT RENT FOR ALL SECTION 8 VOUCHERS AND INCREASES THE AMOUNT OF SUBSIDY HAKIM OUANSAFI STEALS FROM THE SECTION 8 PROGRAM.

PART C – HPHA STEALS THE SUBSIDY NOT USED, AS THIS CHART PROVES.

HAKIM OUANSAFI LIED TO HUD, LIED TO THE HPHA BOARD OF DIRECTORS, LIED TO THE STATE AUDITORS, AND ALTERED THE HPHA FINANCIAL STATEMENTS IN ORDER TO HIDE HIS FRAUD SCHEME, AND TO HIDE THE SUBSIDY HE IS STEALING FROM ALL THE RECIPIENTS AND LANDLORDS OF THE SECTION 8 PROGRAM.

JESSE WU, HUD/PIH DIRECTOR OF HAWAII, CONFIRMED THE ILLEGAL POLICY TO USE LOW COMPARABLES IS NOT IN COMPLIANCE WITH HUD REGULATIONS. HAKIM OUANSAFI REFUSES TO COMPLY.

FOR ACTION

MOTION: To Accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year from July 1, 2023 to June 30, 2024 and to Authorize the Executive Director to Submit the Audited Financial Statements to the Office of the Governor, the Hawaii State Legislature, the U.S. Department of Housing and Urban Development, and Other Entities as May Be Required

I. FACTS

A. Financial Statement Preparation

The Hawaii Public Housing Authority (HPHA) is required to prepare comprehensive annual financial statements for each fiscal year to comply with generally accepted accounting principles (GAAP). These financial statements serve to ensure transparency, accountability, and accuracy in reporting the financial position and activities of the agency.

B. Independent Audit

To provide an independent evaluation of HPHA's financial statements, the Office of the Auditor contracts a certified public accounting firm to conduct an annual audit. For the fiscal year ending June 30, 2024, the independent auditor performed extensive audit procedures to assess the accuracy and reliability of the financial statements. The goal of the audit is to express an opinion on whether the financial statements fairly present the financial position of HPHA's funds, ensuring they are free from material misstatements and prepared in compliance with GAAP.

C. Programs Administered by HPHA in FY 2024

During the fiscal year spanning July 1, 2023, to June 30, 2024, HPHA administered several key programs:

- Federal Public Housing Programs

HPHA managed 4,731 federal public housing units across the state of Hawaii, with funding and oversight provided by the U.S. Department of Housing and Urban Development (HUD). These units are organized into 16 Asset Management Projects (AMPs),

under HUD guidelines, and further divided into 72 housing projects managed directly by HPHA.

- State Public Housing Programs

HPHA oversaw the operation and maintenance of 864 state-funded public housing units. This portfolio includes six family housing projects and four elderly housing projects, aimed at providing affordable housing to low-income families and seniors.

- Federal and State Rent Subsidy Programs

HPHA provided rent subsidies to eligible households through a variety of federally and state funded programs. These include:

- The Section 8 Housing Choice Voucher Program,
- The Veterans Affairs Supportive Housing (VASH) Program,
- The Non-Elderly Disabled (NED) Voucher Program,
- The Foster Youth to Independence Program,
- The Mainstream Voucher Program,
- The Emergency Housing Voucher Program, and
- The state-funded rental assistance program that provided monthly subsidies to qualified households to help them meet their rental obligations.

- Federal Rental Assistance Program

HPHA managed a Special Allocation Program, the Performance-Based Contract Administration program. This program, executed under a federal government contract, was facilitated through a subcontract with Du & Associates to oversee compliance and performance metrics.

D. Financial Audit

For FY 2024, the independent auditor, Plante Moran, PLLC, conducted the financial audit during the months of September through November. Following a detailed review of HPHA's financial records, the auditor issued a "clean" opinion, indicating that the financial statements are fairly presented and adhere to GAAP. The clean opinion reflects HPHA's commitment to maintaining accurate financial records and compliance with reporting standards.

E. Financial Statements Overview

The HPHA's final draft audited financial statements are comprehensive and consist of the following key components:

1. Government-wide financial statements – These statements provide an overall view of HPHA's financial activities, integrating all funds and functions into a single report.
2. Governmental fund financial statements – These statements focus on the specific activities and funding streams of HPHA's governmental funds.
3. Proprietary fund financial statements – These statements report on business-type activities and operations, presented similarly to private-sector enterprises.

Supplementary information accompanies these basic financial statements to provide additional details and insights into HPHA's financial position and operations.

- Government-Wide Financial Statements:

These statements are designed to give readers a broad overview of HPHA's finances, much like the financial reports of a private-sector business. The government-wide financial statements include:

- Statement of Net Position

This statement reports all HPHA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between these elements is reported as "net position," which represents HPHA's financial health at a specific point in time. Changes in net position over time can indicate whether HPHA's financial situation is improving or deteriorating.

- Statement of Activities

This statement shows the changes in HPHA's net position as a result of its operations during the fiscal year. It uses the accrual basis of accounting, meaning all revenues and expenses are recorded when earned or incurred, regardless of when cash is

received or paid. The statement identifies the revenue and expenses associated with specific programs or activities.

F. Categories of Government-Wide Financial Statements

The government-wide financial statements are divided into two primary categories:

1. Governmental Activities:

These activities are primarily funded by state appropriations and HUD contributions. The governmental fund statements, including the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, are prepared using the modified accrual basis of accounting. These statements provide a detailed view of short-term financial resources and obligations. However, to provide a comprehensive understanding, the statements also include reconciliations to the government-wide financial statements, which present a longer-term perspective.

Governmental Funds include:

- State General Funds
- State Capital Funds
- Housing Assistance Vouchers – MTW
- Section 8 Contract Administration

2. Business-Type Activities:

These activities, also referred to as proprietary funds, are funded and operated in a manner similar to private enterprises. They generate service charges to recover partial costs and are reported using the accrual basis of accounting.

Proprietary Funds include:

- Federal Low Rent Program
- Housing Revolving Fund (State Family Public Housing)
- Housing for Elderly Revolving Fund (State Elderly Public Housing)
- Central Office Cost Center
- Other Enterprise Funds
- Internal Service Funds

G. Fund Financial Statements

HPHA uses fund accounting to report financial activities, categorizing transactions into separate accounting entities known as funds. This approach allows for legal compliance and better financial management by segregating transactions related to specific programs or funding sources.

Funds are classified as either “major” or “non-major” based on criteria set by the Governmental Accounting Standards Board (GASB) Statement 34. Major funds are reported individually in the financial statements, while non-major funds are combined into a single column, with detailed information provided in the supplementary section.

H. Notes to the Financial Statements

The notes to the financial statements offer additional context and explanations necessary to fully understand the data presented in the government-wide and fund financial statements. These notes provide detailed information on significant accounting policies, program operations, and financial disclosures.

II. DISCUSSION

A. Financial Statement Preparation and Accountability

The Hawaii Public Housing Authority (HPHA) prepares its financial statements in-house, ensuring they are compliant with Generally Accepted Accounting Principles (GAAP). Over the years, HPHA has implemented significant improvements to its accounting functions to maintain high standards of accuracy and transparency. A notable achievement is that there have been no financial audit findings since fiscal year 2015, reflecting the agency's commitment to robust financial practices and governance.

B. FY24 Operational Overview

In financial terms, fiscal year 2024 experienced no significant operational events that negatively impacted HPHA's financial position. This stability demonstrates the agency's effective management of its resources and operational risks throughout the year.

C. Net Position at Fiscal Year-End

As of June 30, 2024, HPHA's assets exceeded its liabilities by \$482.92 million. Of this total, \$352.03 million represents investments in capital

assets, such as land, buildings, and equipment, essential for the agency's operations. This data is detailed in the Government-Wide Statement of Net Position, illustrating the agency's strong financial foundation.

D. Financial Statement Accuracy

The final audited financial statements incorporate all known adjustments, ensuring their accuracy and reliability. The comprehensive audit process reflects HPHA's dedication to maintaining precise financial records and complying with established accounting standards.

E. Submission to the Statewide Annual Report

The audited financial statements will be submitted to the Department of Accounting and General Services (DAGS) for inclusion in Hawaii's Annual Comprehensive Financial Report (ACFR). The ACFR consolidates the financial data of all state agencies and provides a detailed overview of Hawaii's financial position. It is typically published by the end of December and is available to the public at: <https://ags.hawaii.gov/accounting/annual-financial-reports/>.

F. Distribution of Audited Financial Statements


A copy of the finalized audited financial statements will be distributed to the Department of Budget and Finance and the U.S. Department of Housing and Urban Development (HUD) Honolulu Office using its electronic financial submission system for compliance with federal requirements.

III. RECOMMENDATION

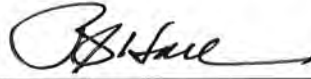
That the Board of Directors Accept the Audited Financial Statements of the Hawaii Public Housing Authority for the Fiscal Year from July 1, 2023 to June 30, 2024 and Authorize the Executive Director to Submit the Audited Financial Statements to the Office of the Governor, the Hawaii State Legislature, the U.S. Department of Housing and Urban Development, and Other Entities as May Be Required

(End of Section)

Attachment A: Audited Financial Statements (final draft) for Fiscal Year 2024:
July 1, 2023 through June 30, 2024

Prepared by: Bennett Liu, Chief Financial Officer 

Approved by the Board of Directors
on the date set forth above
 As Presented [] As Amended



Robert J. Hall
Chairperson

Attachment A

December 9, 2024

The Auditor
State of Hawaii

Board of Directors
Hawai'i Public Housing Authority

We have audited the financial statements of Hawai'i Public Housing Authority (the "the Authority") as of and for the year ended June 30, 2024 and have issued our report thereon dated December 9, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 18, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the Authority's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the Authority, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated December 9, 2024 regarding our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 2, 2024.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were management's estimate of the pension and OPEB liabilities and the valuation of allowance for tenant receivables and note receivable allowance under the cost recovery method. Management's estimate of the pension and OPEB liabilities is based on actuarial valuations, the valuation of the allowance for tenant receivables is based on tenant collection experience, and the note receivable allowance under the cost recovery method is based on the note receivable agreement and collections to date for the recovery of the cost. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of

an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Jean Young, CPA
Partner

Draft

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Auditor
State of Hawaii

To Management and the Board of Directors
Hawaii Public Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hawaii Public Housing Authority (the "Authority") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To Management and the Board of Directors
Hawaii Public Housing Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including applicable provisions of the Hawaii Public Procurement Code (Chapter 103D of the Hawaii Revised Statutes) and procurement rules, directives and circulars, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 9, 2024

Draft

Hawaii Public Housing Authority

(a Component Unit of the State of Hawaii)

**Financial Report
with Supplemental Information
June 30, 2024**

Open Items

1. Note 1 - Temporary Hazard Pay disclosure to update for report date

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Independent Auditor's Report

To the Auditor
State of Hawaii

To the Board of Directors
Hawaii Public Housing Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Hawaii Public Housing Authority (the "Authority"), a component unit of the State of Hawaii, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Hawaii Public Housing Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Hawaii Public Housing Authority as of June 30, 2024 and the changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, the financial statements present only the Hawaii Public Housing Authority and do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2024, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

To the Board of Directors
Hawaii Public Housing Authority

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of the Authority's Proportionate Share of the Net Pension Liability, Schedule of the Authority's Pension Contributions, Schedule of the Authority's Proportionate Share of the Changes in Net OPEB Liability and Related Ratios, and Schedule of the Authority's OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Hawaii Public Housing Authority

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawaii Public Housing Authority's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024 on our consideration of Hawaii Public Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hawaii Public Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hawaii Public Housing Authority's internal control over financial reporting and compliance.

December 9, 2024

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2024

The Management Discussion and Analysis (MD&A) highlights the Hawaii Public Housing Authority's (HPHA) financial performance for the fiscal year ended June 30, 2024. This section aims to:

1. Focus on significant financial issues,
2. Review the HPHA's financial activities,
3. Highlight changes in the HPHA's financial position, including its capacity to address challenges in the coming years, and
4. Identify any issues or concerns related to individual funds.

The MD&A is intended to provide a focused overview of HPHA's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to review it alongside the accompanying financial statements.

INTRODUCTION

The Hawaii Public Housing Authority (HPHA) is a full-service agency attached to the State's Department of Human Services for "administrative purposes only". Its Board of Directors consists of eleven members: nine public members appointed by the Governor and two ex officio voting members—the Director of the Department of Human Services and the Governor's designee.

Public members represent the counties of Honolulu, Hawaii, Maui, and Kauai. One public member must advocate for low-income or homeless persons, and another must either have a disability or advocate for persons with disabilities. In compliance with federal statutes, at least one Board Director must be a recipient of federal low-rent public housing or federal Housing Choice Voucher (Section 8) assistance during their service on the board. HPHA board actions require an affirmative vote from at least six members.

During the audited period from July 1, 2023, to June 30, 2024, the HPHA administered the following programs:

- **Federal Public Housing Programs**
HPHA managed 4,731 federal public housing units across Hawaii, funded by the U.S. Department of Housing and Urban Development (HUD). These units are organized into 16 Asset Management Projects (AMPs) under HUD and 72 housing projects overseen by HPHA.
- **State Public Housing Programs**
HPHA administered 864 state-funded public housing units, including six family housing projects and four elderly housing projects.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2024

- **Federal and State Rent Subsidy Programs**
HPHA provided rental assistance through various federally funded programs, such as the Section 8 Housing Choice Voucher Program, Veterans Affairs Supportive Housing (VASH) Program, Non-Elderly Disabled (NED) Voucher Program, Foster Youth to Independence Program, Mainstream Voucher Program, and Emergency Housing Voucher Program. Additionally, HPHA administered a state-funded rental assistance program, offering monthly rent subsidies to qualified households.
- **Federal Rental Assistance Program**
HPHA managed a Special Allocation Program, including a Performance-Based Contract Administration program, under a federal government contract facilitated by a subcontractor, Du & Associates.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year, the Hawaii Public Housing Authority's (HPHA) total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by \$482.02 million. Of this amount, \$352.03 million was invested in capital assets, as detailed in the Government-Wide Statement of Net Position.
- The HPHA's government-wide net position increased by \$9.37 million due to the following activities:
 - a. **Governmental Activities**
The net position increased by \$15.26 million, driven by State appropriations totaling \$38.63 million (net of \$0.15 million in lapsed funds) and \$22.23 million in net transfers out. This is detailed in the Government-Wide Statement of Activities.
 - b. **Business-Type Activities**
The net position decreased by \$5.89 million, primarily due to a loss before transfers of \$28.12 million, partially offset by \$22.23 million in net transfers from Governmental Activities. This is also detailed in the Government-Wide Statement of Activities.

OVERVIEW OF FINANCIAL STATEMENTS

The HPHA's financial statements consist of three main components:

1. Government-wide Financial Statements
2. Governmental Fund Financial Statements
3. Proprietary Fund Financial Statements

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2024

In addition to the financial statements, supplemental information is provided to offer a comprehensive overview of the HPHA's financial activities for FY 2024.

Government-wide Financial Statements

The government-wide financial statements provide a broad overview of the HPHA's finances, similar to reports prepared by private-sector businesses. These include:

- **Statement of Net Position:**
This statement presents HPHA's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, reflecting its financial position. Changes in net position over time can indicate whether the HPHA's financial health is improving or deteriorating.
- **Statement of Activities:**
This statement details how the HPHA's net position changed due to financial activities during the year. It is prepared using the accrual basis of accounting, meaning transactions are recorded when they occur, not when payments are received or made.

The government-wide statements include two categories of activities:

1. **Governmental Activities:**
These activities are primarily funded by state appropriations and HUD contributions. They focus on the flow of funds and year-end balances. The governmental fund financial statements include:
 - Balance Sheet
 - Statement of Revenues, Expenditures, and Changes in Fund Balances

These statements use the current financial resources measurement focus and the modified accrual basis of accounting, offering a short-term perspective on available financial resources. Additional information is provided to reconcile these with the long-term focus of the government-wide statements.

2. **Business-Type Activities (Proprietary Funds):**
These activities are financed and operated similarly to private enterprises, with costs recovered through user charges. The proprietary fund statements include:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position

These statements are prepared using the accrual basis of accounting and the economic resources measurement focus.

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2024

Fund Financial Statements

HPHA uses fund accounting to segregate financial transactions related to specific government functions and ensure legal compliance. Each fund operates as a separate accounting entity with a self-balancing set of accounts.

Funds are classified as major or non-major, as defined by the Governmental Accounting Standards Board (GASB) Statement 34. Major funds are presented individually in the financial statements, while non-major funds are aggregated. Details of non-major funds are provided in the Supplementary Information section.

Notes to the Financial Statements

The notes provide essential details to support the information in the government-wide and fund financial statements, offering additional context and clarity for a complete understanding of HPHA's financial data.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table is derived from the government-wide statement of net position.

Hawaii Public Housing Authority

Management Discussion and Analysis June 30, 2024

HAWAII PUBLIC HOUSING AUTHORITY
Condensed Statements of Net Position
June 30, 2024 and June 30, 2023
(In thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	103,104	86,079	116,363	108,241	219,467	194,320
Capital assets	3,608	3,786	348,585	358,752	352,193	362,538
Other assets	-	-	9,662	7,178	9,662	7,178
Total Assets	106,712	89,864	474,610	474,172	581,322	564,036
Deferred Outflows of Resources	617	467	8,273	6,532	8,890	6,999
Total Assets & Deferred Outflows of Resources	107,329	90,331	482,883	480,704	590,212	571,036
Liabilities						
Current and other liabilities	8,067	6,217	17,468	8,774	25,535	14,990
Long-term liabilities	5,236	5,094	70,719	68,312	75,955	73,406
Total Liabilities	13,303	11,310	88,186	77,086	101,489	88,396
Deferred Inflows of Resources	452	708	6,247	9,276	6,699	9,984
Net position						
Investment in capital assets	3,608	3,786	348,421	358,752	352,028	362,538
Restricted	248	1,537	-	-	248	1,537
Unrestricted	89,719	72,990	40,030	35,590	129,748	108,579
Total Net Position	93,574	78,313	388,450	394,342	482,024	472,655
Total Liabilities, Deferred Inflows of Resources and Net Position	107,329	90,331	482,883	480,704	590,212	571,036

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2024

Statement of Net Position

Net position is a key indicator of the HPHA's financial health. At the end of the fiscal year, the HPHA's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$482.02 million, with \$352.03 million of this amount invested in capital assets. As noted in the financial highlights, the net position increased by \$9.37 million during the fiscal year (refer to the Government-Wide Statement of Net Position and Statement of Activities).

Of the HPHA's total assets:

- \$352.03 million (60%) represents capital assets.
- \$215.67 million (36%) is in cash and amounts due from the State of Hawaii.
- \$22.51 million (4%) consists of receivables and deferred outflows of resources.

Within the \$88.39 million categorized as Due from the State of Hawaii:

- \$78.31 million is allocated for state-allotted appropriations designated for capital improvement projects.
- The remaining amount is for the state rental supplement program and the maintenance of public housing projects.

This composition is consistent with the previous fiscal year, where capital assets also constituted the majority of total assets.

Accounts payable and accrued current liabilities totaled \$19.08 million, comprising 75% of the HPHA's total current liabilities (detailed in the Government-Wide Statement of Net Position).

Long-term liabilities increased by \$2.55 million compared to the prior year, primarily due to higher pension and Other Post-Employment Benefits (OPEB) obligations. Total long-term liabilities and deferred inflows of resources amounted to \$82.65 million (76%) of total liabilities and deferred inflows, compared to \$83.39 million (85%) in FY 2023.

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The following financial information is derived from the government-wide statement of activities.

HAWAII PUBLIC HOUSING AUTHORITY								
Government-Wide Statements of Activities								
June 30, 2024 and June 30, 2023								
(In thousands of dollars)								
	Governmental Activities		Business Activities		Elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenues								
Program Revenues:								
Charges for services	113	154	31,320	28,838	(1,630)	(1,545)	29,803	27,447
Operating grants and contributions	116,297	110,717	37,287	37,556			153,584	148,273
Capital grants and contributions	-	-	4,963	7,335			4,963	7,335
Other income	2	1	885	492			887	493
General Revenues:								
State allotted appropriations, net of lapsed funds	38,635	19,403	-	-			38,635	19,403
Total revenues	155,047	130,275	74,455	74,221	(1,630)	(1,545)	227,871	202,951
Expenses								
Governmental Activities								
Rental housing assistance program	117,560	107,960			(1,630)	(1,545)	115,930	106,415
Business-type activities								
Federal low rent housing program			84,950	73,310			84,950	73,310
State and other housing program			11,921	11,504			11,921	11,504
Other program			5,701	2,380			5,701	2,380
Total government-wide expenses	117,560	107,960	102,573	87,194	(1,630)	(1,545)	218,503	193,609
Excess (deficiency) of revenues over (under) expenses	37,487	22,315	(28,118)	(12,973)	-	-	9,369	9,342
Net transfers	(22,226)	(18,764)	22,226	18,764			0	-
Changes in net position	15,261	3,551	(5,892)	5,791	-	-	9,369	9,342
Net position, beginning of year	78,313	74,762	394,342	388,551			472,655	463,313
Total net position, end of year	93,574	78,313	388,450	394,342	-	-	482,024	472,655

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Government-wide expenses increased by \$24.98 million, rising from \$195.15 million in FY 2023 to \$220.13 million in the current fiscal year. This includes a \$9.60 million increase in governmental activities expenses, primarily due to higher housing assistance payments, and a \$15.38 million increase in business-type activities expenses, driven by higher costs for repairs and maintenance, and personnel services.

Government-wide charges for services and other revenues rose by \$2.44 million, from \$28.99 million in the previous fiscal year to \$31.43 million in the current year. Federal operating grants and contributions grew by \$5.31 million, increasing from \$148.27 million to \$153.58 million. However, HUD capital grants decreased by \$2.37 million, dropping from \$7.33 million to \$4.96 million.

The loss from business-type activities rose significantly by \$15.54 million, from \$13.46 million in the prior year to \$29.00 million in the current year. This loss was partially offset by \$22.23 million in transfers from governmental activities and \$0.88 million in interest and investment revenue. As a result, the net position decreased by \$5.89 million (see the Government-Wide Statement of Activities for details).

The net position for governmental activities increased by \$15.26 million, rising from \$78.31 million in the prior year to \$93.57 million in the current year. This increase is attributed to:

- \$38.63 million in state-allocated appropriations, net of lapsed funds,
- Offset by \$22.23 million in net transfers out to business-type activities,
- A \$1.15 million deficit of revenue under expenditures, and
- \$0.01 million in interest and investment revenue.

(Refer to the Government-Wide Statement of Activities for further details.)

FINANCIAL ANALYSIS OF THE HPHA'S FUNDS

Governmental funds

The focus of the HPHA's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is valuable for assessing the HPHA's ability to meet its financing requirements. Unreserved fund balances can serve as a useful measure of the HPHA's net resources available for spending at the end of the fiscal year (as detailed in the *Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances*).

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- **Governmental Fund Balance:** At the end of the fiscal year, the fund balance of governmental funds was \$95.04 million, an increase of \$15.18 million from \$79.86 million at the end of FY 2023. Of the \$95.04 million fund balance, \$73.51 million (77%) consisted of capital funds (as detailed in the *Governmental Funds, Balance Sheet* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances*).
- **General Fund:** The General Fund reported an excess of revenues over expenses of \$12.71 million at the end of the fiscal year. During the year, \$8.12 million from the General Fund was transferred out to support the HPHA’s business-type activities (as detailed in the *Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances*).
- **Capital Fund:** The Capital Fund balance increased by \$10.59 million, rising from \$62.92 million in the prior year to \$73.51 million. This increase is attributable to the receipt of \$24.70 million in allotted appropriations (net of \$0.10 million in lapsed funds) and a net transfer out of \$14.11 million (as detailed in the *Governmental Funds, Statement of Revenues, Expenditures, and Changes in Fund Balances*).
- **Housing Assistance Voucher Programs:** The fund balance for Housing Assistance Voucher Programs decreased by \$0.44 million to \$7.25 million due to an excess of revenues over expenditures.
- **Section 8 Contract Administration:** The fund balance for the Section 8 Contract Administration program increased by \$0.43 million to \$4.97 million, driven by an excess of revenues over expenditures.

Proprietary funds

The HPHA’s proprietary funds provide detailed information similar to that presented in the government-wide financial statements.

- **Central Office Cost Center (COCC):** With the implementation of HUD’s Asset Management and Project-Based Budgeting, the HPHA established the HUD-mandated COCC fund to account for costs related to general oversight of the programs and projects administered by the HPHA, as well as other indirect and administrative costs. The COCC fund charges fees to the HPHA’s various housing programs for administrative services and general oversight.
- **Overall Proprietary Funds:** The loss before transfers (fund transfers from Governmental Funds) for Proprietary Funds totaled \$28.12 million, as detailed in the Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position.

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This represents a \$15.15 million increase compared to the previous year's loss of \$12.97 million. The main factors contributing to this increase were:

- A \$10.18 million higher operating loss, driven by increased costs for repairs and maintenance, and personnel services.
- A \$5.78 million decrease in HUD operating subsidies and capital grants.
- A \$2.32 million increase in other expenses.

These losses were partially offset by \$3.13 million in additional federal grant revenues.

- **COCC Financial Performance:** The COCC's loss before transfers was \$2.54 million (*Proprietary Funds, Statement of Revenues, Expenses, and Changes in Net Position*), compared to income of \$0.12 million in the previous year. This increased loss resulted from:

- \$2.61 million higher operating expenses.
- \$0.20 million lower operating revenue.

These were slightly offset by \$0.15 million in additional other revenue. The COCC received a net transfer of \$0.65 million during the year. Its net position decreased by \$1.89 million to -\$7.72 million from the prior year's -\$5.83 million.

- **Federal Low Rent Program:** The program reported a loss before transfers of \$18.74 million, an increase of \$12.40 million from the prior year's loss of \$6.34 million. This increase was due to higher operating expenses for repairs and maintenance, and personnel services, along with reduced federal grant revenue (*Proprietary Funds, Statement of Revenues, Expenses, and Changes in Net Position*).
- **State Family Housing Program:** The program incurred a loss before transfers of \$3.14 million, \$0.49 million higher than the previous year's loss of \$2.65 million, primarily due to increased operational expenditures. The program received a net transfer of \$1.61 million from Governmental activities, reducing its net position by \$1.53 million to \$16.24 million (*Proprietary Funds, Statement of Revenues, Expenses, and Changes in Net Position*).
- **State Elderly Housing Program:** The program reported a loss before transfers of \$3.17 million, an improvement from the prior year's loss of \$3.47 million. The loss was due to rental income being insufficient to cover operational expenditures. However, due to net transfers from Governmental activities, the program's net position increased by \$1.94 million to \$40.30 million (*Proprietary Funds, Statement of Revenues, Expenses, and Changes in Net Position*).

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- **Other Enterprise Funds:** These funds reported a loss before transfers of \$0.58 million (*Proprietary Funds, Statement of Revenues, Expenses, and Changes in Net Position*), a slight improvement compared to the previous fiscal year's loss of \$0.65 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The HPHA's investment in capital assets as of June 30, 2024 is \$352.03 million (*net of related debt*). This investment includes land, buildings and improvements, equipment, furniture and fixtures, construction in progress, and right of use assets (as detailed in *Notes to the Financial Statements, Note 5*).

Hawaii Public Housing Authority Capital Assets
June 30, 2024 and June 30, 2023
(In thousand of dollars)

	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,373	\$ 2,373	\$ 22,966	\$ 22,966	\$ 25,339	\$ 25,339
Buildings and improvements	15,614	15,614	792,064	789,871	807,678	805,484
Equipment	1,492	1,492	12,771	12,765	14,263	14,257
Construction in progress	-	-	62,344	56,711	62,344	56,711
Right of use assets	-	-	14	9	14	9
Total	19,478	19,478	890,159	882,491	909,637	901,969
Accumulated depreciation	(15,870)	(15,692)	(541,739)	(523,739)	(557,609)	(539,431)
Total Capital Assets, Net	3,608	\$ 3,786	\$ 348,421	\$ 358,752	\$ 352,028	\$ 362,538

Major project outstanding balances in construction in progress at the end of FY2024

- AMP 30 Puuwai Momi, Waipahu I and Waipahu II, Design for Spall Repair and Security Improvements, 0.12 million
- AMP 32 Mayor Wright Homes, MWH Redevelopment, \$2.92 million
- AMP 32 Mayor Wright Homes, Design for Redevelopment of Mayor Wrights, \$0.29 million
- AMP 33 Kaahumanu Homes and Kamehameha Homes, Construction for Water Heating Systems upgrade, \$2.29 million
- AMP 33 Kaahumanu Homes and Kamehameha Homes, Design for Water Heating Systems upgrade, \$0.10 million
- AMP 34 Kalakaua Homes, Makua Alii and Paoakalani, Design for Modernization of Elevators, \$0.11 million

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- AMP 34 Kalakaua Homes, Makua Alii and Paoakalani, Design for Upgrade of Emergency Generators, \$0.17 million
- AMP 34 Makua Alii, Design for Burnt Unit Repairs and Security Improvements, \$0.14 million
- AMP 35 Kalanihuia, Punchbowl Homes, Pumehana and Makamae, Design for Modernization of Elevators, \$0.15 million
- AMP 35 Kalanihuia, Punchbowl Homes and Pumehana, Design for Upgrade of Emergency Generators, \$0.13 million
- AMP 35 Punchbowl Homes, Design and Engineering for Exterior repair, Re-roofing, Site and ADA Improvements, \$0.90 million
- AMP 35 Kalanihuia and Makamae, Design for Re-roofing and Repairs, \$0.21 million
- AMP 35 Punchbowl Homes, Construction for Exterior repairs, Re-roofing, Site and ADA Improvements, \$12 million
- AMP 35 Kalanihuia and Makamae, Construction for Re-roofing and Repairs, \$3.22 million
- AMP 35 Kalanihuia and Pumehana, Design for Security Upgrades, \$0.23 million
- AMP 35 Kalanihuia and Pumehana, Construction for Security Upgrades, \$2.01 million
- AMP 35 Punchbowl Homes, Design for Exterior Repairs, Reroofing, Site and ADA Improvements, \$0.12 million
- AMP 35 Punchbowl Homes, Design for Upgrade to Fire Alarm Systems, \$.11 million
- AMP 37 Hale Aloha O' Puna, Construction for Site and Building Improvements, \$0.85 million
- AMP 37 Pomaikai, Hale Aloha O'Puna, Pahala Elderly, Design for Site and Building Improvements, \$0.67 million
- AMP 37 Lanakila Homes, Design for Planning Service for the Hawaii Multi-Model Transportation, \$0.38 million
- AMP 37 Pahala, Construction for Utility Improvements, \$0.30 million
- AMP 37 Hale Aloha O' Puna, Design for Site and Building Improvements, \$0.13 million
- AMP 38 Kapaa Homes and Hui O'Hanamaulu, Design for Lead-Based Paint Abatement, \$0.99 million
- AMP 39 Piilani Homes, Design for Site and Dwelling Improvements, \$0.67 million
- AMP 39 Piilani Homes, Construction for Site and Dwelling Improvements, \$6.78 million
- AMP 39 Makani Kai Hale, Construction for Burnt Unit and Gas Line Repair, \$0.45 million
- AMP 39 David Malo Circle, Lead-Based Paint Abatement, \$0.35 million
- AMP 42 Hale Po'ai, Lai'ola, Kamalu Hoolulu, Halia Hale, Design for Upgrade of Emergency Generators, \$0.15 million
- AMP 42 Hale Po'ai, Design for Site and Building Improvements, \$0.65 million
- AMP 42 Lai'ola, Design for Roof Replacement and Exterior Concrete Spall Repairs, \$0.25 million

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- AMP 42 Hale Po'ai, Construction for Site and Building Improvements, \$12.8 million
- AMP 43 Kaimana, Design for Site and Building Improvements, \$0.38 million
- AMP 44 Waimaha Sunflower, Construction for Reroof, \$2.5 million
- AMP 45 Hookipa Kahaluu, Construction for ADA and Site Improvements, \$2.53 million
- AMP 45 Hookipa Kahaluu, Design for ADA and Site Improvements, \$0.28 million
- AMP 49 Wahiawa Terrace, Design for New Sewage Pump Station, \$0.17 million
- AMP 50 Palolo Valley Homes, Construction for Modernization Phase 4, \$2.14 million
- AMP 50 Palolo Valley Homes, Design for Modernization Phase 4, \$0.57 million
- AMP 50 Palolo Valley Homes, Design for Modernization Phase 5, \$1.10 million
- State low rent housing project (Fund 318) Puahala Homes, Design for Site and Building Improvements, \$0.96 million

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

HPHA continues to hold title of the State-owned shelter facilities of the homeless program. During 2009 legislative session, S.B. bill No. 910 was enacted and required the transfer of the functions and duties of the homeless program to the Department of Human Services effective July 1, 2010. Approximately \$22,000,000 of the net assets was transferred at that time.

Pending Cases Re: Hawaii Public Housing Authority

Edwin K. Kalamau, Sr. v. State of Hawaii

Civil Case No. 1CCV 22-0000701, First Circuit Court

This alleged State law slip and fall case occurred in May 2021. Plaintiff alleges that he was walking on the ramp in the parking garage of Pumehana when he slipped and fell in a puddle of water. He fractured his cervical spine and received approximately \$165,000 in medical care, including surgery.

The arbitration award was entered as final judgment in favor of Plaintiff in the amount of \$102,702.62. Plaintiff was also awarded costs in the amount of \$610.88.

Sophia Karsom, et al. v. State of Hawaii, et al.

Civil Case No. 17-1-0843, First Circuit Court

Plaintiffs allege that an employee of the Hawaii Public Housing Authority (“HPHA”), driving an HPHA maintenance vehicle, struck a four (4) year-old boy who was playing on the sidewalk in front of his home at 1555 Haka Drive, on or about August 26, 2016. The complaint alleges that the boy suffered a fractured pelvis, broken bones and internal injuries.

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Following service in October 2017, the State, the HPHA, and the employee answered the Amended Complaint. The State filed a third-party complaint against the minor's grandmother, Cynthia Kaminaga. In January 2019, the court granted the employee's Motion for Summary Judgment. On October 8, 2020, the Court filed its Order Granting the State of Hawaii and the Hawaii Public Housing Authority's Motion for Summary Judgment, Filed January 10, 2020. The final judgment in this case was filed on February 17, 2021, and Plaintiffs filed their Notice of Appeal. This case is currently pending in the Intermediate Court of Appeals.

Aaron Lewis v. State of Hawaii, et al.

Civil Case No. 3CCV 22-0000311, Third Circuit Court

Plaintiff alleges State law negligence claims. Plaintiff claims that he was struck by an HPHA truck driven by HPHA employee Andrade in the parking lot of Home Depot in August 2019 and sustained an injury to his leg.

The arbitration award was entered as final judgment in favor of Plaintiff in the amount of \$15,700. Plaintiff was also awarded costs in the amount of \$1,482.76.

Adeline Liftee v. HPHA, et al.

Civil Case No. 1CCV 22-0000756; First Circuit Court

Plaintiff Adeline A. Liftee alleges that she was walking her dog on a leash on the grounds of Kuhio Homes when she was attacked by two dogs, one of which was a white pit bull. The dogs rushed out from the open door of a neighboring unit and attacked Plaintiff in the common area hallway. Plaintiff suffered serious and permanent bite wounds to her left thigh/leg, which required surgery, skin grafting, hospitalization, and extensive medical treatment.

The Complaint further alleges that the State and/or HPHA had a "Pets and Assistance Animals Policy" which was applicable to all tenants living at Kuhio Homes. The pet policy prohibited full or mixed pit bull dogs, or other dangerous dogs, from being kept on the property.

Nevertheless, the Complaint alleges that the dog owner was allowed to harbor a full or mixed pit bull in his housing unit for several months prior to March 5, 2022. The Complaint further alleges that the State and HPHA knew or should have known that was keeping a full or mixed pit bull in his unit because the owner often walked the dog in the common areas of the complex. Despite having actual or "constructive knowledge" that the dog owner was harboring a full or mixed pit bull in his unit, the State and HPHA "failed to take appropriate measures to have the dog removed from the premises.

Hawaii Affordable Properties, Inc. ("HAPI") provided property management services at Kuhio Homes. Under its contract with HPHA, HAPI agreed to provide, in strict accordance with the contract, basic property management functions such as enforcing all covenants and conditions of

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the Rental Agreement. HAPI's "minimum" property management services included implementation and compliance with HPHA's Pet Ownership Policy. Based on available information, it appears that HAPI had received previous complaints about the unauthorized dogs being kept at Kuhio Homes, but took no action to have the dogs removed.

HAPI accepted a tender of the case. The case was settled and HAPI has agreed to pay the entire settlement amount.

Debbie Pregil v. Hawaii Affordable Properties and HPHA

Civil Case No. 1CCV 23-13255; First Circuit Court

The Plaintiff is a resident in HPHA property located at 1050 Queen Street. It is managed by Hawaii Affordable Properties. Plaintiff allegedly made multiple complaints about conditions in her bathroom. In March 2021, after work started in her bathroom but before it was completed, plaintiff fell in her shower. She claims that it was due to the broken bathroom light. She also claims that she was exposed to toxic paint thinner from repairs to bathroom tiles.

An answer was filed and the case was tendered to Hawaii Affordable Properties, Inc. to defend. We are waiting for them to assign counsel. An arbitration is to be scheduled, pending resolution of the insurance issue.

Nancy Schroeder v. Sapigao Construction, Inc., et al.

Civil Case No. 1CCV 21-0001178; First Circuit Court

Plaintiff asserts State law negligence claims arising out of injuries she sustained when her wheelchair got trapped during construction in a common area. HPHA filed a cross-claim against its contractor, Sapigao Construction, which was supposed to do exterior repairs, re-roofing, and site and ADA improvements to the project.

Sapigao accepted a tender of the case. The case was settled and Sapigao has agreed to pay the entire settlement amount.

Tangee R. Lazarus v. Hakim Ouansafi, et al.

Civil No. 1:21-CV-00247-HG-RT, U.S. District Court

Plaintiff Tangee R. Lazarus is a tenant at Kalakaua Homes, AMP 34. Plaintiff names three HPHA employees in her Complaint and alleges discrimination by the HPHA employees on the basis of race and disability, and negligence due to the alleged discrimination. Plaintiff claims that she has been subjected to various acts of harassment and assault by her neighbors at Kalakaua Homes and claims that the HPHA employees have not taken any action following the incidents involving her neighbors, that the HPHA employees have improperly disclosed her confidential information and spread false rumors about her, and that the HPHA employees have retaliated

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against her following the incidents involving her neighbors. Plaintiff seeks \$214,100 from two of the HPHA employees, compensatory and punitive damages, and injunctive relief.

In October 2021, the parties placed settlement terms on the record in the U.S. District Court. Plaintiff subsequently repudiated the settlement. The HPHA filed a motion to compel the settlement. US District Court Judge denied the HPHA's motion to enforce the settlement. The case went to trial, and after trial, the jury found in favor of the HPHA on all claims.

Sinisio Sarafin, et al. v. Hawaii Public Housing Authority, et al.

Civil No. 1:24-00066-LEK-WRP, U.S. District Court

In this lawsuit, Plaintiffs Sinisio Sarafin and Legal Aid Society of Hawaii ("Plaintiffs") bring federal and state law claims against the Hawaii Public Housing Authority ("HPHA"), HPHA Director Hakim Ouansafi, and HPHA Chief Compliance Officer Ryan Akamine (collectively, "Defendants") alleging discrimination based on disability and national origin. The First Amended Complaint ("FAC") asserts the following five claims: violations of the FHA against Ouansafi and Akamine in their official and personal capacities (*i.e.* First Claim); the ADA, Title VI, and Rehabilitation Act against HPHA, and Ouansafi and Akamine in their personal capacities (*i.e.* Second, Third, and Fourth Claims); and the Hawaii Fair Housing Act against HPHA and Ouansafi and Akamine (*i.e.* Fifth Claim). Plaintiffs seek declaratory and injunctive relief, compensatory and punitive damages as to Sarafin only, and attorney's fees and costs. The State is self-insured and the potential exposure is not anticipated to exceed the State's self-insured-retention.

The court's decision on the Defendants' motion to dismiss the FAC is pending.

Laurie Thorson v. Hawaii Public Housing Authority, et al.

(Civil No. 1:23-CV-00412-LEK-WRP, U.S. District Court)

Plaintiff Laurie Thorson is a holder of an HPHA Section 8 voucher, which she uses to rent a two-bedroom dwelling unit. Plaintiff has been approved for a live-in-aide and the extra bedroom is intended to be used by her live-in-aide. Plaintiff's son was approved by the HPHA to be her live-in-aide. Plaintiff names three HPHA employees in her Complaint and alleges discrimination, intimidation, harassment, defamation, and retaliation against her alleging intentional interference with her housing and interference with her approved reasonable accommodation. Plaintiff alleges that HPHA adopted an illegal policy for rent reasonableness determination in its Section 8 voucher program, which resulted in her receiving an approval of inadequate rent amount and in the HPHA accumulating improper surplus grant funds. Plaintiff further alleges that because she complained to the HPHA about the improper rent reasonableness policy, the HPHA retaliated against her by approving an improper rent amount, by interfering with her live-in aide, and by defaming her. Plaintiff seeks \$350,000 in general damages and \$5,000,000 in punitive damages.

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The HPHA intends to file a motion to dismiss Plaintiff's complaint.

HPHA's Redevelopment Efforts

School Street Elderly Affordable Housing

In 2015 the HPHA selected Retirement Housing Foundation (RHF), a non-profit affordable housing developer, to plan and implement the mixed-income, mixed-use redevelopment of its administrative campus located at 1002 N. School Street. The redevelopment is intended to deliver 800 affordable housing units for our kapuna over the course of three phases. In late 2023, RHF and HPHA decided to separate for mutual reasons and to transfer the School Street master plan and development rights created by RHF to Highridge Costa Development Company (HCDC). RHF transferred the development and associated agreements over to HCDC on January 11, 2024.

On January 11, 2024, HHFDC awarded Phase I (250 senior units) additional Hula Mae Multi-Family Tax Exempt Revenue Bonds, increasing from \$71,500,000 to \$85,152,621, additional Federal LIHTC over a 10-year period to \$6,131,601 from \$5,257,493 and annual State LIHTC over a 5-year period to \$6,131,601 from \$5,257,493 from the non-volume pool (4% LIHTC) as well as increasing the RHRF project award from \$40,000,000 to \$67,860,277. HPHA then held a groundbreaking for Phase I on January 12. Building M was relocated in February with staff starting to move into the building on February 29. Buildings D and H were demolished in April.

The HPHA Board approved the Disposition and Development Agreement, Ground Lease, Memorandum of Ground Lease, Purchase Option and Right of First Refusal, Subdevelopment Fee Agreement, Asset Management Fee Agreement, HPHA Property Management Fee Agreement and Performance and Completion Guarantee for Phase I closing on April 4, 2024. On May 15, the HHFDC Board authorized the closing of the School Street project and Phase I closed on June 6 and recorded on June 7 with RBC Capital Markets as the LIHTC investor, First Hawaiian Bank as the construction lender, Citi Community Capital as the perm lender, HCDC as the General Partner and HPHA as Co-General Partner. Construction is currently under way with grading and foundation work scheduled through the end of the year (as of September 30 the work is 8.5% complete) and lease-up scheduled to start in mid-2026.

Kuhio Park Low-Rises and Homes

The HPHA is partnering with the Michaels Development Corporation (MDC), an affordable housing developer, to redevelop Kuhio Park Low-Rise and Homes (KPLR) located between Linapuni and Ahonui Streets in the Kalihi neighborhood of Honolulu. The three-phase redevelopment will provide approximately 650 affordable housing units within eight new

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buildings. The first phase of development will provide 304 affordable housing units in four mid-rise buildings.

On January 11, HHFDC approved an allocation of up to \$8,384,158 in annual Federal Low Income Housing Tax Credits (LIHTC) over a 10-year period and \$8,384,158 in annual State LIHTC over a 5-year period from the non-volume pool (4% LIHTC) as well as a loan of \$48,556,752 in RHRF for Phase I.

On January 23, the Governor's Office published the Notice of Intent to Request Release of Funds/Finding of No Significant Impact in the Star Advertiser with the public comment period expiring on February 14. No comments were received and the Governor's Office submitted the Request for Release of Funds to HUD on February 20. On March 12, HUD approved the Authorization to Use Grant Funds. On March 7, HPHA submitted the Section 18 Disposition application for Phase I to HUD for approval.

The relocation planning process also began in earnest in May with 58 of the 60 affected households completing relocation preference surveys. At the same time, the Resident Relocation Plan was shared with the HUD Special Applications Center in support of HPHA's Section 18 Disposition application. On July 11, HPHA and MDC held two community update meetings for all residents of Kuhio Park Low-Rises and Homes.

In August, the team received Letters of Intent from Redstone for federal LIHTC, Berkadia for state LIHTC and Bank of Hawaii for construction and perm debt. Also in August, Albert C. Kobayashi, Inc., the selected general contractor, provided updated pricing on the 100% construction set and the team began work on value engineering.

MDC held an additional community information meeting to answer questions from residents about relocation on August 16. The Notice of Eligibility and 90-Day Notices were issued to residents affected by Phase I on September 20. The Relocation Plan has been finalized in addition to a Relocation Frequently Asked Questions (FAQ) with both posted on the project website. Residents out of compliance with their lease have been notified to resolve outstanding issues via repayment plans or will begin eviction. HUD issued the first set of 41 Tenant Protection Vouchers in mid-November with the final 19 expected to be received on December 1. Seneca Relocation Services, relocation consultant under contract to TMO, has started on-site relocation activities with all families.

As of November 2024, the Civil drawing vellums have been approved and signed, the 201H agreement recorded, and building permits are in their final review with the expectation they will be issued by DPP by the end of the month. The Issued for Construction set of drawings was finalized on September 6 and final pricing is expected by the end of November.

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A supplemental funding application was submitted to HHFDC on October 15. With the anticipation of an \$8 million Affordable Housing Fund grant from the City and County of Honolulu along with an increase in bonds and LIHTC, there is no need for additional RHRF from HHFDC. TMO and HPHA continue to work on finalizing the DDA, Ground Lease, Use Agreement and Condo Regime documents. Once the \$8 million award letter is received, the parties will have to work on the terms for HPHA to lend the funds to the partnership. Closing is currently projected to occur in late 1st quarter 2025.

Ka Lei Momi Redevelopment

The HPHA continued to work with its development partner (HCDC) for Ka Lei Momi to refine master plans for each of the 9 preferred sites and to achieve the goal of replacing one-for-one all existing public housing units while also creating 10,000 new affordable units.

The Mayor Wright Homes entitlement application (201H/EP) was accepted by HHFDC on January 11 and for Kapaa on February 8. HCDC held a town hall meeting for Mayor Wright Homes in coordination with DPP as part of the 201H/EP application on January 22 and presented the Kapaa Homes redevelopment to the Kauai County Council in January with all six members in attendance approving a Resolution in support. The Kauai County Planning Director then approved the 201H application on February 12. Consolidated funding applications were then submitted to HHFDC on February 16 for both sites. We are still awaiting notification from HHFDC for both Mayor Wright Homes and Kapaa funding awards.

Design teams for both Mayor Wright Homes and Kapaa were selected in June with schematic drawings moving forward over the summer. The Mayor Wright Homes set was sent for review by the HUD architect on October 2 with a follow up call with her and the team to discuss accessibility and other HUD comments on November 26.

HPHA and HCDC met with Mayor Mitch Roth and his cabinet on March 13 to update them on the Lanakila plans for redevelopment with the goal of applying for 201H/EP for both Lanakila Homes and Kaahumanu Homes in time to receive approval prior to HHFDC funding applications in February 2025. Technical studies related to NEPA, Historic Preservation and Section 18 were also pursued over the summer. On July 23, HPHA and HCDC hosted a resident meeting on site at Kaahumanu Homes to update residents on the relocation process and redevelopment plans as well as a Town Hall meeting for Kaahumanu Homes on August 15 at Palama Settlement. A Town Hall meeting for Lanakila Homes was held on September 25.

In May, HCDC provided a presentation to the HPHA Board on the status of the Ka Lei Momi effort. At the same meeting, the Board authorized the Executive Director to undertake all actions necessary to create Special Purpose Legal Entities for HPHA to participate as a partner in its redevelopment efforts. The Board also approved the Predevelopment Budget and additional

Hawaii Public Housing Authority

Management Discussion and Analysis
June 30, 2024

redevelopment funding related to Kuhio Park Low-Rises and Homes Phase I as well as the Predevelopment Budget and additional redevelopment funding related to Mayor Wright Homes Phase I.

At its June meeting, the HPHA Board approved the Predevelopment Budget and redevelopment funding related to Kapaa Homes.

Additional master planning refinements for Puuwai Momi, Hale Laulima and Kahekili Terrace were pursued over the summer in conjunction with OPSD TOD grants.

HCDC provided another presentation on the status of Ka Lei Momi to the HPHA Board at its August meeting with additional details specifically related to Kaahumanu Homes and in October details on Lanakila Homes were presented to the Board. Both 201H/EP applications have been accepted by HHFDC and are moving forward for approval in time to submit funding applications for Phase I of each site in February 2025.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the HPHA's finances for all those with an interest in the HPHA's finances. If you have any questions about this report or need additional financial information, contact the Office of the Executive Director, Hawaii Public Housing Authority 1002 North School Street, Honolulu, HI 96817.

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current Assets			
Cash	\$ 12,808,006	\$ 109,701,759	\$ 122,509,765
Restricted cash	1,352,592	3,423,108	4,775,700
Due from State of Hawaii	88,390,494	-	88,390,494
Receivables:			
Interest receivable	-	203,689	203,689
Tenant receivables, less allowance for doubtful receivables of \$5,964,630	-	1,768,834	1,768,834
Other receivable	45,519	43,666	89,185
	<u>102,596,611</u>	<u>115,141,055</u>	<u>217,737,666</u>
Due from other state agencies	-	-	-
Due from HUD	556,425	420,242	976,666
Internal balance	(48,717)	48,717	-
Inventories	-	750,326	750,326
Prepaid expenses and other assets	-	2,620	2,620
Total current assets	<u>103,104,319</u>	<u>116,362,960</u>	<u>219,467,278</u>
Noncurrent Assets			
Notes Receivable	-	9,661,988	9,661,988
Capital assets:			
Capital assets not being depreciated	2,373,410	85,310,600	87,684,010
Capital assets being depreciated	17,105,544	805,013,414	822,118,958
Less: accumulated depreciation	(15,871,393)	(541,738,819)	(557,610,211)
Total noncurrent assets	<u>3,607,562</u>	<u>358,247,183</u>	<u>361,854,744</u>
Total assets	<u>106,711,880</u>	<u>474,610,142</u>	<u>581,322,023</u>
Deferred outflows of resources	<u>616,740</u>	<u>8,273,142</u>	<u>8,889,882</u>
Total Assets & deferred outflows of resources	<u>\$ 107,328,620</u>	<u>\$ 482,883,285</u>	<u>\$ 590,211,905</u>

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 4,861,428	\$ 4,531,724	\$ 9,393,153
Accrued liabilities	2,863,278	6,820,304	9,683,582
Security deposits	-	1,625,796	1,625,796
Unearned revenue	342,162	4,489,826	4,831,988
Total current liabilities	<u>8,066,868</u>	<u>17,467,649</u>	<u>25,534,518</u>
Noncurrent Liabilities			
Net OPEB Liability	2,182,406	30,999,814	33,182,220
Net pension liability	2,880,177	37,779,742	40,659,919
Accrued other liabilities	173,271	1,939,197	2,112,468
Total noncurrent liabilities	<u>5,235,854</u>	<u>70,718,753</u>	<u>75,954,607</u>
Total Liabilities	<u>13,302,722</u>	<u>88,186,403</u>	<u>101,489,125</u>
Deferred inflows of resources	<u>451,798</u>	<u>6,246,792</u>	<u>6,698,590</u>
Net position:			
Net investment in capital assets	3,607,562	348,420,515	352,028,077
Restricted by legislation and contractual agreements	247,664	-	247,664
Unrestricted net position	89,718,874	40,029,574	129,748,449
Total net position	<u>93,574,100</u>	<u>388,450,090</u>	<u>482,024,190</u>
Total Liabilities, deferred inflows of resources and net position	<u>\$ 107,328,620</u>	<u>\$ 482,883,285</u>	<u>\$ 590,211,905</u>

Hawaii Public Housing Authority

GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
Fiscal Year ended June 30, 2024

	Program Revenues			Net (Expense) Revenues and Changes in Net Position				
	Expenses	Charges for services and other revenues	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Elimination	Total
Functions/Programs:								
Governmental activities								
Rental Housing and Assistance Program	\$ 117,560,022	\$ 113,205	\$ 116,297,568	\$ -	\$ (1,149,249)	\$ -	\$ 1,630,416	\$ 481,167
Total governmental activities	117,560,022	113,205	116,297,568	-	(1,149,249)	-	1,630,416	481,167
Business-type activities								
Federal low rent housing program	84,950,465	23,921,565	37,286,771	4,963,032	-	(18,779,096)	-	(18,779,096)
State and other housing program	11,921,376	4,840,074	-	-	-	(7,081,301)	-	(7,081,301)
Other program	5,701,416	2,558,254	-	-	-	(3,143,162)	(1,630,416)	(4,773,578)
Total business-type activities	102,573,256	31,319,893	37,286,771	4,963,032	-	(29,003,560)	(1,630,416)	(30,633,976)
Total government-wide	\$ 220,133,279	\$ 31,433,098	\$ 153,584,339	\$ 4,963,032	\$ (1,149,249.1)	\$ (29,003,559.6)	\$ -	\$ (30,152,808.7)
State Allotted Appropriations, net of lapsed funds of \$149,863					38,635,329	-	-	38,635,329
Interest and investment revenue					1,613	885,079	-	886,692
Net Transfers					(22,226,482)	22,226,482	-	-
Total general revenues and transfers					16,410,460	23,111,561	-	39,522,021
Changes in net position					15,261,211	(5,891,999)	-	9,369,212
Net Position at beginning					78,312,889	394,342,089	-	472,654,978
Net Position at end					\$ 93,574,100	\$ 388,450,090	\$ -	\$ 482,024,190

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS
BALANCE SHSET

June 30, 2024

	General	Capital Funds	Housing Assistance Vouchers - MTW	Section 8 Contract Administration	Total Governmental Funds
ASSETS					
Cash	\$ 74,216	\$ -	\$ 7,832,754	\$ 4,901,036	\$ 12,808,006
Restricted cash	-	-	1,351,627	965	1,352,592
Due from State of Hawaii	10,077,033	78,313,461	-	-	88,390,494
Due from HUD	-	-	298,145	258,280	556,425
Due from other funds	-	-	-	-	-
Other receivable (net of allowance)	-	-	45,519	-	45,519
Prepaid expenses and other assets	-	-	-	-	-
Total assets	10,151,249	78,313,461	9,528,045	5,160,281	103,153,036
LIABILITIES					
Accounts payable	699,408	2,968,533	1,105,705	87,783	4,861,428
Accrued liabilities	72,364	1,836,614	853,299	101,001	2,863,278
Due to other funds	379	-	48,262	76	48,717
Unearned revenue	74,216	-	267,946	-	342,162
Total liabilities	846,367	4,805,147	2,275,212	188,860	8,115,586
FUND BALANCE					
Invested in capital assets	-	-	-	-	-
Nonspendable fund balance	-	-	-	-	-
Restricted by legislation and contractual agreements	-	-	247,664	-	247,664
Committed - obligations of contracts/agreements	7,430,947	62,658,413	-	-	70,089,359
Assigned - appropriation less encumbrance	-	10,849,901	-	-	10,849,901
Assigned - program administrative fees	-	-	7,005,169	4,971,421	11,976,590
Unassigned	1,873,935	-	-	-	1,873,935
Total fund balances	9,304,882	73,508,314	7,252,833	4,971,421	95,037,449
Total liabilities and fund balance	\$ 10,151,249	\$ 78,313,461	\$ 9,528,045	\$ 5,160,281	\$ 103,153,036

Hawaii Public Housing Authority

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2024

Total fund balance - governmental funds		\$ 95,037,449
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	3,607,562	
Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(63,228)	
Long-term compensated absences are not due and payable in the current period and therefore are not reported in the funds	(110,042)	
Other post-employment employee benefit are not due and payable in the current period and therefore are not reported in the funds	(2,182,406)	
Pension benefits are not due and payable in the current period and therefore are not reported in the funds	(2,880,177)	
Deferred outflows of resources related to the pension liability are not financial resources and therefore are not reported in the funds	616,740	
Deferred inflows of resources related to the pension liability are not due and payable in the current period and therefore are not reported in the funds	(451,798)	
Total		<u>(1,463,349)</u>
Net position of governmental activities		<u><u>\$ 93,574,100</u></u>

Hawaii Public Housing Authority

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES POSITION
Fiscal Year ended June 30, 2024

	General	Capital Fund	Housing Assistance Vouchers - MTW	Section 8 Contract Administration	Total Governmental Funds
Revenue					
HUD PHA Grants	\$ -	\$ -	\$ 60,543,311	\$ 47,987,105	\$ 108,530,415
PHA Administrative Fees Earned	-	-	6,075,002	1,692,151	7,767,153
State allotted appropriations, net of lapsed funds of \$149,863	13,936,264	24,699,065	-	-	38,635,329
State allotted appropriations	13,985,192	24,800,000	-	-	38,785,192
Lapsed State funds	(48,928)	(100,935)	-	-	(149,863)
Interest	-	-	1,127	485	1,612
Other revenue	181	-	113,025	-	113,205
Other revenue	181	-	114,152	485	114,818
Total revenue	13,936,445	24,699,065	66,732,465	49,679,740	155,047,715
Expenditure					
Housing assistance payments	1,014,677	-	61,866,933	47,987,105	110,868,715
Administration	89,357	-	1,763,471	1,197,261	3,050,090
Personnel services	98,176	-	2,843,441	-	2,941,617
Professional services	21,509	-	102,335	53,746	177,590
Tenant services	272	-	57,167	-	57,439
Utilities	1,462	-	39,431	-	40,893
Repairs and maintenance	766	-	20,690	-	21,457
Security	349	-	8,636	-	8,985
Insurance	648	-	17,248	12,448	30,344
Bad debt	-	-	7,508	-	7,508
Other expenses	-	-	441,246	-	441,246
Total expenditure	1,227,216	-	67,168,106	49,250,560	117,645,883
Excess (deficiency) of revenue over (under) expenditure	12,709,228	24,699,065	(435,641)	429,180	37,401,832
Other Financing Uses - Net Transfers	(8,119,505)	(14,106,977)	-	-	(22,226,482)
Net change in fund balances	4,589,723	10,592,088	(435,641)	429,180	15,175,350
Fund Balances - Beginning	4,715,158	62,916,226	7,688,475	4,542,241	79,862,099
Fund Balances - Ending	\$ 9,304,882	\$ 73,508,314	\$ 7,252,833	\$ 4,971,421	\$ 95,037,449

Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN FUND
BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Fiscal Year ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 15,175,350
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report purchases of capital assets as expenditures. In the statement of activities, the cost of capital assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Current year depreciation expense	(178,201)
Family Self-Sufficiency program expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	37,935
Long-term compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	3,106
Other post-employment employee benefit expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	238,038
Pension expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(15,017)
Change in net position of governmental activities in Government-Wide Activities	<u>\$ 15,261,211</u>

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

June 30, 2024

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Elimination	Total Enterprise Funds	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS								
Current Assets								
Cash	\$ 83,262,960	\$ 1,082,812	\$ 1,453,231	\$ 17,380,026	\$ 5,342,747	\$ -	\$ 108,521,775	\$ 1,179,984
Restricted cash	1,384,085	-	-	2,007,069	31,954	-	3,423,108	-
Total cash and restricted cash	84,647,045	1,082,812	1,453,231	19,387,095	5,374,701	-	111,944,882	1,179,984
Receivables:								
Interest receivable	-	18,438	56,667	101,870	-	-	176,975	26,714
Tenant receivables, less allowance for doubtful accounts of \$5,964,630	1,630,642	95,980	3,092	-	39,121	-	1,768,834	-
Other receivable	9,381	4,331	(95)	80	29,968	-	43,666	-
Total receivables	1,640,023	118,749	59,664	101,950	69,089	-	1,989,475	26,714
Due from HUD	420,242	-	-	-	-	-	420,242	-
Due from other funds	-	-	-	5,161,503	-	(5,112,786)	48,717	8,745
Inventories	668,048	29,677	44,965	7,635	-	-	750,326	-
Prepaid expenses and other assets	-	-	-	2,620	-	-	2,620	-
Total current assets	87,375,358	1,231,238	1,557,860	24,660,803	5,443,790	(5,112,786)	115,156,262	1,215,443
Noncurrent Assets								
Notes Receivable	6,585,173	-	-	3,076,815	-	-	9,661,988	-
Capital assets:								
Capital assets not being depreciated	60,240,179	3,311,457	20,244,091	-	1,514,873	-	85,310,600	-
Capital assets being depreciated	681,172,278	39,252,655	63,752,707	3,041,541	14,970,008	-	802,189,189	2,824,225
Less: accumulated depreciation	(459,427,699)	(24,459,362)	(44,831,582)	(946,520)	(9,642,227)	-	(539,307,390)	(2,431,429)
Other assets								
Total noncurrent assets	288,569,931	18,104,750	39,165,215	5,171,837	6,842,654	-	357,854,387	392,796
Total Assets	375,945,289	19,335,988	40,723,074	29,832,640	12,286,444	(5,112,786)	473,010,648	1,608,239
Deferred outflow of resources	3,651,020	286,480	-	4,335,642	-	-	8,273,142	-
Total Assets & Deferred outflows of resources	\$ 379,596,309	\$ 19,622,469	\$ 40,723,074	\$ 34,168,282	\$ 12,286,444	\$ (5,112,786)	\$ 481,283,791	\$ 1,608,239

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Elimination	Total Enterprise Funds	Internal Service Funds
LIABILITIES								
Current Liabilities								
Accounts payable	\$ 3,230,589	\$ 105,320	\$ 209,745	\$ 420,982	\$ 565,088	\$ -	\$ 4,531,724	\$ -
Accrued liabilities	3,470,964	255,987	39,259	3,022,697	31,397	-	6,820,304	-
Due to other funds	974,073	57,086	6,678	-	4,083,694	(5,112,786)	8,745	-
Security deposits	1,361,610	51,374	169,783	-	43,029	-	1,625,796	-
Unearned revenue	4,480,113	5,915	1,294	-	2,504	-	4,489,826	-
Total current liabilities	13,517,349	475,681	426,760	3,443,679	4,725,712	(5,112,786)	17,476,394	-
Noncurrent Liabilities								
Net OPEB Liability	13,561,683	1,103,065	-	16,335,066	-	-	30,999,814	-
Net pension liability	18,114,916	1,520,896	-	18,143,930	-	-	37,779,742	-
Accrued other liabilities	1,024,642	62,889	-	851,666	-	-	1,939,197	-
Total Noncurrent liabilities	32,701,241	2,686,851	-	35,330,662	-	-	70,718,753	-
Total liabilities	46,218,590	3,162,532	426,760	38,774,341	4,725,712	(5,112,786)	88,195,148	-
Deferred inflows of resources	2,916,690	218,219	-	3,111,883	-	-	6,246,792	-
Net position:								
Net investment in capital assets	281,820,079	18,104,750	39,165,215	2,095,022	6,842,654	-	348,027,719	392,796
Unrestricted net position	48,640,950	(1,863,033)	1,131,100	(9,812,964)	718,078	-	38,814,132	1,215,443
Total net position (deficit)	330,461,029	16,241,717	40,296,315	(7,717,942)	7,560,732	-	386,841,851	1,608,239
Total Liabilities, deferred inflows, and net position (deficit)	\$ 379,596,309	\$ 19,622,469	\$ 40,723,074	\$ 34,168,282	\$ 12,286,444	\$ (5,112,786)	\$ 481,283,791	\$ 1,608,239

The accompanying notes are an integral part of this statement

Hawaii Public Housing Authority

RECONCILIATION OF THE PROPRIETARY FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION

June 30, 2024

Total net position of enterprise funds	\$ 386,841,851
Amounts reported for business-type activities in the statement of net position are different because internal service fund assets and liabilities are included with business-type activities	<u>1,608,239</u>
Net position of business-type activities	<u><u>\$ 388,450,090</u></u>

Draft

Hawaii Public Housing Authority

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Year ended June 30, 2024

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Elimination	Total Enterprise Funds	Internal Service Funds
Operating Revenue								
Rental income	\$ 23,531,259	\$ 1,439,031	\$ 2,290,662	\$ -	\$ 1,037,973	\$ -	\$ 28,298,925	\$ -
Fee-for-service	-	-	-	10,158,729	-	(8,528,313)	1,630,416	-
Other revenue	390,306	16,757	36,103	822,896	19,549	-	1,285,610	104,941
Total operating revenues	23,921,565	1,455,788	2,326,765	10,981,625	1,057,522	(8,528,313)	31,214,952	104,941
Operating Expenses								
Administration	10,803,338	410,356	972,183	482,082	477,881	(7,612,193)	5,533,647	-
Personnel services	13,535,897	1,099,023	-	12,227,660	24,991	-	26,887,571	-
Professional services	582,388	22,417	29,713	627,980	29,743	-	1,292,241	6,508
Tenant services	363,403	4,709	10,128	4,119	-	-	382,358	-
Utilities	11,665,508	791,514	1,436,833	138,781	298,421	-	14,331,056	-
Repairs and maintenance	18,908,521	703,742	1,261,730	411,924	213,997	(916,120)	20,583,794	-
Security	3,641,056	132,195	6,145	36,880	-	-	3,816,276	-
Insurance	912,786	52,716	90,903	14,668	25,416	-	1,096,488	1,681
Bad debt	2,379,625	158,316	7,815	-	6,999	-	2,552,756	-
Depreciation	19,065,690	1,276,008	1,817,159	174,954	560,322	-	22,894,133	101,786
Payments in lieu of taxes	370,943	-	-	-	-	-	370,943	-
Other expenses	7,594	-	-	706	-	-	8,299	-
Total operating expenses	82,236,747	4,650,996	5,632,609	14,119,753	1,637,771	(8,528,313)	99,749,563	109,976
Operating income (loss)	(58,315,182)	(3,195,209)	(3,305,844)	(3,138,127)	(580,249)	-	(68,534,611)	(5,035)
Nonoperating Revenues (Expenses):								
HUD operating subsidies	34,150,711	-	-	-	-	-	34,150,711	-
HUD capital fund grants	4,963,032	-	-	-	-	-	4,963,032	-
Other Federal grants	3,136,060	-	-	-	-	-	3,136,060	-
Other revenue (expenses)	(2,671,791)	50,508	138,807	598,628	78	-	(1,883,770)	55,131
Total nonoperating revenues (expenses)	39,578,013	50,508	138,807	598,628	78	-	40,366,034	55,131
Income (loss) before transfers	(18,737,169)	(3,144,701)	(3,167,037)	(2,539,500)	(580,171)	-	(28,168,577)	50,097
Net Transfers	14,852,378	1,611,983	5,107,271	654,850	-	-	22,226,482	-
Change in net position	(3,884,792)	(1,532,718)	1,940,234	(1,884,650)	(580,171)	-	(5,942,096)	50,097
Net position (deficit) - Beginning	334,345,821	17,774,435	38,356,081	(5,833,292)	8,140,903		392,783,947	1,558,142
Net position (deficit) - Ending	\$ 330,461,029	\$ 16,241,717	\$ 40,296,315	\$ (7,717,942)	\$ 7,560,732	\$ -	\$ 386,841,851	\$ 1,608,239

The accompanying notes are an integral part of this statement

Hawaii Public Housing Authority

RECONCILIATION OF THE CHANGE IN NET POSITION
OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES

Fiscal Year ended June 30, 2024

Changes in net position - total enterprise funds	\$ (5,942,096)
Changes in net position - internal service funds	<u>50,097</u>
Changes in net position of business-type activities	<u><u>\$ (5,891,999)</u></u>

Draft

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Fiscal Year ended June 30, 2024

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities							
Cash received from renters	\$ 24,863,806	\$ 1,254,616	\$ 2,289,729	\$ -	\$ 1,019,228	\$ 29,427,378	\$ -
Cash payments to employees	(12,725,311)	(1,023,446)	-	(11,073,112)	(24,991)	(24,846,860)	-
Cash payments to suppliers	(47,188,906)	(2,048,642)	(3,777,637)	(1,524,073)	(891,909)	(55,431,167)	(8,190)
Cash due from (to) other funds	(264,899)	37,895	4,604	12,070,966	(1,181,132)	10,667,434	-
Other cash receipts (payments)	19,363	2,312	(8,873)	677,263	19,549	709,614	86,139
Net cash provided by (used in) operating activities	(35,295,947)	(1,777,265)	(1,492,177)	151,044	(1,059,256)	(39,473,601)	77,949
Cash Flows from Noncapital Financing Activities							
HUD operating subsidy received	34,250,711	-	-	-	-	34,250,711	-
State appropriation transfers in	9,173,792	1,536,075	307,101	395,408	-	11,412,377	-
Net cash provided by noncapital financing activities	43,424,503	1,536,075	307,101	395,408	-	45,663,088	-
Cash Flows from Capital and Related Financing Activities							
HUD capital subsidy received	6,940,717	-	-	-	-	6,940,717	-
State appropriation transfers in	8,714,646	75,908	4,800,170	259,441	-	13,850,165	-
Payments for acquisition of property and equipment	(13,677,678)	(75,908)	(4,800,170)	(278,446)	-	(18,832,201)	-
Reimbursement of capitalized predevelopment fees	-	-	-	3,289,752	-	3,289,752	-
Net cash provided by (used in) capital and related financing activities	1,977,685	-	-	3,270,748	-	5,248,433	-
Cash Flow from Investing Activities							
Development loans	-	-	-	(2,483,779)	-	(2,483,779)	-
Receipts of interest	41,927	50,508	138,807	598,628	78	829,948	55,131
Net cash provided by (used in) investing activities	41,927	50,508	138,807	(1,885,151)	78	(1,653,831)	55,131
Net increase (decrease) in cash	10,148,168	(190,682)	(1,046,269)	1,932,049	(1,059,177)	9,784,089	133,081
Cash and restricted cash at beginning	74,498,877	1,273,493	2,499,500	17,455,045	6,433,878	102,160,793	1,046,903
Cash and restricted cash at ending	\$ 84,647,045	\$ 1,082,812	\$ 1,453,231	\$ 19,387,095	\$ 5,374,701	\$ 111,944,882	\$ 1,179,984

Hawaii Public Housing Authority
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Fiscal Year ended June 30, 2024

	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flow from Operating Activities							
Reconciliation of operating loss to net cash provided by (used in) operating activities							
Operating loss	\$ (58,315,182)	\$ (3,195,209)	\$ (3,305,844)	\$ (3,138,127)	\$ (580,249)	\$ (68,534,611)	\$ (5,035)
Adjustments to reconcile operating gain (loss) to net cash (used in) provided by operating activities							
Depreciation	19,065,691	1,276,008	1,817,159	174,954	560,322	22,894,134	101,786
Changes in assets and liabilities							
Tenant receivables	(439,610)	(24,318)	1,661	-	(9,679)	(471,947)	-
Other receivables	2,593	(11,118)	(44,881)	51,476	(9,319)	(11,250)	(18,802)
Due from other funds	(264,899)	34,556	4,604	1,715,127	(1,171,813)	317,575	-
Deferred outflow	(861,395)	(69,985)	-	(809,491)	-	(1,740,871)	-
Inventories	(11,250)	4,423	(3,843)	7,041	-	(3,629)	-
Prepaid expenses and other assets	-	-	-	5,895	-	5,895	-
Notes Receivable	-	-	-	-	-	-	-
Accounts payable	(364,592)	52,935	22,513	203,976	149,128	63,960	-
Accrued Liabilities	3,245,251	279,055	11,327	3,345,811	4,421	6,885,865	-
Due to other funds	-	-	-	-	-	-	-
Security deposits	62,492	(596)	5,593	-	(3,040)	64,449	-
Unearned revenue	4,086,697	(1,172)	(466)	-	973	4,086,033	-
Deferred inflow	(1,501,742)	(121,843)	-	(1,405,618)	-	(3,029,203)	-
Net cash (used in) provided by operating activities	\$ (35,295,947)	\$ (1,777,265)	\$ (1,492,177)	\$ 151,044	\$ (1,059,256)	\$ (39,473,601)	\$ 77,949

Draft

June 30, 2024

Note 1 - Organization and Significant Accounting Policies

General

Act 196, SLH 2005, as amended by Act 180, SLH 2006, created the Hawaii Public Housing Authority (the Authority).

The Authority's mission is to provide safe, decent, and sanitary dwelling for low and moderate income residents of Hawaii and to operate its housing program in accordance with federal and state of Hawaii laws and regulations.

For financial reporting purposes, the Authority includes all funds that are controlled by or dependent on the Authority's Board of Directors. Control by or dependence on the Authority was determined on the basis of statutory authority and monies flowing through the Authority to each fund. The Authority is a component unit of the State of Hawaii.

The financial statements of the Authority are intended to present the financial position, changes in financial position, and cash flows where applicable, of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the State of Hawaii that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Hawaii as of June 30, 2024, and the changes in its financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. The State Comptroller maintains the central accounts for all State funds and publishes financial statements for the State annually, which include the Authority's financial activities.

Government-Wide and Fund Financial Statements

The government-wide financial statements, the statement of net position, and the statement of activities report information of all activities of the Authority. Governmental activities, which normally are supported by State allotments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect expenses are allocated to a specific function in accordance with the U.S. Department of Housing and Urban Development requirements. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function.

Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. State allotments and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than program revenues.

Net positions are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first then unrestricted resources as they are needed.

The fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are summarized into a single column.

Note 1 - Organization and Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

i. Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ii. Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. In applying the susceptible to accrual concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when applicable requirements, including timing requirements, are met.

Principal revenue sources considered susceptible to accrual include federal grants and rental income. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the State's present appropriation system. These revenues have been accrued in accordance with generally accepted accounting principles since they have been earned and are expected to be collected within 60 days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Authority.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include employees' long-term compensated absences, family self-sufficiency program costs, net other post employment benefits (OPEB) liability, net pension liability, and deferred inflows and outflows of resources, which are recorded as expenditures when utilized or paid. The amount of indebtedness related to long-term compensated absences, family self-sufficiency program costs, net other post employment benefits liability, net pension liability and deferred inflows and outflows of resources at June 30, 2024 has been reported in the government-wide financial statements.

iii. Proprietary Funds

The financial statements of proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services or goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the Authority's enterprise funds is rental income. Federal grants are reported as nonoperating income.

Fund Accounting

The financial activities of the Authority are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Authority uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate the legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Note 1 - Organization and Significant Accounting Policies (Continued)

The financial activities of the Authority that are reported in the accompanying fund financial statements have been classified into the following major and nonmajor governmental and proprietary funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

i. Governmental Funds

General Fund - The general fund is the general operating fund of the Authority. It is used to account for all financial activities except those required to be accounted for in another fund. This fund includes the Rent Housing and Assistance Program. The annual operating budget as authorized by the State Legislature provides the basic framework within which the resources and obligations of the general fund are accounted.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. These funds include Housing Assistance Vouchers Moving To Work (MTW) Program and Section 8 Contract Administration.

Capital Projects Fund - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund type).

The Authority reports the following major governmental funds:

- General Fund
- Capital Projects Fund
- Housing Assistance Vouchers MTW Program - Accounts for federal contributions for housing assistance payments under the Housing Choice Voucher Program, Emergency Housing Voucher Program, Mainstream Voucher Program, and Family Self-Sufficiency Program.
- Section 8 Contract Administration - Accounts for federal contributions primarily for housing payments under the Project-Based Section 8 Program.

ii. Proprietary Funds

Enterprise Funds - These funds account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services to customers, or where sound financial management dictates that periodic determinations of results of operations are appropriate.

The enterprise funds include the Federal Low Rent Program, Housing Revolving Fund, Housing for Elders Revolving Fund, Central Office Cost Center Fund, and other funds. The other funds include the Waiikina Apartments Project, Kekumu at Waikoloa Project, Disbursing Fund, and Kuhio Park Terrace (KPT) Resource Center.

Internal Service Funds - These funds account for those activities which provide goods or services primarily to the Authority, rather than to external parties. In the government-wide statements, internal service funds are included with business-type activities. These funds include the Equipment Rental Fund and Vehicle Rental Fund.

The Authority reports the following as major proprietary funds:

Federal Low-Rent Program - Accounts for the proceeds from federal contributions for the development of rental property and rental income and federal operating subsidies from such properties.

Note 1 - Organization and Significant Accounting Policies (Continued)

Housing Revolving Fund - Accounts for various state multifamily housing projects located throughout the State of Hawaii.

Housing for Elders Revolving Fund - Accounts for various state elderly housing projects located throughout the State of Hawaii.

Central Office Cost Center Fund - Established to account for costs related to the general oversight of its housing projects and other indirect and administrative costs of the Authority. The fund charges fees to the Authority's various housing projects for such services. In addition to the fee income to operate the public housing programs, the Authority also earns fees from its other federal and state programs. The fee income earned by the fund is considered to be de-federalized.

Department of Housing and Urban Development (HUD) Subsidized Programs

The Federal Low-Rent Program Fund operates under HUD's Annual Contribution Contract and consists of the operations of low-rent housing properties. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. The properties are acquired, developed, and modernized under HUD's comprehensive grant programs. Funding for the properties is provided by federal operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition).

In August 2022, the Authority became a Moving to Work (MTW) agency. MTW is a demonstration program through HUD for public housing authorities that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently and increases housing choices for low-income families among other things. MTW allows the Authority exemptions from many existing public housing and voucher rules and provides funding flexibility with how they use their Federal funds. The Authority is part of an expansion of MTW agencies referred to as the "Landlord Incentives Cohort". The MTW Demonstration Program does not provide any additional funding to the Authority. Funding originates from the Federal Low-Rent Program and Housing Assistance Vouchers MTW Program. MTW program activities are reported in the Federal Low-Rent Program Fund for operating subsidies and capital and reported in the Housing Assistance Voucher Program Fund for housing assistance vouchers.

The Section 8 Programs consists of the Housing Assistance Voucher Program Fund and the Section 8 Contract Administration Fund. The Housing Assistance Voucher Program Fund provides rental housing assistance subsidies to qualified participants. The purpose of the program is to assist low-income families, the elderly, and the disabled, to afford decent, safe and sanitary housing in the private market. Federal housing assistance is provided on behalf of the family or individuals and is paid directly to the landlord directly by the Authority. The family or individual is responsible for finding a suitable housing unit in which the landlord agrees to rent under the program. The Section 8 Contract Administration Fund administers non-Authority owned housing units used for low-income housing. HUD provides a contracted dollar amount to the Authority, which is used to provide rental payment assistance to landlords.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities in the government-wide financial statements and proprietary funds financial statements. Capital assets are defined by the Authority as land and those assets with estimated useful lives greater than one year and with an acquisition cost greater than:

Land improvements	\$	100,000
Building and building improvements		100,000
Equipment		5,000

Purchased and constructed capital assets are valued at cost. Donated assets are recorded at their fair acquisition value at the date of donation.

Note 1 - Organization and Significant Accounting Policies (Continued)

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements.

Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds financial statements. The Authority utilizes the straight-line method over the assets' estimated useful life. No depreciation is recorded for land. Generally, the useful lives are as follows:

	Governmental Activities	Proprietary Fund and Business- type Activities
Building, building improvements, and land improvements	25 years	10 - 40 years
Equipment	7 years	7 - 10 years

Leases

The Authority has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The Authority recognizes lease liabilities with an initial, individual value of \$100,000 or more for land and building leases and \$25,000 or more for equipment and others, with a lease term of greater than one year. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the Authority has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a measurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term accrued expenses on the statement of net position.

Cash and Cash Equivalents

Cash and cash equivalents, if any, include all cash and investments with original purchased maturities of three months or less.

Note 1 - Organization and Significant Accounting Policies (Continued)

Inventories

Materials and supplies inventories are stated at the lower of cost or market, with cost being determined principally using the first-in, first-out method. The cost of inventories is recorded as an expenditure when consumed.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as “due to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent consumptions of net position that apply to future periods and will not be recognized as an outflow of resources (expenditures) until then. The balances as of June 30, 2024 are as follows:

	Governmental Activities	Business-type Activities	Total
Deferred pension related costs	\$ 231,718	\$ 3,794,100	\$ 4,025,818
Deferred OPEB related costs	385,022	4,479,042	4,864,064
Total	<u>\$ 616,740</u>	<u>\$ 8,273,142</u>	<u>\$ 8,889,882</u>

Deferred inflows of resources represent acquisitions of net position that apply to future periods and will not be recognized as an inflow of resources (revenues) until then. The balances as of June 30, 2024 are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred pension related costs	\$ 15,180	\$ 1,054,770	\$ 1,069,950
Deferred OPEB related costs	436,618	5,192,022	5,628,640
Total	<u>\$ 451,798</u>	<u>\$ 6,246,792</u>	<u>\$ 6,698,590</u>

HUD Annual Contributions

The Authority receives annual contributions and subsidies from HUD for operating the Authority’s housing assistance payment programs and the development and operation of low-income housing projects. The Authority also receives annual subsidies from HUD for housing assistance payments and operating deficits incurred in the operation of the programs. Annual subsidies recorded in the proprietary fund types are recognized as nonoperating revenue when realized and earned and are accounted for in the statement of revenues, expenses, and changes in fund net position – proprietary funds as HUD operating subsidy.

Vacation

Employees are credited with vacation at a rate of 168 hours per calendar year. Accumulation of such vacation credits is limited to 720 hours at calendar year end and is convertible to pay upon termination of employment. Liabilities for accumulated unpaid vacation are accrued at the end of each accounting period utilizing current salary rates. Such vacation credits are recorded as accrued wages and employee benefits payable in the government-wide and the enterprise funds financial statements at the balance sheet date. Accumulated unpaid vacation estimated to be used or paid during the next year is approximately \$862,000.

Note 1 - Organization and Significant Accounting Policies (Continued)

The change in accumulated unpaid vacation during the year is approximately as follows:

Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024
\$ 2,549,000	\$ 1,367,682	\$ (1,165,595)	\$ 2,751,087

As of June 30, 2024, approximately \$160,000 and \$2,591,000 of the unpaid vacation balance was for government-wide activities and business-type activities, respectively, and is included in accrued expenses in the accompanying statement of net position.

Classifications of Net Position and Fund Balance

Net positions are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, it is generally the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Net position of the Authority is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

The Authority classifies fund balances into specifically defined classifications for governmental fund types. Classifications include the following:

Restricted - Balances that are restricted for specific purposes by external parties such as creditors, grantors, or other governments.

Committed - Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the state legislature. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Balances that are constrained by management to be used for specific purposes but are neither restricted nor committed. The general and capital projects fund balances are assigned for continuing appropriations, which are comprised of encumbrances and unencumbered allotment balances. Encumbrances represent outstanding commitments, which generally are liquidated in the subsequent fiscal year. Unencumbered allotment balances represent amounts that have been released and made available for encumbrance or expenditure and are legally segregated for a specific future use.

Unassigned - Residual balances that are not contained in the other classifications.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii (ERS) and additions to/deductions from the ERS fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

June 30, 2024

Note 1 - Organization and Significant Accounting Policies (Continued)***Other Post Employment Benefits***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and additions to/deductions from the EUTF's fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

Temporary Hazard Pay

The State entered into multiple settlement agreements regarding the temporary hazard pay for unions with periods covering dates in March 2020 through March 2022, for those employees who performed essential functions during the COVID-19 pandemic, including employees of the Authority. Total accrued payroll for the fiscal year ended June 30, 2024 related to temporary hazard pay was approximately \$2.34 million. Act 049, SLH 2024 provided emergency appropriations for public employment cost items and cost adjustments for employees of certain bargaining units from the State. Effective July 1, 2024, the State appropriated additional dollars to the Authority as a result of a negotiated settlement for employees who met certain requirements during the COVID-19 pandemic.

As of **December xx, 2024**, the State continues to negotiate with the remaining unions, and it was not practical to estimate the total liability owed to eligible employees.

Risk Management

Liabilities related to certain types of losses (including torts, theft of, damage to, or destruction of assets, errors or omissions, natural disasters, and injuries to employees) are reported when it is probable that the losses have occurred and the amount of those losses can be reasonably estimated.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant estimates and assumptions include the valuation for accounts receivable, the liabilities of other post employment benefits, and pension. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2025.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2025.

Note 1 - Organization and Significant Accounting Policies (Continued)

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. The Statement also requires additional disclosures for capital assets held for sale. The provisions of this Statement are effective for the Authority's financial statements for the year ending June 30, 2026

Note 2 - Budgeting and Budgetary Control

Budgetary Information

The budget of the Authority is a detailed operating plan identifying estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, services, and activities to be provided during the fiscal year, (2) the estimated revenues available to finance the operating plan, and (3) the estimated spending requirements of the operating plan. The budget represents a process through which financial policy decisions are made, implemented, and controlled. Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the general fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The budget document presents information by fund, function, (and object). The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function (object) level. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated throughout the fiscal year. Amounts reflected as budgeted revenues in the accompanying required supplementary information - budgetary comparison schedule are estimates as compiled by the Authority and reviewed by the Department of Budget and Finance. Budgeted expenditures are derived primarily from acts of the State Legislature and from other authorizations contained in the State Constitution, the Hawaii Revised Statutes (HRS), and other specific appropriation acts in various Session Laws of Hawaii. State law requires the Authority to have its budget in place by July 1. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. There were no significant amendments during the year.

Expenditures of these appropriated funds are made pursuant to the appropriations in the biennial budget as amended by subsequent supplemental appropriations. Budgetary control is maintained at the departmental level. Budget revisions and interdepartmental transfers may be affected with certain executive and legislative branch approvals.

The general fund and certain special revenue funds have legally appropriated annual budgets. The final legally adopted budget in the accompanying required supplementary information - budgetary comparison schedules represent the original appropriations, transfers, and other legally authorized legislative and executive changes.

To the extent not expended or encumbered, general fund and special revenue funds appropriations generally lapse at the end of the fiscal year or grant period for which the appropriations were made. The State Legislature or federal government specifies the lapse dates and any other contingencies that may terminate the authorization for other appropriations. Known lapses occurring in the year of appropriation, if any, are included in the amended budgets, and are netted against revenues in the accompanying required supplementary information - budgetary comparison schedule.

Note 2 - Budgeting and Budgetary Control (Continued)

A comparison of both the original budget and the final budget to the actual revenues and expenditures of the general and certain special revenue funds are presented in the accompanying required supplementary information - budgetary comparison schedule. Differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with GAAP are mainly due to revenues and expenditures of unbudgeted funds and the different methods used to recognize resource uses. For budgeting purposes, resource uses are recognized when cash disbursements are made or funds are encumbered.

For financial statements presented in accordance with GAAP, expenditures are recognized when incurred and encumbrances are not reported as resources used.

A summation of the differences between revenues and expenditures reported on the budgetary basis and those reported in accordance with GAAP for the general and certain special revenue funds for the year ended June 30, 2024 is set forth in the required supplementary information.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Note 3 - Cash

The State maintains a cash pool that is available to all funds. The Director of Finance is responsible for the safekeeping of all monies paid into the State Treasury. The Director of Finance may invest any monies of the State, which in the Director’s judgment are in excess of the amounts necessary for meeting the immediate requirements of the State. Cash is pooled with funds from other State agencies and departments and deposited with approved financial institutions or invested in the State Treasury Investment Pool. Cash accounts that participate in the investment pool accrue interest based on the average weighted cash balances of each account.

The State requires that the depository banks pledge, as collateral, government securities held in the name of the State for deposits not covered by federal deposit insurance.

At June 30, 2024, total cash, including restricted cash, reported in the statement of net position is \$127,285,465 which consisted of the following:

	Governmental Activities	Business-type Activities	Total
State pool and petty cash	\$ -	\$ 12,097,432	\$ 12,097,432
Cash in bank (book balance)	14,160,598	101,027,435	115,188,033
	<u>\$ 14,160,598</u>	<u>\$ 113,124,867</u>	<u>\$ 127,285,465</u>

Restricted cash under the Housing Assistance Vouchers MTW Program of approximately \$1,353,000 consists of amounts restricted by HUD for housing assistance payments and the Family Self Sufficiency Program. Restricted cash under the Federal Low Rent Program and Kekumu at Waikoloa Project of approximately \$1,384,000 and \$32,000, respectively, consists primarily of tenant security deposits. Restricted cash under the Central Office Cost Center of approximately \$2,007,000 consists of amounts held in an approved escrow account (see Note 6).

Bank balance of cash in bank was approximately \$117,703,000 of which \$1,000,000 was covered by federal depository insurance and \$116,703,000 by collateral held by the pledging financial institution’s trust department or agent in the name of the Authority.

Note 4 - Kuhio Park Terrace Towers and Homes - Notes Receivable and Rental Assistance Demonstration

On May 1, 2011, the Authority entered into an Acquisitions Financing Agreement (Agreement) to sell, transfer, and convey unto a third party the buildings, structures, equipment, machinery, apparatus, fixtures and fittings (Improvements) of the two high rise buildings known as Kuhio Park Terrace Towers (Project), and for the execution of a ground lease for the land underlying the Improvements (Property), as defined in the Agreement. The ground lease annual rent is one dollar (\$1) and expires on May 11, 2076, with an option for an additional ten (10) years. The buyer, as defined in the Agreement, is required to redevelop the Project to include 555 units, 347 of which will be operated as public housing. In order to assist the buyer in financing the rehabilitation of the Project, the State of Hawaii, Hawaii Housing and Finance Development Corporation issued revenue bonds in the amount of \$66,000,000 for which the proceeds were used to make a mortgage loan to the buyer.

Pursuant to the Agreement, the buyer agreed to pay the Authority an acquisition fee of \$4,665,000 in consideration for acquiring the leasehold interest in the Property and \$45,000,000 for the Improvements, such that the total purchase price was \$49,665,000. Of the total purchase price, \$3,162,943 was paid in cash and the remaining balance of \$46,502,057 was financed pursuant to the Agreement by a note. The note, which is secured by a leasehold mortgage and security agreement, matures in May 2051 and accrues interest at the greater of 4.19 percent per annum or the long-term annually compounding applicable federal rate. The note is payable from cash flows from the Property in the amounts and priority set forth in the note, provided that the payments due shall not exceed seventy-five percent (75%) of the borrower’s surplus cash, as defined in the note. Additionally, the note is subordinate to the rights of certain financing agreements related to the issuance of revenue bonds for the redevelopment of the Project. Any remaining unpaid principal and accrued interest balance is due and payable on the maturity date of the note.

The sale of the Project is being accounted for under the cost recovery method. Under this method, the gain on sale is deferred until the total payments made by the buyer exceed the cost of the Project. However, a portion of the deferred gain is recognized as income to the extent that the deferred gain exceeds the note receivable from the buyer plus the maximum contingent liability to the Authority for other debt on the Project.

During 2024, the interest earned on the note receivable amounted to approximately \$3,206,000 and has been recorded in deferred gain. The Authority did not receive any payments during the year ended June 30, 2024. As the total cash received from the buyer has not yet exceeded the cost of the Project, the cash payment received was recorded in deferred gain. As of June 30, 2024, the net note receivable, inclusive of all principal, accrued interest of approximately \$33,213,000, and deferred gain related to the Project, is as follows and reflected under the Federal Low Rent Program statement of net position:

Principal and accrued interest	\$	79,715,259
Deferred gain		<u>(77,030,088)</u>
Net note receivable	\$	<u>2,685,171</u>

Additionally, prior to the execution of the ground lease and sale of the improvements, several planned capital improvements related to the Project had not been completed. As both the Authority and the buyer agreed that the work is necessary, the buyer agreed to complete the work and the Authority agreed to provide the financing. Accordingly, the Authority agreed to loan the buyer up to \$3,900,000 from Public Housing Capital Funds and State of Hawaii Capital Improvement Projects Funds. Payment of principal is deferred until the maturity date, whereupon all principal is due, subject to the availability of surplus cash, as defined in the note agreement. The note does not bear interest unless the borrower defaults upon the maturity date of May 2051. The Authority loaned the full \$3,900,000 to the buyer prior to the year ended June 30, 2024, which is included in the accompanying statement of net position under the Federal Low Rent Program.

June 30, 2024

Note 4 - Kuhio Park Terrace Towers and Homes - Notes Receivable and Rental Assistance Demonstration (Continued)

In June 2020, the Authority entered into a Restated and Amended Master Development Agreement (MDA) with a third party developer to redevelop Kuhio Park Terrace and Kuhio Homes. Pursuant to the MDA, the Authority intends to lend up to \$1,750,000 to the developer to cover up to 50 percent of Multiphase Predevelopment Costs, as defined, incurred by the developer. Payment of principal will be repaid on a pro rata basis at the closing of each Development Phase, as defined. The note does not bear interest unless the borrower defaults upon the maturity date of July 8, 2030. As of June 30, 2024, the Authority had loaned approximately \$3 million to the developer, which is included in the accompanying statement of net position under the Central Office Cost Center.

The Rental Assistance Demonstration (RAD) program is a federal housing program enacted as part of the Consolidated and Further Continuing Appropriations Act of 2012 and administered by HUD. To better serve the public housing residents of the Kuhio Park Terrace Towers, the Authority and the developer converted the public housing units funded under the Federal Low Rent Program to Project Based Voucher units funded under the Housing Assistance Vouchers MTW Program through the RAD program. HUD's Office of Multifamily Housing issued a RAD Conversion Commitment for the conversion of 347 public housing units on May 16, 2021. The RAD conversion subsequently closed on November 30, 2021, with a Housing Assistance Payment contract effective December 1, 2021.

Note 5 - Capital Assets

Capital asset activity, including lease assets, of the Authority's governmental and business-type activities for the year ended June 30, 2024 was as follows:

Governmental Activities

	Balance July 1, 2023	Reclassifications	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 2,373,410	\$ -	\$ -	\$ -	\$ 2,373,410
Subtotal	2,373,410	-	-	-	2,373,410
Capital assets being depreciated:					
Buildings and improvements	15,613,649	-	-	-	15,613,649
Equipment	1,491,895	1	-	-	1,491,896
Subtotal	17,105,544	1	-	-	17,105,545
Accumulated depreciation:					
Buildings and improvements	14,316,638	-	143,928	-	14,460,566
Equipment	1,376,555	-	34,272	-	1,410,827
Subtotal	15,693,193	-	178,200	-	15,871,393
Net capital assets being depreciated	1,412,351	1	(178,200)	-	1,234,152
Net governmental activities capital assets	\$ 3,785,761	\$ 1	\$ (178,200)	\$ -	\$ 3,607,562

June 30, 2024

Note 5 - Capital Assets (Continued)

Proprietary Funds

	Balance July 1, 2023	Reclassifications	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 22,966,200	\$ -	\$ -	\$ -	\$ 22,966,200
Construction in progress	56,710,480	(9,889,588)	15,523,508	-	62,344,400
Subtotal	79,676,680	(9,889,588)	15,523,508	-	85,310,600
Capital assets being depreciated:					
Buildings and improvements	789,870,772	9,889,588	-	(7,696,226)	792,064,134
Equipment	12,765,111	-	18,775	(2,837,275)	9,946,611
Right-of-use asset	178,444	-	-	-	178,444
Subtotal	802,814,327	9,889,588	18,775	(10,533,501)	802,189,189
Accumulated depreciation:					
Buildings and improvements	514,659,849	-	22,504,010	(4,995,728)	532,168,131
Equipment	9,065,745	-	383,557	(2,329,641)	7,119,661
Right-of-use asset	13,032	-	6,566	-	19,598
Subtotal	523,738,626	-	22,894,133	(7,325,369)	539,307,390
Net capital assets being depreciated	279,075,701	9,889,588	(22,875,358)	(3,208,132)	262,881,799
Net proprietary funds capital assets	<u>\$ 358,752,381</u>	<u>\$ -</u>	<u>\$ (7,351,850)</u>	<u>\$ (3,208,132)</u>	<u>\$ 348,192,399</u>

Current period depreciation expense was charged to programs as follows:

Governmental activities - Rental Housing and Assistance Program	<u>\$ 178,200</u>
Proprietary funds:	
Federal Low Rent Program	\$ 19,059,124
Housing Revolving Fund	1,276,008
Housing for Elders Revolving Fund	1,817,159
Central Office Cost Center Fund	174,954
Others	<u>566,888</u>
Total proprietary funds	<u>\$ 22,894,133</u>

Note 5 - Capital Assets (Continued)

At June 30, 2024, capital assets for the business-type activities consisted of the following:

	Enterprise Funds							Total
	Federal Low Rent Program	Housing Revolving Fund	Housing for Elders Revolving Fund	Central Office Cost Center	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
Land	\$ 13,093,629	\$ 2,252,881	\$ 6,104,817	\$ -	\$ 1,514,873	\$ 22,966,200	\$ -	\$ 22,966,200
Buildings and improvements	674,019,283	38,171,625	62,716,310	2,186,908	14,970,008	792,064,134	-	792,064,134
Equipment, furniture, and fixtures	6,974,555	1,081,029	1,036,396	854,631	-	9,946,611	2,824,225	12,770,836
Construction in progress	47,146,551	1,058,576	14,139,273	-	-	62,344,400	-	62,344,400
Less accumulated depreciation	(459,408,103)	(24,459,362)	(44,831,582)	(946,520)	(9,642,227)	(539,287,792)	(2,431,429)	(541,719,221)
Right-of-use asset	178,444	-	-	-	-	178,444	-	178,444
Less accumulated amortization	(19,598)	-	-	-	-	(19,598)	-	(19,598)
Net property and equipment	\$ 281,984,761	\$ 18,104,749	\$ 39,165,214	\$ 2,095,019	\$ 6,842,654	\$ 348,192,399	\$ 392,796	\$ 348,585,195

Note 6 - Commitments and Contingencies

Construction Contracts

At June 30, 2024, the Authority had outstanding construction contract commitments to expend approximately \$9,600,000 for the construction and renovation of housing projects.

Consulting Agreement

In conjunction with the sale of Kuhio Park Terrace Towers (see Note 4), the Authority entered into a consulting agreement with the developer to provide the developer with certain consulting services related to the rehabilitation of the Project. The consulting fee is 19.7 percent of the total development fee charged to the buyer by the developer, or \$3,176,488. As part of the initial sale agreement, the buyer is to receive state tax credits upon payment or release. If the buyer, in accordance with terms defined in the sale agreement, determines that unpaid state tax credits should be released, the Authority would be obligated to pay the buyer for these state tax credits up to its portion of the consulting fees earned and received. The Authority would be able to recover amounts paid to the buyer upon payment/release of the previously unpaid tax credits by the State.

In accordance with the consulting agreement, the amount paid to the Authority shall be held in an interest bearing escrow account by an escrow agent mutually agreed upon by the Authority and the buyer until the state tax credit release date. Approximately \$2,007,069 of restricted cash recorded under the Central Office Cost Center as of June 30, 2024 is held in an approved escrow account.

Master Planning and Predevelopment Agreement

In June 2023, the Authority entered into a Master Planning and Predevelopment Agreement (the Agreement) with a third-party master developer to play a lead role in transforming a portion of the Authority’s public housing portfolio of properties to preserve or replace existing public housing units on a one-for-one basis and to add at least 10,000 additional housing units by redeveloping under-utilized Authority assets (the Ka Lei Momi Redevelopment). The Ka Lei Momi Redevelopment is expected to be completed in multiple phases estimated at roughly two years per phase over a total period of at least 10 years, although, this timeline is contingent upon permit approvals, market forces, funding, and the availability of financing. It is anticipated that a Master Plan for all the Targeted Portfolio Sites, as defined in the Agreement, will be created by the Master Developer and delivered to the Authority within two years of the Effective Date of entering into the Agreement.

June 30, 2024

Note 6 - Commitments and Contingencies (Continued)

In relation to the Ka Lei Momi Redevelopment, the Authority entered into a Master Development Agreement with a third-party developer for the revitalization and redevelopment of Mayor Wright Homes within a ten-year period, subject to extension, as defined.

Torts

The Authority is subject to various legal proceedings and claims that arise in the ordinary course of its business. The opinion of management and the Attorney General believes that the amount, if any, of ultimate liability with respect to legal actions will be covered by insurance or will be a liability against the State of Hawaii.

Workers' Compensation Policy

The State is self-insured for workers' compensation. Accordingly, the Authority is liable for workers' compensation claims filed by its employees. The basis for estimating the liabilities for unpaid claims include the effects of specific incremental claim adjustment expenses, salvage and subrogation, and other allocated or unallocated claim adjustment expenses. These liabilities include an amount for claims that have been incurred but not reported. As of June 30, 2024, the Authority has determined there is not a significant liability for workers' compensation claims.

Accumulated Sick Leave Pay

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limitation. It may be taken only in the event of illness and is not convertible to pay upon termination of employment; accordingly, sick leave is not accrued in the accompanying statement of net position. However, a State employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the Employees' Retirement System of the State of Hawaii. Accumulated sick leave at June 30, 2024 amounted to approximately \$5,083,000.

Litigation

The Authority is subject to various legal proceedings and claims that arise in the ordinary course of its business. The opinion of management and the Attorney General believes that the amount, if any, of ultimate liability with respect to legal actions will be covered by insurance or will be a liability against the State of Hawaii.

Note 7 - Retirement Plan

Plan Description

Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at the ERS website: <http://ers.ehawaii.gov/resources/financials>.

Note 7 - Retirement Plan (Continued)

Benefits Provided

The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability, and death benefits with three membership classes known as the noncontributory, contributory, and hybrid retirement plans. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later, and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

Retirement Benefits - General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or surviving dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/reentry into a new reciprocal beneficiary relationship) and surviving dependent children (up to age 18) receive a benefit equal to a percentage of the member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the surviving dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

Contributory Class for Members Hired prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.

Note 7 - Retirement Plan (Continued)

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

Death Benefits - For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Members Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.

Disability and Death Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. Ten years of credited service is required for ordinary disability.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

Hybrid Class for Members Hired Prior to July 1, 2012

Retirement Benefits - General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.

Disability Benefits - Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

Death Benefits - For service-connected deaths, the designated surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/ reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Note 7 - Retirement Plan (Continued)

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Class for Members Hired After June 30, 2012

Retirement Benefits - General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers, and emergency medical technicians may retire with 25 years of credited service at age 55.

Disability and Death Benefits - Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributions

Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2024 was 24% for Authority employees. Contributions to the pension plan from the Authority was \$3,618,165 for the fiscal year ended June 30, 2024.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012 are required to contribute 7.8% of their salary. Contributory members hired after June 30, 2012 are required to contribute 9.8% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

The payroll for all of the Authority's employees covered by the plan was approximately \$15,076,000 for 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Authority reported a liability of \$40,659,919 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2023, the Authority's proportion was 0.51 percent compared to the 0.29 percent proportion measured as of June 30, 2022.

There were no changes in actuarial assumptions as of June 30, 2022 to June 30, 2023. There were no changes between the measurement date, June 30, 2023, and the reporting date, June 30, 2024, that are expected to have a significant effect on the proportionate share of the net pension liability.

Note 7 - Retirement Plan (Continued)

For the year ended June 30, 2024, the Authority recognized pension expense of \$3,848,832. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Changes in Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 809,840	\$ (490,238)
Changes in assumptions	(741,477)	(426,114)
Net difference between projected and actual earnings on pension plan investments	-	(63,286)
Changes in proportion and differences between Authority contributions and proportionate share of contributions	292,054	(90,312)
Authority contributions subsequent to the measurement date	3,665,401	-
Total	\$ 4,025,818	\$ (1,069,950)

At June 30, 2024, the \$3,665,401 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 191,716
2026	802,281
2027	(1,177,375)
2028	(509,675)
2029	(16,480)
Total	\$ (709,533)

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS’s Board of Trustees on August 8, 2022, based on the 2021 Experience Study for the five-year period from July 1, 2016 through June 30, 2021:

Inflation	2.50 percent
Payroll growth rate	3.50 percent
Investment rate of return	7.00 percent per year, compounded annually, including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Post-retirement mortality rates are based on the 2022 Public Retirees of Hawaii mortality table with full generational projections in future years. Pre-retirement mortality rates are based on multiples of the Pub-2010 mortality table based on the occupation of the member.

Note 7 - Retirement Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a "top down approach" of the Client-Constrained Simulation-based Optimization Model (a statistical technique known as "re-sampling with a replacement" that directly keys in on specific plan-level risk factors as stipulated by the ERS Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return (real returns and inflation) by the target asset allocation percentage. The rate of returns based on ERS's investment consultant as of June 30, 2023 are summarized in the following table:

Classes	Strategic Class Weights	Long-term Expected Geometric Rate of Return
Broad growth:		
Private equity	13.50 %	10.00 %
Global equity	20.00	7.90
Low volatility equity	4.00	7.10
Global options	4.00	5.80
Credit	6.00	8.00
Core real estate	6.00	6.00
Noncore real estate	4.50	7.90
Timber/Agriculture/Infrastructure	5.00	7.20
Diversifying strategies:		
TIPS	2.00	3.20
Global macro	4.00	6.00
Reinsurance	4.00	7.00
Alternative risk premia	8.00	5.00
Long Treasuries	5.00	3.80
Intermediate government	4.00	3.20
Systematic trend following	10.00	4.70

Discount Rate

The discount rate used to measure the net pension liability was 7.00%, consistent with the rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the State will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7 - Retirement Plan (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	\$ 54,130,426	\$ 40,659,919	\$ 29,504,021

Pension Plan Fiduciary Net Position

The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS's financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. The ERS's complete financial statements are available at <http://www.ers.hawaii.gov/resources/financials>.

Note 8 - Postemployment Health Care and Life Insurance Benefits

Plan Description

The State provides certain health care and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The EUTF issues an annual financial report that is available to the public at <https://eutf.hawaii.gov/reports/>. The report may also be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

For employees hired before July 1, 1996, the State pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

June 30, 2024

Note 8 - Postemployment Health Care and Life Insurance Benefits (Continued)

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

Contributions

Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the Authority was \$3,468,579 for the year ended June 30, 2024. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Authority reported a liability of \$33,182,220 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to projected contributions of all participants, actuarially determined. At June 30, 2023, the Authority's proportion was 0.4932 percent compared to its proportion at June 30, 2022 of 0.4881 percent.

There were no changes between the measurement date, July 1, 2023, and the reporting date, June 30, 2024, that are expected to have a significant effect on the net OPEB liability.

For the year ended June 30, 2024, the Authority recognized OPEB expense of approximately \$560,942. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 1,178,334	\$ -
Differences between expected and actual experience	-	(4,850,678)
Changes in assumptions	217,151	(777,962)
Authority contributions subsequent to the measurement date	3,468,579	-
Total	<u>\$ 4,864,064</u>	<u>\$ (5,628,640)</u>

At June 30, 2024, the \$3,468,579 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Note 8 - Postemployment Health Care and Life Insurance Benefits (Continued)

2025	\$ (1,340,426)
2026	(1,442,178)
2027	(697,306)
2028	(708,081)
2029	(45,164)
Total	<u>\$ (4,233,155)</u>

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 9, 2023, based on the experience study covering the five-year period ended June 30, 2022 as conducted for the ERS:

Inflation	2.50%
Salary increases	3.75% to 6.75% including inflation
Investment rate of return	7.00%
Healthcare cost trend rates:	
PPO*	Initial rate of 6.30%; declining to a rate of 4.25% after 21 years
HMO*	Initial rate of 6.30%; declining to a rate of 4.25% after 21 years
Part B and Base Monthly Contribution	Initial rate of 5.00%; declining to a rate of 4.25% after 21 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drugs

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	15.0%	10.0%
U.S. microcap	3.0 %	8.7%
Global equity	27.5%	7.6%
Global options	0.0%	4.9%
Real assets	12.0%	4.3%
Private credit	10.0%	7.8%
TIPS	5.0%	2.0%
Long Treasuries	5.5%	2.4%
Reinsurance	5.0%	3.4%
Alternative risk premia	5.0%	3.3%
Trend following	10.0%	2.1%
Tail risk / Long volatility	2.0%	(1.1)%

Note 8 - Postemployment Health Care and Life Insurance Benefits (Continued)

Single Discount Rate

The discount rate used to measure the net OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00%. Beginning with the fiscal year 2019 contribution, the State's funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on the EUTF's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position

The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF's financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF's complete financial statements are available at <https://eutf.hawaii.gov/reports/>.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following table presents the Authority's net OPEB liability calculated using the discount rate of 7.00%, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net OPEB liability	\$ 41,493,781	\$ 33,182,220	\$ 26,548,182

The following table presents the Authority's net OPEB liability calculated using the assumed healthcare cost trend rate, as well as what the Authority's net OPEB liability would be if it were calculated using the trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB liability	\$ 25,762,624	\$ 33,182,220	\$ 42,679,045

Note 9 - Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. All plan assets are held in a trust fund to protect them from claims of general creditors. The State has no responsibility for loss due to the investment or failure of investment of funds and assets in the plan, but has the duty of due care that would be required of an ordinary prudent investor.

Note 10 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Central Office Cost Center Fund	General Fund	\$ 379
	Housing Assistance Vouchers MTW Fund	48,262
	Section 8 Housing Assistance Payments	76
	Nonmajor Enterprise Funds	4,083,694
	Housing Revolving Fund	56,179
	Housing for Elders Revolving Fund	6,678
	Federal Low Rent Program Fund	966,235
	Total Central Office Cost Center Fund	5,161,503
Internal Service Funds	Federal Low Rent Program Fund	7,838
	Housing Revolving Fund	907
		Total Internal Service Funds	8,745
	Total	<u>\$ 5,170,248</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are comprised of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Federal Low Rent Program	\$ 5,902,839
	Housing Revolving Fund	1,528,769
	Housing for Elders Revolving Fund	292,489
	Central Office Cost Center Fund	395,408
		Total General Fund	8,119,505
Capital Projects Fund	Federal Low Rent Program	8,949,539
	Housing Revolving Fund	83,214
	Housing for Elders Revolving Fund	4,814,782
	Central Office Cost Center Fund	259,442
	Total Capital Projects Fund	14,106,977
	Total	<u>\$ 22,226,482</u>

The transfers from the General Fund to the Enterprise Funds represent the current year annual State of Hawaii appropriations to pay for rental housing service shortfalls and administrative expenses.

June 30, 2024

Note 10 - Interfund Receivables, Payables, and Transfers (Continued)

The transfers from the Capital Projects Fund to the Enterprise Funds represent the annual State of Hawaii appropriations for capital improvement, administrative expenses, and rental housing service repairs and maintenance.

Note 11 - Risk Management

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Note 11 - Risk Management (Continued)

The State records a liability for risk financing and insurance-related losses if it is determined that a loss has been incurred and the amount can be reasonably estimated. The State retains various risks and insures certain excess layers with commercial insurance companies. The excess layers insured with commercial insurance companies are consistent with the prior fiscal year. Settled claims have not exceeded the coverage provided by commercial insurance companies in any of the past ten fiscal years. A summary of the State's underwriting risks is as follows:

Property Insurance

The State has an insurance policy with various insurers for property coverage. The limit of loss per occurrence is \$200,000,000, except for terrorism losses, which has a \$100,000,000 per occurrence limit. The deductible for losses such as windstorm, tsunamis, floods and earthquakes are 3% of the replacement costs to the property subject to a \$1,000,000 per occurrence minimum. The deductible for all other losses, except terrorism, is \$1,000,000 per occurrence. The deductible for terrorism is \$10,000 per occurrence.

Crime Insurance

The State also has a crime insurance policy for various types of coverages with a limit of loss of \$10,000,000 per occurrence with a \$500,000 deductible per occurrence, except for social engineering fraud (with Official Authorization) which has a \$100,000 limit per occurrence and a \$25,000 deductible, social engineering fraud (without Official Authorization) which has a \$25,000 limit per occurrence and a \$25,000 deductible, claims and computer investigation expenses which has a \$100,000 limit per occurrence and a \$0 deductible, and corporate credit card fraud which has a \$10,000,000 limit per occurrence and a \$1,000 deductible. Losses under the deductible amount are paid by the Risk Management Office of the Department of Accounting and General Services, and losses not covered by insurance are paid from the State's General Fund.

Casualty and Professional Liability

Liability claims up to \$25,000 are handled by the Risk Management Office. All other claims are handled by the Department of the Attorney General. The State has various types of coverages with a \$5,000,000 self-insured retention per occurrence, including \$2,500,000 corridor. The annual aggregate limit for the various coverages is \$5,000,000. Losses under the deductible amount but over the Risk Management Office authority or over the aggregate limit are paid from legislative appropriations of the State's General Fund.

Cyber Liability Insurance

The State is insured for various types of cyber-related activities with a loss limit up to \$10,000,000 with self-insured retention of \$1,000,000. This policy covers all departments and divisions except for UH and includes (with sub-limits) media content liability, PCI-DSS assessment coverage, reputational risk response, reputational loss coverage, E-discovery consultant services, data recovery amendatory system failure non-physical damage loss of use (bricking), system failure coverage, criminal reward expense, claim avoidance expense, crypto jacking coverage, fraudulent impersonation and telecommunication fraud coverage, court attendance cost coverage, company definition amendatory-scheduled entities with varying co-insurance (tier 1 & 2). The UH has a separate cyber policy with various limits and self-insured retention amounts.

Medical Professional Liability Insurance

The State's community hospitals (HHSC) are insured by a comprehensive medical professional liability policy. The policy provides coverage for professional and general liability claims with a private insurance carrier. This primary policy covers losses up to a limit of \$1,000,000 per claim and \$5,000,000 in annual aggregate. HHSC also purchased additional excess insurance with a \$34,000,000 per claim and aggregate limit.

Note 11 - Risk Management (Continued)

Self-Insured Risks

The State generally self-insures its automobile no-fault and workers' compensation losses. Automobile losses up to \$25,000 per claim are administered by the Risk Management Office. The State administers its workers' compensation losses via the Department of Human Resources and Development.

Reserve for Losses and Loss Adjustment Costs

A liability for workers' compensation and general liability claims is established if information indicates that a loss has been incurred as of June 30, 2024, and the amount of the loss can be reasonably estimated. The liability also includes an estimate for amounts incurred but not reported. The amount of the estimated loss is recorded in the accompanying statement of net position, as those losses will be liquidated with future expendable resources. The estimated losses are generally paid from legislative appropriations of the State's General Fund.

Draft

Required Supplementary Information

HAWAII PUBLIC HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (UNAUDITED)
 YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
State allotted appropriations	\$ 13,936,264	\$ 13,936,264	\$ 13,936,264
Expenditures			
Rental housing and assistance program	13,936,264	13,936,264	9,346,721
Excess of revenues over expenditures	-	-	4,589,543

Draft

HAWAII PUBLIC HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - HOUSING ASSISTANCE VOUCHERS - MTW (UNAUDITED)
 YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
HUD contributions	<u>\$ 66,618,313</u>	<u>\$ 66,618,313</u>	<u>\$ 66,618,313</u>
Expenditures			
Rental housing and assistance program	<u>66,618,313</u>	<u>66,618,313</u>	<u>67,168,106</u>
Excess of expenditures over revenues	-	-	(549,793)

Draft

HAWAII PUBLIC HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - SECTION 8 CONTRACT ADMINISTRATION (UNAUDITED)
 YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual
Revenues			
HUD contributions	<u>\$ 49,679,256</u>	<u>\$ 49,679,256</u>	<u>\$ 49,679,256</u>
Expenditures			
Rental housing and assistance program	<u>49,679,256</u>	<u>49,679,256</u>	<u>49,250,560</u>
Excess of revenues over expenditures	-	-	428,696

Draft

HAWAII PUBLIC HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - BUDGET-TO-GAAP RECONCILIATION (UNAUDITED)
 YEAR ENDED JUNE 30, 2024

	General Fund	Housing Assistance Voucher MTW Program	Section 8 Contract Administration
Excess (deficiency) of revenues over (under) expenditures and other sources and uses - actual on a budgetary basis	\$ 4,589,543	\$ (549,793)	\$ 428,696
Other revenue	181	114,152	485
Excess of revenues over expenditures and other uses - GAAP basis	4,589,724	(435,641)	429,181

Draft

Hawaii Public Housing Authority

Required Supplementary Information Schedule of Authority's Proportionate Share of the Net Pension Liability Employees' Retirement System of the State of Hawaii

	Last Ten Plan Years For the Plan Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	0.51000 %	0.29000 %	0.29000 %	0.29000 %	0.29000 %	0.28000 %	0.29000 %	0.29000 %	0.29000 %	0.29000 %
Authority's proportionate share of the net pension liability	\$ 40,659,919	\$ 37,965,808	\$ 34,794,569	\$ 44,224,997	\$ 40,401,259	\$ 37,880,199	\$ 37,036,049	\$ 38,216,244	\$ 25,085,181	\$ 23,355,937
Authority's covered payroll	\$ 16,208,597	\$ 16,635,736	\$ 17,185,380	\$ 16,033,163	\$ 14,709,141	\$ 14,806,198	\$ 14,516,008	\$ 13,576,230	\$ 13,759,120	\$ 12,683,355
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	250.85 %	228.22 %	202.47 %	275.83 %	274.67 %	255.84 %	255.14 %	281.49 %	182.32 %	184.15 %
Plan fiduciary net position as a percentage of total pension liability	61.90 %	62.80 %	64.30 %	53.20 %	54.90 %	55.50 %	54.80 %	51.30 %	62.40 %	63.90 %

Hawaii Public Housing Authority

Required Supplementary Information
Schedule of the Authority's Pension Contributions
Employees' Retirement System of the State of Hawaii

**Last Ten Fiscal Years
Year Ended June 30**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,665,401	\$ 3,618,165	\$ 3,768,544	\$ 3,907,049	\$ 3,319,373	\$ 2,816,511	\$ 2,510,750	\$ 2,348,866	\$ 2,172,048	\$ 2,159,495
Contributions in relation to the contractually required contribution	3,665,401	3,618,165	3,768,544	3,907,049	3,319,373	2,816,511	2,510,750	2,348,866	2,172,048	2,159,495
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 15,075,388	\$ 16,208,597	\$ 16,635,736	\$ 17,185,380	\$ 16,033,163	\$ 14,709,141	\$ 14,806,198	\$ 14,516,008	\$ 13,579,230	\$ 13,759,120
Contributions as a percentage of covered payroll	24.31 %	22.32 %	22.65 %	22.73 %	20.70 %	19.15 %	16.96 %	16.18 %	16.00 %	15.70 %

Hawaii Public Housing Authority

Required Supplementary Information
 Schedule of the Authority's Proportionate Share of the Net OPEB Liability
 Hawaii Employer-Union Health Benefits Trust Fund

	Last Seven Plan Years						
	For the Plan Year Ended June 30						
	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability	0.49324 %	0.48809 %	0.47000 %	0.43000 %	0.43000 %	0.43000 %	0.43000 %
Authority's proportionate share of the net OPEB liability	\$ 33,182,220	\$ 33,424,214	\$ 35,852,702	\$ 37,602,456	\$ 40,339,825	\$ 40,288,544	\$ 39,895,932
Authority's covered-employee payroll	\$ 16,208,597	\$ 16,635,736	\$ 17,185,380	\$ 16,033,163	\$ 14,709,141	\$ 14,806,198	\$ 14,516,008
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	204.72 %	200.92 %	208.62 %	234.53 %	274.25 %	272.11 %	274.84 %

Hawaii Public Housing Authority

Required Supplementary Information Schedule of the Authority's OPEB Contributions

	Last Seven Fiscal Years						
	Year Ended June 30						
	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,468,579	\$ 1,684,587	\$ 2,735,130	\$ 1,237,587	\$ 3,856,767	\$ 3,466,987	\$ 3,187,682
Contributions in relation to the actuarially determined contribution	3,468,579	1,684,587	1,663,676	1,811,876	3,693,632	3,597,601	2,825,229
Contribution excess (deficiency)	\$ -	\$ -	\$ (1,071,454)	\$ 574,289	\$ (163,135)	\$ 130,614	\$ (362,453)
Covered employee payroll	\$ 15,075,388	\$ 16,208,597	\$ 16,635,736	\$ 17,185,380	\$ 16,033,163	\$ 14,709,141	\$ 14,806,198
Contributions as a percentage of covered employee payroll	23.01 %	10.39 %	10.00 %	10.54 %	23.04 %	24.46 %	19.08 %

Supplementary Information

Draft

Hawaii Public Housing Authority
NONMAJOR OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Wilikina Apartments Project	Kekumu at Waikoloa Project	KPT Resource Center	Disbursing Fund	Other Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS					
Current Assets					
Cash	\$ 457,201	\$ 263,230	\$ 529,457	\$ 4,092,858	\$ 5,342,747
Restricted cash	-	31,954	-	-	31,954
Total cash and restricted cash	<u>457,201</u>	<u>295,184</u>	<u>529,457</u>	<u>4,092,858</u>	<u>5,374,701</u>
Receivables:					
Interest receivable	-	-	-	-	-
Tenant receivables, less allowance for doubtful accounts of \$5,964,630	-	27,511	11,610	-	39,121
Other receivable	-	4,172	-	25,797	29,968
Total current assets	<u>457,201</u>	<u>326,867</u>	<u>541,067</u>	<u>4,118,655</u>	<u>5,443,790</u>
Noncurrent Assets					
Capital assets:					
Capital assets not being depreciated	1,514,873	-	-	-	1,514,873
Capital assets being depreciated	-	2,565,200	12,404,808	-	14,970,008
Less: accumulated depreciation	-	(710,772)	(8,931,455)	-	(9,642,227)
Other assets	-	-	-	-	-
Total noncurrent assets	<u>1,514,873</u>	<u>1,854,428</u>	<u>3,473,353</u>	<u>-</u>	<u>6,842,654</u>
Total Assets	<u>1,972,074</u>	<u>2,181,295</u>	<u>4,014,420</u>	<u>4,118,655</u>	<u>12,286,444</u>
Deferred outflow of resources	-	-	-	-	-
Total Assets & Deferred outflows of resources	<u>\$ 1,972,074</u>	<u>\$ 2,181,295</u>	<u>\$ 4,014,420</u>	<u>\$ 4,118,655</u>	<u>\$ 12,286,444</u>

Hawaii Public Housing Authority
NONMAJOR OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Wilikina Apartments Project	Kekumu at Waikoloa Project	KPT Resource Center	Disbursing Fund	Other Enterprise Funds
LIABILITIES					
Current Liabilities					
Accounts payable	\$ -	\$ 236,055	\$ 294,025	\$ 35,009	\$ 565,088
Accrued liabilities	-	-	31,397	-	31,397
Due to other funds	-	-	48	4,083,647	4,083,694
Security deposits	-	31,920	11,109	-	43,029
Unearned revenue	-	2,503	1	-	2,504
Total current liabilities	-	270,478	336,579	4,118,655	4,725,712
Total liabilities	-	270,478	336,579	4,118,655	4,725,712
Deferred inflows of resources	-	-	-	-	-
Net position:					
Net investment in capital assets	1,514,873	1,854,428	3,473,353	-	6,842,654
Unrestricted net position	457,201	56,389	204,488	-	718,078
Total net position	1,972,074	1,910,817	3,677,841	-	7,560,732
Total Liabilities, deferred inflows, and net position	\$ 1,972,074	\$ 2,181,295	\$ 4,014,420	\$ 4,118,655	\$ 12,286,444

Hawaii Public Housing Authority

NONMAJOR OTHER ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Fiscal Year ended June 30, 2024

	Wilikina Apartments Project	Kekumu at Waikoloa Project	KPT Resource Center	Disbursing Fund	Other Enterprise Funds
Operating Revenue					
Rental income	\$ -	\$ 395,678	\$ 642,295	\$ -	\$ 1,037,973
Fee-for-service	-	-	-	-	-
Other revenue	-	19,549	-	-	19,549
Total operating revenues	-	415,227	642,295	-	1,057,522
Operating Expenses					
Administration	-	224,269	253,612	-	477,881
Personnel services	-	24,991	-	-	24,991
Professional services	-	21,719	8,023	-	29,743
Utilities	-	144,759	153,662	-	298,421
Repairs and maintenance	-	112,212	101,786	-	213,997
Insurance	-	8,467	16,949	-	25,416
Bad debt	-	-	6,999	-	6,999
Depreciation	-	64,130	496,192	-	560,322
Total operating expense	-	600,547	1,037,224	-	1,637,771
Operating income (loss)	-	(185,320)	(394,929)	-	(580,249)
Nonoperating Revenues (Expenses):					
Other revenue (expenses)	-	26	53	-	78
Total nonoperating revenues (expenses)	-	26	53	-	78
Change in net position	-	(185,294)	(394,876)	-	(580,171)
Net position - beginning	1,972,074	2,096,111	4,072,718	-	8,140,903
Net position - ending	\$ 1,972,074	\$ 1,910,817	\$ 3,677,841	\$ -	\$ 7,560,732

Hawaii Public Housing Authority
NONMAJOR OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Fiscal Year ended June 30, 2024

	Wilikina Apartments Project	Kekumu at Waikoloa Prject	KPT Resource Center	Disbursing Fund	Other Enterprise Funds
Cash Flows from Operating Activities					
Cash received from renters	\$ -	\$ 391,049	\$ 628,179	\$ -	\$ 1,019,228
Cash payments to employees	-	(24,991)	-	-	(24,991)
Cash payments to suppliers	-	(382,127)	(527,376)	17,595	(891,909)
Cash due from (to) other funds	-	-	(192)	(1,180,940)	(1,181,132)
Other cash receipts (payments)	-	19,549	-	-	19,549
Net cash provided by (used in) operating activities	-	3,480	100,610	(1,163,346)	(1,059,256)
Cash Flow from Investing Activities					
Receipts of interest	-	26	53	-	78
Net cash provided by (used in) investing activities	-	26	53	-	78
Net increase (decrease) in cash	-	3,506	100,663	(1,163,346)	(1,059,177)
Cash and restricted cash at beginning	457,201	291,679	428,794	5,256,204	6,433,878
Cash and restricted cash at ending	\$ 457,201	\$ 295,184	\$ 529,457	\$ 4,092,858	\$ 5,374,701

Hawaii Public Housing Authority
NONMAJOR OTHER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Fiscal Year ended June 30, 2024

	Wilikina Apartments Project	Kekumu at Waikoloa Project	KPT Resource Center	Disbursing Fund	Other Enterprise Funds
Cash Flow from Operating Activities					
Reconciliation of operating loss to net cash provided by (used in) operating activities					
Operating loss	\$ -	\$ (185,320)	\$ (394,929)	\$ -	\$ (580,249)
Adjustments to reconcile operating gain (loss) to net cash (used in) provided by operating activities					
Depreciation	-	64,130	496,192	-	560,322
Changes in assets and liabilities					
Tenant receivables	-	(2,562)	(7,117)	-	(9,679)
Other receivables	-	-	-	(9,319)	(9,319)
Due from other funds	-	-	(192)	(1,171,621)	(1,171,813)
Accounts payable	-	129,299	2,235	17,595	149,128
Accrued Liabilities	-	-	4,421	-	4,421
Security deposits	-	(3,040)	-	-	(3,040)
Unearned revenue	-	973	-	-	973
Net cash (used in) provided by operating activities	<u>\$ -</u>	<u>\$ 3,480</u>	<u>\$ 100,610</u>	<u>\$ (1,163,346)</u>	<u>\$ (1,059,256)</u>

Hawaii Public Housing Authority
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Vehicle Rental Fund	Equipment Rental Fund	Total
ASSETS AND DEFERRED OUTFLOWS			
Current Assets			
Cash	\$ 341,811	\$ 838,173	\$ 1,179,984
Receivables:			
Interest receivable	6,967	19,747	26,714
Due from other funds	8,745	-	8,745
Total current assets	357,523	857,920	1,215,443
Noncurrent Assets			
Capital assets:			
Capital assets not being depreciated	-	-	-
Capital assets being depreciated	1,507,272	1,316,953	2,824,225
Less: accumulated depreciation	(1,114,476)	(1,316,953)	(2,431,429)
Other assets			
Total noncurrent assets	392,796	-	392,796
Total Assets	750,319	857,920	1,608,239
Deferred outflow of resources	-	-	-
Total Assets & Deferred outflows of resources	\$ 750,319	\$ 857,920	\$ 1,608,239

Hawaii Public Housing Authority
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Vehicle Rental Fund	Equipment Rental Fund	Total
LIABILITIES			
Current Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Deferred inflows of resources			
	-	-	-
Net position:			
Net investment in capital assets	392,796	-	392,796
Unrestricted net position	357,523	857,920	1,215,443
Total net position	750,319	857,920	1,608,239
Total Liabilities, deferred inflows, and net position	\$ 750,319	\$ 857,920	\$ 1,608,239

Draft

Hawaii Public Housing Authority

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Fiscal Year ended June 30, 2024

	Vehicle Rental Fund	Equipment Rental Fund	Internal Service Funds
Operating Revenue			
Other revenue	\$ 104,941	\$ -	\$ 104,941
Total operating revenues	104,941	-	104,941
Operating Expenses			
Professional services	2,958	3,550	6,508
Insurance	-	1,681	1,681
Depreciation	101,786	-	101,786
Total operating expense	104,744	5,232	109,976
Operating income (loss)	197	(5,232)	(5,035)
Nonoperating Revenues (Expenses):			
Other revenue (expenses)	14,018	41,114	55,131
Total nonoperating revenues (expenses)	14,018	41,114	55,131
Change in net position	14,215	35,882	50,097
Net position - beginning	736,104	822,038	1,558,142
Net position - ending	\$ 750,319	\$ 857,920	\$ 1,608,239

Hawaii Public Housing Authority
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Fiscal Year ended June 30, 2024

	Vehicle Rental Fund	Equipment Rental Fund	Internal Service Funds
Cash Flows from Operating Activities			
Cash payments to suppliers	\$ (2,958)	\$ (5,232)	\$ (8,190)
Cash due from (to) other funds	-	-	-
Other cash receipts (payments)	98,876	(12,737)	86,139
Net cash provided by (used in) operating activities	<u>95,918</u>	<u>(17,969)</u>	<u>77,949</u>
Cash Flow from Investing Activities			
Development loans	-	-	-
Receipts of interest	14,018	41,114	55,131
Net cash provided by (used in) investing activities	<u>14,018</u>	<u>41,114</u>	<u>55,131</u>
Net increase (decrease) in cash	<u>109,936</u>	<u>23,145</u>	<u>133,081</u>
Cash and restricted cash at beginning	<u>231,875</u>	<u>815,029</u>	<u>1,046,903</u>
Cash and restricted cash at ending	<u>\$ 341,811</u>	<u>\$ 838,173</u>	<u>\$ 1,179,984</u>

Hawaii Public Housing Authority
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Fiscal Year ended June 30, 2024

	Vehicle Rental Fund	Equipment Rental Fund	Internal Service Funds
Cash Flow from Operating Activities			
Reconciliation of operating loss to net cash provided by (used in) operating activities			
Operating loss	\$ 197	\$ (5,232)	\$ (5,035)
Adjustments to reconcile operating gain (loss) to net cash (used in) provided by operating activities			
Depreciation	101,786	-	101,786
Changes in assets and liabilities			
Other receivables	(6,065)	(12,737)	(18,802)
Net cash (used in) provided by operating activities	<u>\$ 95,918</u>	<u>\$ (17,969)</u>	<u>\$ 77,949</u>

Draft

HAWAII PUBLIC HOUSING AUTHORITY
 SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF CASH ON DEPOSIT AND ASSETS
 JUNE 30, 2024

The Authority's cash consists of the following as of June 30, 2024:

Equity in State Treasury investment pool - Government-Wide	\$ 12,097,432
Cash in banks	115,188,033
	<u>\$ 127,285,465</u>

Total cash is in agreement with the State Comptroller's central accounting records as of June 30, 2024, as reconciled below:

Cash in State Treasury Special Funds	Appropriation Symbol	June 30, 2024
	S-20-337-K	\$ 6,840
	S-21-337-K	1,600
	S-22-308-K	624
	S-22-337-K	11,343
	S-23-337-K	106,852
	S-24-337-K	1,201,851
	S-24-335-K	341,811
	S-23-308-K	13,440
	S-24-308-K	920,079
	S-23-332-K	22,949
	S-24-332-K	4,144,125
	S-24-336-K	838,173
	S-24-553-K	4,489,487
Total cash held in State Treasury as reported by State Comptrollers accounting records carried forward		\$ 12,099,174
Reconciling items--		
Outstanding checks not recorded by DAGS		(1,742)
		<u>12,097,432</u>
Cash held outside State Treasury: Cash in bank		115,188,033
Cash and restricted cash on statement of net position		<u>\$ 127,285,465</u>

FOR ACTION

MOTION: To Authorize the Executive Director to Execute the Grant of Easement with the County of Hawaii (County) Granting the County a Perpetual and Non-Exclusive Easement at Hale Ho'okipa, Tax Map Key: (3) 8-1-002-049, for Public Thoroughfare and County Access and Utility Purposes

I. FACTS

- A. Hale Ho'okipa is a federally subsidized family public housing project located at 81-1038 Nani Kupuna Place, Kealahou, Hawaii. Hale Ho'okipa consists of twenty (20) studios and twelve (12) 1-bedroom units for the elderly. See Attachment A.
- B. The County has requested that a perpetual and non-exclusive easement, consisting of approximately 0.424 acres at Hale Ho'okipa, be granted in its favor to allow the public to use the easement as a public thoroughfare and the County to use the easement as a thoroughfare for access and utility purposes. See Attachment B.

II. DISCUSSION

- A. A metes and bounds survey for the Grant of Easement was completed. See Attachment C. The Department of the Attorney General, State of Hawaii has reviewed the metes and bounds survey as well as the Grant of Easement.
- B. With Board approval, the next steps would be for the County and the Hawaii Public Housing Authority (HPHA) to execute and record the Grant of Easement.

III. RECOMMENDATION

That the HPHA Board of Directors Authorize the Executive Director to Execute the Grant of Easement with the County of Hawaii (County) Granting the County a Perpetual and Non-Exclusive Easement at Hale Ho'okipa, Tax Map Key: (3) 8-1-002-049, for Public Thoroughfare and County Access and Utility Purposes

Attachment A: Map for Hale Ho'okipa and Easement
Attachment B: Grant of Easement
Attachment C: Easement Metes and Bounds Survey

Prepared by: Dale Fujimoto, PMMSB Branch Chief 12/21

Approved by the Board of Directors
on the date set forth above
 As Presented [] As Amended

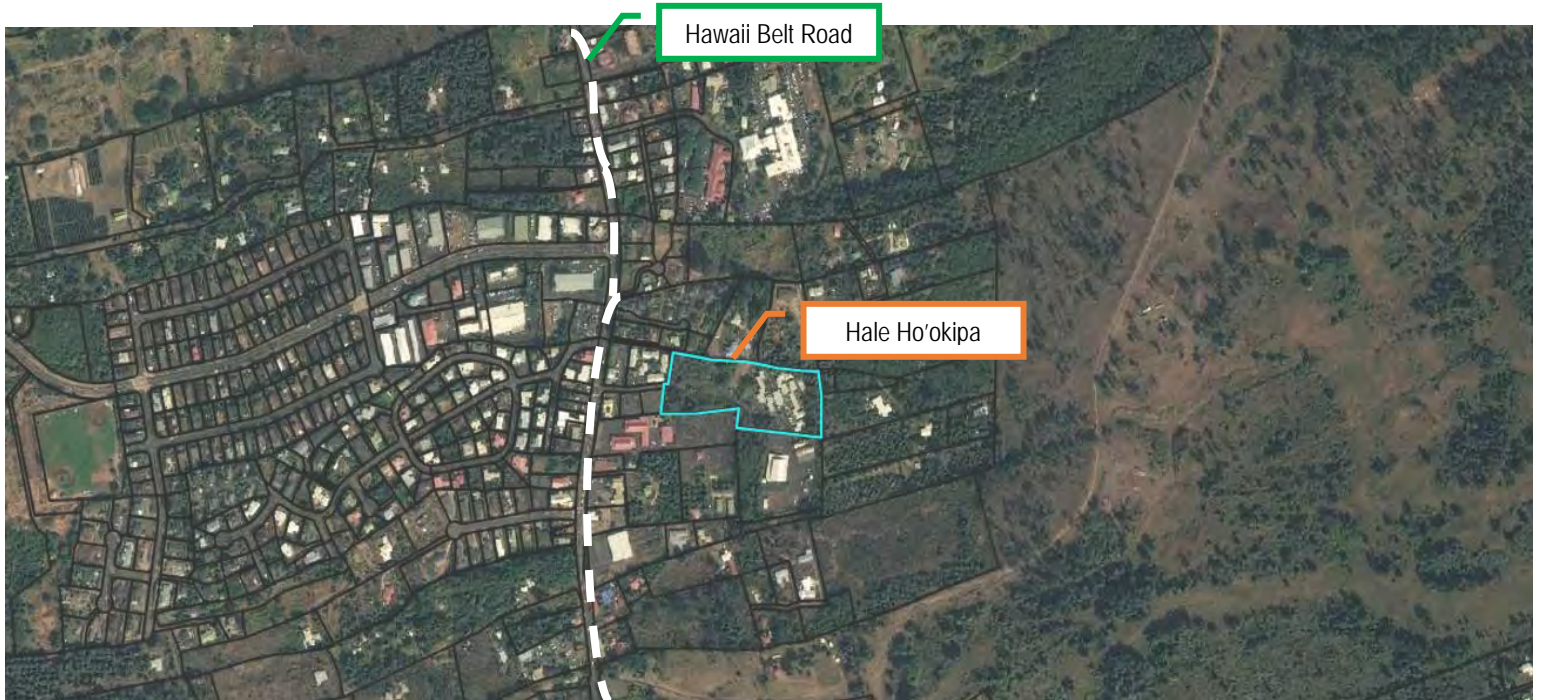


Robert J. Hall
Chairperson

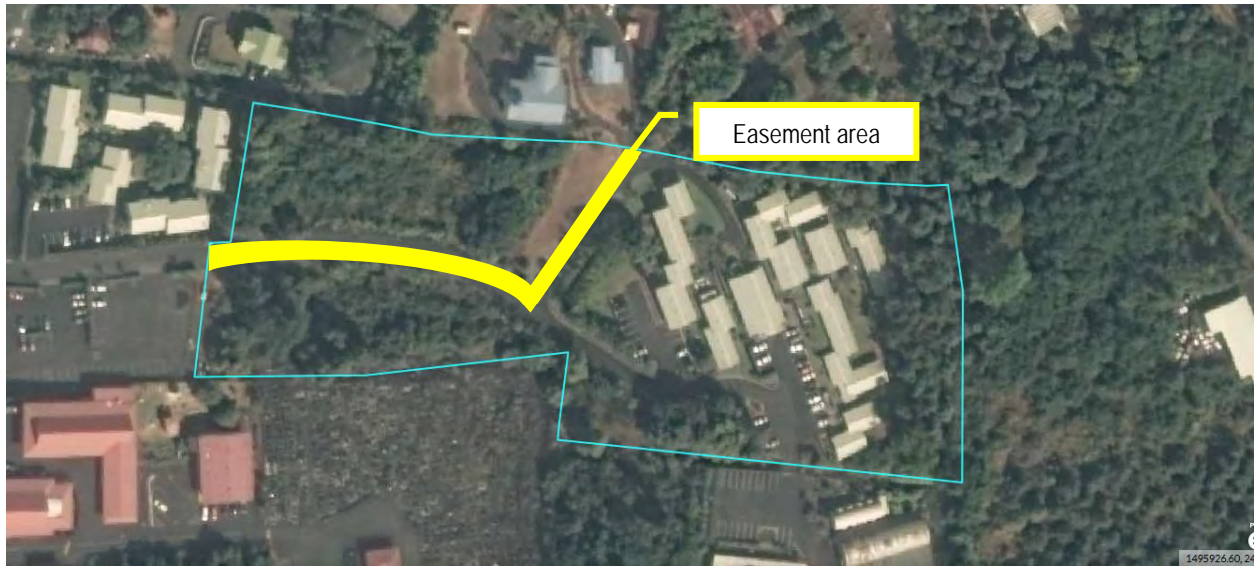
Attachment A



(Left: A picture of the Island of Hawaii with the location of the Asset Management Project (AMP), Hale Ho'okipa identified.)



(Above: Aerial view of Hale Ho'okipa's property line and immediate surrounding area, including Hawaii Belt Road, a major thoroughfare.)



(Above: Aerial view of Hale Ho'okipa and with the location of the easement area identified with respect to the property.)

Attachment B

LAND COURT

REGULAR SYSTEM

(AREA ABOVE RESERVED FOR RECORDING INFORMATION)

After Recordation, Return by Mail or Pick-up Phone#: (808) 961-8251

FILL IN NAME AND ADDRESS BELOW:

**Office of the Corporation Counsel (SSF)
101 Aupuni Street, Suite 325
Hilo, Hawai'i 96720**

DOCUMENT CONTAINS ____ PAGES

TITLE OF DOCUMENT: GRANT OF EASEMENT

PARTIES TO DOCUMENT

**GRANTOR: STATE OF HAWAII by and through
HAWAII PUBLIC HOUSING AUTHORITY
P.O. Box 17907
Honolulu, Hawai'i 96817**

**GRANTEE: COUNTY OF HAWAII
25 Aupuni Street
Hilo, Hawai'i 96720**

AFFECTS TAX MAP KEY: (3) 8-1-002-049

GRANT OF EASEMENT

This GRANT EASEMENT, is made this _____ day of _____, 20____ (“Effective Date”), by and between THE STATE OF HAWAII by and through HAWAII PUBLIC HOUSING AUTHORITY, whose mailing address is P.O. Box 17907, Honolulu, Hawai`i 96817, hereinafter called the “Grantor,” and the COUNTY OF HAWAII, a municipal corporation of the State of Hawai‘i, whose principal place of business and mailing address is 25 Aupuni Street, Hilo, Hawai‘i 96720, hereinafter called the “Grantee,”

WHEREAS, the Grantor owns a certain parcel of real property designated for real property tax purposes by Grantee as Tax Map Key (3) 8-1-002-049, shown on Exhibit 1 (hereafter called the “Property”), which is attached hereto and made a part hereof; and

WHEREAS, Grantee seeks a perpetual and non-exclusive easement over, through, and/or under the portion of the Property described more particularly in “Exhibit 2” and depicted on “Exhibit 1” (“Easement Area”), both exhibits are attached hereto and made a part hereof, for a public purpose and benefit, for roadway, walkway, and/or utility purposes, to allow the public to use the easement as a public thoroughfare and/or the County to use the easement as a thoroughfare for access and/or for utility purposes; and

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements contained herein, Grantor and Grantee hereunto agree as follows:

WITNESSETH:

1. Demise and Description of Premises. Grantor, in consideration of the sum of ONE DOLLAR (\$1.00) paid to it by Grantee, the receipt and sufficiency of which is acknowledged, and of the covenants herein contained and on the part of Grantee to be observed and performed, and upon and subject to the terms and conditions hereinafter set forth, does hereby grant and convey the following perpetual and non-exclusive easement to Grantee, its

successors, heirs and assigns, for a public purpose and benefit for walkway, roadway and/or utility purposes, to allow the public to use the easement as a public thoroughfare and/or the County to use the easement as a thoroughfare, for access, and/or for utility purposes over, through and/or under the Easement Area which consists of approximately .424 acre, more or less, as more particularly described in “Exhibit 2” and depicted as “Access and Utility Easement “A”” on “Exhibit 1.”

The easement granted herein shall include all rights, benefits, privileges and easements necessary or convenient for the full enjoyment and use of the Easement Area for the purposes described herein and shall include the necessary easements and rights for ingress and egress over the Easement Area, the right to enter upon other property administered by the Grantor as is reasonably necessary to construct, reconstruct, maintain and/or repair the roadway and utility easement, the right to cut away and keep clear, remove and dispose of any flora and/or debris and to remove and dispose of all obstructions now on the Easement Area which removal is necessary for the use of the Easement Area. The right to construct or reconstruct the improvements includes the rights to excavate, fill, and/or perform other operations within the easement area as reasonably necessary to accommodate the purposes described herein.

TO HAVE AND TO HOLD the same unto Grantee, its successors, heirs and assigns as beneficial owners of and to be appurtenant to and for the benefit of Grantee and its operation and maintenance of the public thoroughfare known as Nani Kupuna Place.

2. Due Care and Diligence. Grantee will use due care and diligence in the exercise of Grantee’s rights hereunder and will exercise Grantee’s rights hereunder in such a manner as will not unreasonably interfere with or interrupt Grantor’s use or enjoyment of the Property.

3. Indemnity as to Use of the Easement Area. Subject to appropriation and other financial procedures required by law, Grantee shall indemnify, defend and hold harmless Grantor, its affiliates, agents, representatives, successors and assigns, from and against any and all actions, claims, suits, damages, or costs arising out of, related to or resulting from the negligence, acts or omissions of Grantee, its officers, agents, or employees, that may arise or result from the construction, reconstruction, installation, operation, maintenance, presence, or use of the Easement Area provided that this indemnity shall not extend to or cover any loss,

claim or demand suffered as a proximate result of the intentional or negligent act of Grantor or Grantor's agents, employees, contractors, personal representatives, successors and assigns.

4. Maintenance. Grantee shall use due care and diligence to keep the Easement Area in a safe, clean and sanitary condition. Grantee will be responsible to conduct such maintenance and repairs of the Easement Area as needed to maintain the Easement Area in good condition and repair; provided, however, that if any such maintenance and/or repair is required in whole or in part by any act or omission of Grantor or Grantor's agents, employees, contractors, personal representatives, successors and assigns, Grantor will be responsible for the cost of such maintenance and repair.

5. Costs. Grantor shall not be liable for any costs and expenses with respect to the construction, reconstruction, repair and maintenance of the Easement Area or any of the improvements on, upon, under or within the Easement Area for the purposes herein stated, except as otherwise provided herein.

6. Notices. All notices given pursuant to this agreement must be in writing and by personal delivery, U.S. Mail or established express delivery services such as Federal Express, with postage or delivery charges prepaid, return receipt requested, and addressed to the persons and addresses designated as follows:

If to Grantor: STATE OF HAWAII by and through
HAWAII PUBLIC HOUSING AUTHORITY
P.O. Box 17907
Honolulu, HI 96817

If to Grantee: COUNTY OF HAWAI'I
Attn: Director of Department of Public Works
25 Aupuni Street
Hilo, Hawai'i 96720

Each party may change its address for notices by providing at least three (3) days advance written notice to the other party.

7. Covenants Binding. All of the terms, conditions and covenants of Grantee and Grantor herein shall run with the land and shall be binding upon and inure to the benefit of Grantor, Grantee and their respective successors in interest, insurers, heirs, officers, directors, employees, sureties and assigns.

AND IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED by and between Grantor and Grantee that:

8. Permanent Location. The location of the Easement Area is permanent and irrevocable so long as its use is for the public purpose and benefit for roadway, walkway, and/or utility purposes to allow the public to use the easement as a public thoroughfare and/or the County to use the easement as a thoroughfare for access and/or for utility purposes.

9. Dispute Resolution. Any dispute arising under this Grant of Easement, or the interpretation of this Grant of Easement, shall be submitted to mediation before any party to this Grant of Easement may seek judicial relief in any court within the State of Hawai‘i.

10. Counterparts. This Grant of Easement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

11. Miscellaneous. This agreement constitutes the entire agreement between Grantor and Grantee relating to the Easement Area. Any prior agreements, promises, negotiations, or representations not expressly set forth in this agreement are of no force and effect. Any amendment to this agreement will be of no force and effect unless it is in writing and signed by Grantor and Grantee or their respective successors or assigns. This agreement will be effective upon the date it is recorded.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

**STATE OF HAWAI'I,
Hawaii Public Housing Authority**

By: _____
Name: _____
Its: _____

"Grantor"

**COUNTY OF HAWAI'I, a municipal
corporation**

By: _____
Name: _____
Its: _____

"Grantee"

RECOMMENDED APPROVAL:

STEPHEN PAUSE
Director of Department of Public Works
County of Hawai'i

APPROVED AS TO FORM
AND LEGALITY:

SINCLAIR SALAS-FERGUSON
Deputy Corporation Counsel
County of Hawai'i

STATE OF HAWAI'I)
) SS.
COUNTY OF _____)

On this _____ day of _____, 2022, before me personally appeared _____, who is the _____, of the **HAWAII PUBLIC HOUSING AUTHORITY**, to me personally known/proved to me on the basis of satisfactory evidence, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Notary Public, State of Hawai'i

Print Name: _____

My commission expires: _____

NOTARY CERTIFICATION	
Doc. Date: _____	No. of Pages: _____
Notary Name: _____	_____
Doc. Description: _____	Circuit: _____

Notary Signature	Date

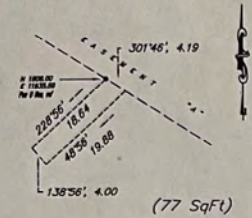
MAYOR'S OFFICE:

**PLEASE INSERT PROPER NOTARY
ACKNOWLEDGMENT**

Attachment C

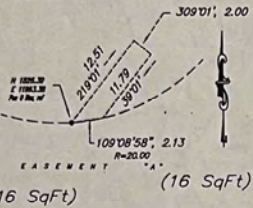
Utility Easement 1

NOT TO SCALE

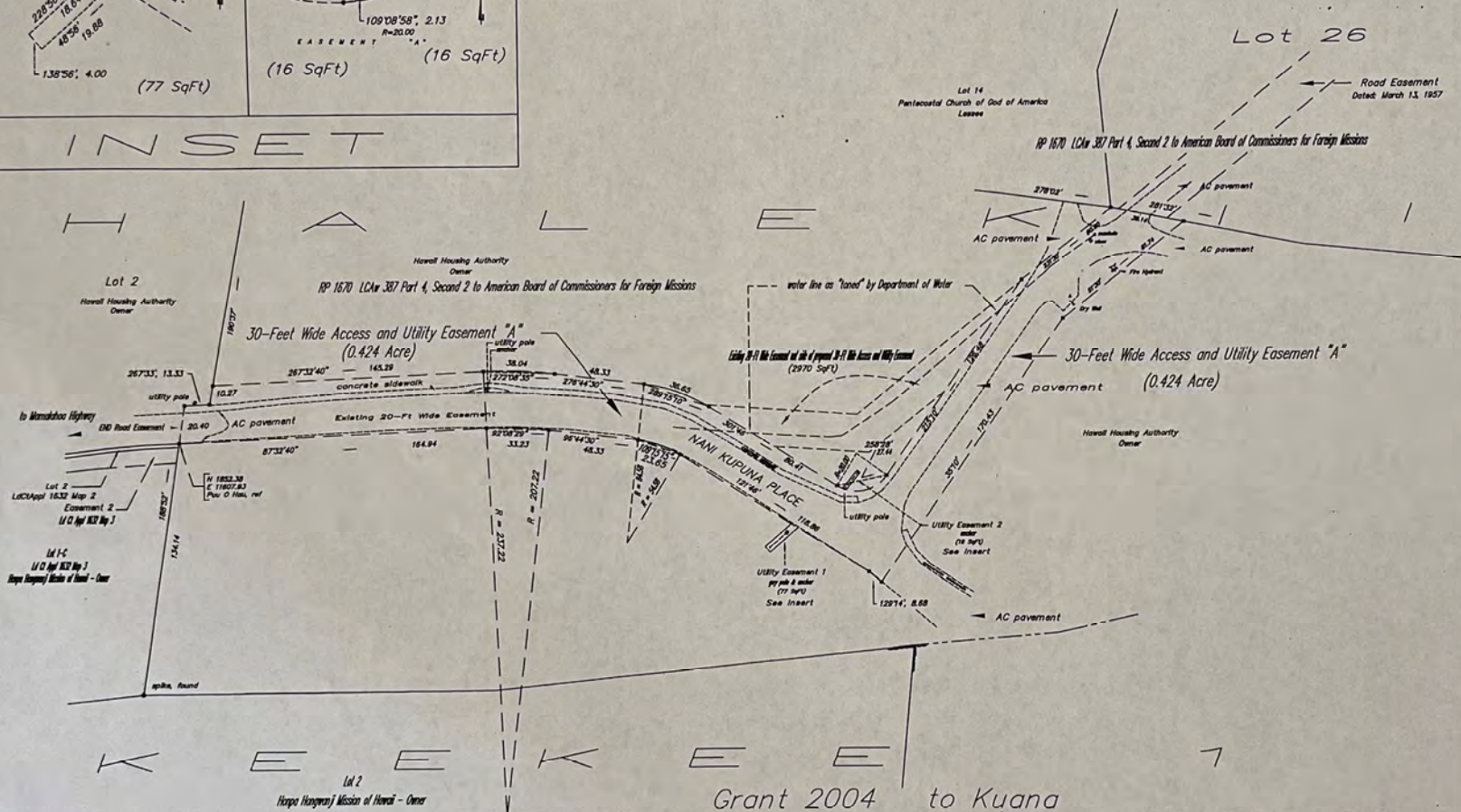


Utility Easement 2

NOT TO SCALE



INSET



From the office of
JOHN D WEEKS INC
 78-6877 Mamalahoa Highway
 Hualaloa, Hawaii 96725



Roger D. Fleenor
 Roger D. Fleenor

Licensed Professional Land Surveyor
 Certificate Number 7276
 This work was prepared by me
 or under my supervision

Grant 2004 to Kūana

PLAN SHOWING

30.00- FEET WIDE ACCESS AND UTILITY EASEMENT "A"

AFFECTING A PORTION OF PARCEL 49 OF TAX MAP KEY: 81002
 BEING A PORTION OF ROYAL PATENT 1670 TO JOHN D. PARIS ON A PORTION OF LAND COMMISSION AWARD 387, PART 4, SECTION 2 TO THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS
 (CERTIFICATE OF BOUNDARY NO. 79)
 AT HALEKII, SOUTH KONA, HAWAII

Scale: 1 inch = 50 feet
 Tax Map Key: 81002049 Date: July 9, 2022

DESCRIPTION

ACCESS AND UTILITY EASEMENT "A"

Being a 30.00 feet wide Easement over, across and upon
Designated Parcel 49 of Tax Map Key: 81002 for Access and Utility purposes.
Being a portion of RP 1670, LCAw 387 Part 4, Section 2 to American Board of
Commissioners for Foreign Missions at Halekii, South Kona, Hawaii

Beginning at the southwest corner of this easement, being also the northeast corner of
Land Court Application 1632, Map 1 the coordinates of which referred to Government
Survey Triangulation Station "PUU O HAU" being 1852.38 feet North and 11607.93 feet
East and running by azimuths measured clockwise from true South:

- | | | | |
|----|------------|-------------|---|
| 1. | 188°52' | 20.40 feet | across 20.00 feet wide roadway, Nani Kupuna Place; |
| 2. | 267°33' | 13.33 feet | along a portion of Lot 2, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions; |
| 3. | 190°37' | 10.27 feet | along a portion of Lot 2, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions; |
| 4. | 267°32'40" | 145.29 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions, thence: |

Along the remainder of Parcel 49, along the remainder of RP 1670, LCAW 387, Part 4, Section 2 to the American Board of Commissioners for Foreign Missions on a curve to the right with a radius of 237.22 feet, the chord azimuths and distance being:

- | | | | |
|----|------------|-------------|---|
| 5. | 272°08,35" | 38.04 feet; | |
| 6. | 276°44'30" | 48.33 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions, thence: |

Along the remainder of Parcel 49, along the remainder of RP 1670, LCAW 387, Part 4, Section 2 to the American Board of Commissioners for Foreign Missions on a curve to the right with a radius of 84.58 feet, the chord azimuths and distance being:

- | | | | |
|----|------------|-------------|--|
| 7. | 289°15'10" | 36.65 feet; | |
| 8. | 301°46' | 80.41 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4,Section 2 to American Board of Commissioners for Foreign Missions, thence: |

Along the remainder of Parcel 49, along the remainder of RP 1670, LCAW 387, Part 4, Section 2 to the American Board of Commissioners for Foreign Missions on a curve to the left with a radius of 20.00 feet, the chord azimuths and distance being:

- | | | | |
|-----|---------|-------------|--|
| 9. | 258°28' | 27.44 feet; | |
| 10. | 215°10' | 126.48 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4,Section 2 to American Board of Commissioners for Foreign Missions: |
| 11. | 231°30' | 60.90 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4,Section 2 to American Board of Commissioners for Foreign Missions: |
| 12. | 281°32' | 39.14 feet | along a portion of Lot 26, along the remainder of RP 1670, LCAw 387 Part 4,Section 2 to American Board of Commissioners for Foreign Missions: |
| 13. | 51°30' | 81.74 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4,Section 2 to American Board of Commissioners for Foreign Missions: |
| 14. | 35°10' | 170.43 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4,Section 2 to American Board of Commissioners for Foreign Missions: |

2.

- | | | | |
|-----|---------|-------------|---|
| 15. | 129°14' | 8.68 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions: |
| 16. | 121°46' | 118.86 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions, thence: |

Along the remainder of Parcel 49, along the remainder of RP 1670, LCAW 387, Part 4, Section 2 to the American Board of Commissioners for Foreign Missions on a curve to the left with a radius of 54.58 feet, the chord azimuths and distance being:

- | | | | |
|-----|------------|-------------|---|
| 17. | 109°15'15" | 23.65 feet; | |
| 18. | 96°44'30" | 48.33 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions, thence: |

Along the remainder of Parcel 49, along the remainder of RP 1670, LCAW 387, Part 4, Section 2 to the American Board of Commissioners for Foreign Missions on a curve to the left with a radius of 207.22 feet, the chord azimuths and distance being:

- | | | | |
|-----|-----------|-------------|---|
| 19. | 92°08'29" | 33.23 feet; | |
| 20. | 87°32'40" | 164.94 feet | along the remainder of Parcel 49, along the remainder of RP 1670, LCAw 387 Part 4, Section 2 to American Board of Commissioners for Foreign Missions, to the point of beginning and containing an area of 0.424 Acre more or less . |

TOGETHER, HOWEVER, WITH UTILITY EASEMENT 1, BEING A PORTION OF PARCEL 49, BEING 4.00 FEET WIDE OVER AND ACROSS THE FOLLOWING STRIP OF LAND, BEING A PORTION OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS AT HALEKEE, SOUTH KONA, HAWAII

3.

BEGINNING AT THE NORTHWEST CORNER OF THIS EASEMENT BEING ALSO ON THE SOUTHWESTERLY SIDE OF ACCESS AND UTILITY EASEMENT "A" THE COORDINATES OF WHICH REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU O HAU" BEING 1808.00 FEET NORTH AND 11935.56 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

- | | | | |
|----|---------|------------|---|
| 1. | 301°46' | 4.19 FEET | ALONG A PORTION OF THE SOUTHWESTERLY SIDE OF ACCESS AND UTILITY EASEMENT "A"; |
| 2. | 48°56' | 19.88 FEET | ALONG THE REMAINDER OF PARCEL 49, ALONG A PORTION OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOREIGN MISSIONS; |
| 3. | 138°56' | 4.00 FEET | ALONG THE REMAINDER OF PARCEL 49, ALONG A PORTION OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOREIGN MISSIONS; |
| 4. | 228°56' | 18.64 FEET | ALONG THE REMAINDER OF PARCEL 49, ALONG A PORTION OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOREIGN MISSIONS TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 77 SQ.FT. MORE OR LESS |

TOGETHER, ALSO, WITH UTILITY EASEMENT 2, BEING 2.00 FEET WIDE OVER AND ACROSS THE FOLLOWING STRIP OF LAND, BEING A PORTION OF PARCEL 49, BEING A PORTION OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS AT HALEKEE, SOUTH KONA, HAWAII

4.

BEGINNING AT THE SOUTHWEST CORNER OF THIS EASEMENT BEING ALSO ON THE NORTHEASTERLY SIDE OF ACCESS AND UTILITY EASEMENT "A" THE COORDINATES OF WHICH REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUU O HAU" BING 1826.39 FEET NORTH AND 11963.38 FEET EAST AND RUNNING BY AZIMUTHS MEASURED CLOCKWISE FROM TRUE SOUTH:

- | | | | |
|----|---------|------------|---|
| 1. | 219°01' | 12.51 FEET | ALONG THE REMAINDER OF PARCEL 49, ALONG THE REMAINDER OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS: |
| 2. | 309°01' | 2.00 FEET | ALONG THE REMAINDER OF PARCEL 49, ALONG THE REMAINDER OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS: |
| 3. | 39°01' | 11.79 FEET | ALONG THE REMAINDER OF PARCEL 49, ALONG THE REMAINDER OF RP 1670, LCAW 387 PART 4, SECTION 2 TO AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS, THENCE: |

ALONG THE NORTHEASTERLY SIDE OF ACCESS AND UTILITY EASEMENT "A" ON A CURVE TO THE RIGHT WITH A RADIUS OF 20.00 FEET, THE CHORD AZIMUTHS AND DISTANCE BEING:

- | | | | |
|----|------------|-----------|---|
| 4. | 109°08'58" | 2.13 FEET | TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 16 SQ. FT. MORE OR LESS |
|----|------------|-----------|---|

5.

JOHN D. WEEKS INC.



A handwritten signature in cursive script that reads "Roger D. Fleenor". The signature is written over a horizontal dashed line.

Roger D. Fleenor
Licensed Professional Land Surveyor
Certificate Number 7276
July 9, 2022

FOR INFORMATION

SUBJECT: Status Update on *Thorson v. Hawaii Public Housing Authority, et al.*, Civil No. CV23-00412 MWJS-WRP (U.S. District Court)

The Board may go into Executive Session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

I. FACTS

- A. On October 4, 2023, Ms. Laurie Thorson filed a complaint with the U.S. District Court (Court). The complaint names the HPHA, and three HPHA employees – Executive Director Hakim Ouansafi, Chief Compliance Officer Ryan Akamine, and Section 8 Public Housing Supervisor Lyle Matsuura (Defendants) – as defendants, alleging discrimination and retaliation claims. See Attachment A.
- B. On January 30, 2024, Ms. Thorson filed a motion for preliminary injunction, which the Court denied. The Court's denial of Ms. Thorson's motion for preliminary injunction was affirmed by the United States Ninth Circuit Court of Appeals on July 24, 2024.
- C. On August 9, 2024, Ms. Thorson filed her first motion for leave to file an amended complaint, which the Court automatically denied due to her failure to comply with procedural rules and provide an analysis of the applicable legal standard.
- D. On August 23, 2024, Ms. Thorson filed her second motion for leave to file an amended complaint, seeking to add a new claim for fraud and add HPHA Chief Financial Officer Bennett Liu as a defendant. See Attachment B. Defendants filed a memorandum in opposition to Ms. Thorson's second motion for leave to file an amended complaint. See Attachment C.
- E. On September 4, 2024, Thorson filed a motion for temporary restraining order, which the Court denied without a hearing.
- F. On October 2, 2024, the Court filed its order denying Ms. Thorson's second motion for leave to file an amended complaint. See Attachment D.

G. The Department of the Attorney General continues to vigorously defend against all of Thorson's foregoing claims.

Attachment A: *Thorson v. Hawaii Public Housing Authority, et al.*, Complaint, Civil No. CV23-00412 MWJS-WRP (U.S. District Court)

Attachment B: Ms. Thorson's Second Motion for Leave to File an Amended Complaint

Attachment C: Defendants' Memorandum in Opposition to Ms. Thorson's Second Motion for Leave to File an Amended Complaint

Attachment D: U.S. District Court's Order Denying Ms. Thorson's Second Motion for Leave to File an Amended Complaint

ORIGINAL

Attachment A

Laurie Thorson, pro se
P. O. Box 1409
Kailua, Hawaii 96734
(808) 222-5885
Lthorson7@gmail.com

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

OCT 04 2023

at 11 o'clock and 00 min. A.M.
Lucy H. Carrillo, Clerk

LS

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

LAURIE THORSON
pro se plaintiff

)
) Civil Case No. _____

v.

) **COMPLAINT**

HAWAII PUBLIC HOUSING AUTHORITY
aka: HPHA

) **CV23 00412 LEK WRP**

and

Hakim Ouansafi, HPHA Executive Director
Ryan Akamine, HPHA Chief Compliance Ofc
Lyle Matsuura, HPHA Supervisor IV

)
)
)
)
)
)
)

Defendants:

Hawaii Public Housing Authority (aka: HPHA)
1002 North School Street
Honolulu, Hawaii 96817
hphas8office@hawaii.gov
(808) 832-6040

Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817
hakim.ouansafi@hawaii.gov
(808) 832-4694 & (808) 832-4696 & (808) 832-4679

(more defendants continued on next page)
(to navigate through this complaint, refer to the Table of Contents at the end)

Ryan Akamine, Chief Compliance Officer
Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817
ryan.m.akamine@hawaii.gov
(808) 832-4680

Lyle Matsuura, Supervisor IV
Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817
lyle.f.matsuura@hawaii.gov
(808) 832-5916 & (808) 832-5863 & (808) 466-2581

A. VENUE AND JURISDICTION

1. This venue is proper because defendants, Hawaii Public Housing Authority (HPHA) and its employees (hereinafter referred to as defendants) are located in this judicial district.
2. This venue is proper because the acts of defendants that caused the plaintiff harm occurred in this judicial district.
3. This court has jurisdiction over this action because defendants receive federal funds from HUD (U.S. Department of Housing and Urban Development) to implement the Section 8 Housing Choice Voucher Program in Hawaii.
4. This court has jurisdiction over this action because it pertains to federal laws and HUD guidelines that dictate how the defendants are to implement the Section 8 Housing Choice Voucher Program.
5. This court has jurisdiction over this action because it pertains to noncompliance by defendants for illegally deleting from and/or adding to the federal laws and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented.
6. This court has jurisdiction over this action because it pertains to noncompliance by defendants for failure to ensure that their administrative plan conforms to the federal rules and HUD guidelines.

B. PLAINTIFF'S CLAIMS AGAINST THE DEENDANTS

1. Plaintiff claims defendants are not in compliance with the federal rules and HUD guidelines that dictate how the Section 8 Housing Choice Voucher Program is to be implemented.

2. Plaintiff claims defendants adopted an illegal policy to use **one low comparable in all their rent reasonableness determinations**, which is not in compliance with the federal rules and the HUD guidelines.

The argument is not whether rent reasonableness determinations should or should not be performed, but rather the methodology in which the defendants are collecting data in rent reasonableness determinations.

3. Plaintiff claims defendants illegal policy to use one low comparable does not benefit the tenant or the landlord/owner, but only benefits the defendants. Defendants use one low comparable as policy to lower the contract rent for the purpose of accumulating as much "surplus grant funds" as they can, which amount exceeds approximately \$32M per year.

4. Plaintiff claims there is no rule in defendants Administrative Plan to support defendants policy to use one low comparable in rent reasonableness determinations. In fact, plaintiff can prove that the defendants current Administrative Plan is not in compliance with the federal rules and HUD guidelines (as required 24 CFR §982.54).

5. Plaintiff claims defendants policy to use one low comparable was not in effect prior to the employment of Executive Director Hakim Ouansafi, who was hired on January 3, 2012. Plaintiff claims Hakim Ouansafi created and enforces the illegal policy to use one low comparable in all rent reasonableness determinations.

6. Plaintiff claims that she reported to Executive Director Hakim Ouansafi (and other government officials) that there were discrepancies in the handling of her voucher, including using the one low comparable. To date, the plaintiff is alone to defend for herself and this is why plaintiff is filing this complaint.

7. Plaintiff claims that defendants discriminated, intimidated, harassed, defamed, and retaliated against the plaintiff (and continue to do so) for the purpose of intentionally interfering with plaintiff's housing, and interfering with plaintiff's approved reasonable accommodations.

8. Plaintiff claims that the defendants purposefully and intentionally retaliated against the plaintiff, as outlined below:

(a) **retaliated** against the plaintiff **after** she complained to the agency that they were not using the correct payment standard charts, and correct utility allowance charts, and used one **low comparables** in the rent reasonable determinations that caused the plaintiff's contract rent to be drastically reduced and nullified plaintiff's 120% reasonable accommodation, *and then,*

(b) **retaliated** against the plaintiff *again* **after** she complained about the one low comparable being used, by interfering with the plaintiff's reasonable accommodation to have a **live in aide**, *and then,*

(c) **retaliated** against the plaintiff *again* (a year and a half later) **after** the plaintiff filed her FHEO complaint, in order to interfere with the plaintiff's **live in aide** under the guise of an on-going "investigation" into plaintiff's live in aide, *and then,*

(d) **retaliated** against the plaintiff *again* by **defaming** the plaintiff and live in aide by communicating to members of the public, outside the agency, that the plaintiff and live in aide are going to prison for fraud. Defendants never communicated to the plaintiff or live in aide that they were not in compliance with any federal or administrative rule. Had defendants done so, the plaintiff and live in aide would have immediately complied. To date, the plaintiff still does not know what would warrant the defendants to claim the plaintiff and live in aide are guilty of fraud.

9. Plaintiff claims that the defendants intentionally use one **low** comparable "as policy" in all rent reasonableness determinations. By using the low comparable, defendants **interfered** with plaintiff's housing

by causing the plaintiff's payment standard and contract rent to be reduced from \$4,000 to \$3,273, and which nullified plaintiff's 120% reasonable accommodation (considered by HUD as plaintiff's "approved exception payment standards").

10. Plaintiff claims that the defendants consistently use **low** comparables "as policy" in **all** their rent reasonableness determinations. This policy is not in compliance with the HUD rules that are outlined in HUD/PIH Housing Choice Voucher Program Guidebook, Chapter 3, titled Rent Reasonableness, which confirms:

"...PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards..."

**HUD/PIH Housing Choice Voucher Program Guidebook,
Chapter 3, Rent Reasonableness**

"...PHAs should take a common-sense approach to valuing a unit based on these factors..."

3.1.2 PHAs need to be careful **not** to limit their rent reasonableness analysis to only mid-range units or only units in certain more affordable neighborhoods. **Voucher families may choose to rent units above the payment standard.** As a rule of thumb, the **PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards** (which "exception payment standard" is plaintiff's 120% reasonable accommodation, approved in 2017).

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook

11. Plaintiff claims that the defendants consistently use one **low** comparables **as policy** in all their rent reasonableness determinations for the purpose of accumulating as much "surplus grant funds" as possible. The total "surplus grant funds" per voucher is the difference between the full value of the voucher (which defendants receive as grant funds from HUD) *and* the contract rent. The lower the defendants can get the contract rent, the more "surplus grant funds" defendants get to keep.

Refer to this HUD link, last sentence on page 7:

"... If the recipient [HPHA] approves unit rents that are reasonable, but are **less than the FMR** used to determine the grant award, then **there may be a surplus of grant funds** and the recipient [PHA] may be able to serve additional program participants..."

<https://files.hudexchange.info/resources/documents/CoC-Rent-Reasonableness-and-FMR.pdf> (Refer to the last sentence on page 7)

12. Plaintiff claims it is illegal for the defendants to consistently use low comparables as policy for the purpose of intentionally lowering the contract rent for the purpose of accumulating "surplus excess funds".

13. Plaintiff's claims that the defendants interfered with her payment standard, interfered with her contract rent, interfered with her reasonable accommodation to have a live in aide, and interfered with her 120% reasonable accommodation which was considered as her approved "exception payment standard" in the amount of \$4,031. As a result of defendants using the low comparable as policy in their rent reasonableness determinations, the defendants lowered her contract rent to \$3,273. This means the defendants are accumulating **\$758 each month as "surplus grant funds" from plaintiff's Section 8 voucher.**

Here is the calculation:

\$4,031	plaintiff's approved "exception payment standard"
- <u>\$3,273</u>	plaintiff's contract rent (lowered as a result of defendants using one low comparable)
= \$758	"surplus grant funds" defendants collect each month
x 12	months per year
\$9,096	per year (defendants accumulate each year from plaintiff's Section 8 voucher)

14. Defendant's website (board meeting on 09.21.23) confirms that in one month defendants "...expended a total of **\$4,765,532** in housing assistance payments (HAP) to private landlords on behalf of **3,528** voucher holders..."

Refer to Page 26

http://www.hpha.hawaii.gov/boardinfo/board_mtgs_completed/2023_Public/09.21.23%20Public%20Packet%20HPHA%20Regular.pdf

15. Based on the **3,528** Section 8 vouchers, it is reasonable to assume that defendants are receiving “surplus grant funds” for each voucher because of their policy to use one low comparable in all rent reasonableness determinations. Assuming the defendants receive \$758 in “surplus grant funds” from each **3,528** vouchers. That would mean that the **defendants are accumulating approximately \$2,674,224 each month in “surplus grant funds.”**

$$\begin{array}{r}
 \$758 \quad \text{“surplus grant funds” per voucher, per month} \\
 \times 3,528 \quad \text{vouchers managed by defendants each month} \\
 \hline
 = \$2,674,224 \quad \text{“surplus grant funds” defendants accumulate} \\
 \quad \quad \quad \text{each month (approximately)}
 \end{array}$$

16. Based on the \$2,674,224 of “surplus grant funds” that the defendants accumulate each month, it can be determined that **defendants are accumulating approximately a total of \$32,090,688 each year in “surplus grant funds.”**

$$\begin{array}{r}
 \$2,674,224 \quad \text{defendants monthly “surplus grant funds”} \\
 \times 12 \quad \text{per month} \\
 \hline
 \$32,090,688 \quad \text{“surplus grant funds” defendants accumulate} \\
 \quad \quad \quad \text{each year (approximately)}
 \end{array}$$

17. Defendant's illegal policy to use one low comparable in all rent reasonableness determinations does not benefit the landlord and does not benefit the tenant, but only benefits the defendants. It is reasonable to expect that the defendants would adopt policy that is in the best interest of the landlords and tenants, not just the defendants:

(a) **Landlords** are required to reduce their contract rent **below the contract rent**, below HUD’s FMR, and below the tenant’s payment standard. It is expected that landlords/owners should be consistent in renting out their units based on HUD’s FMR by zip code and by bedroom size. But if the landlord decides to rent to a Section 8 recipient, it will always work out that the landlord will be required to lower the rent in order to accommodate the defendants using even one low comparables. Landlords will never be allowed to at least get the FMR value for their

rental. Now I understand why landlords in Hawaii do not want to rent to Section 8 recipients.

(b) **Tenants/Section 8 recipients** use the payment standard amount communicated to them on their voucher to assist them in finding a rental. Only to find out in the end that defendants will always use a low comparable to lower the contract rent. This means the tenant must start searching for another rental (before the voucher expires). The tenant must find another rental or the landlord must lower the contract rent.

(c) **Plaintiff** lost her “approved exception payments standard” (which included plaintiff’s 120% reasonable accommodation) when the defendants used the low comparable to lower the contract rent (from \$4,000 to \$3,273. The landlord accepted the lower contract rent, and the plaintiff agreed to appeal defendants decision to use low comparables “as policy” in all their rent reasonableness determinations.

18. Plaintiff claims that the defendants acted outside the scope of their duties and are unable to claim their motive is/was to use the “surplus excess funds” to support other recipients and programs, which HUD permits. This thinking is equivalent to robbing a bank and giving the money to the poor. A crime is still being committed.

19. Plaintiff claims that the defendants have not revised their Administrative Plan to reflect their policy to use one low comparable (in conjunction with two high comparables) in their rent reasonableness determinations.

This is the short version of defendants Administrative Plan:

“...At least three comparable units will be used for each rent determination and of which at least two must have a gross rent that exceeds the subject gross contract rent

This is the full version of defendants Administrative Plan:

HPHA ADMINISTRATIVE PLAN
SECTION 8 – HOUSING CHOICE VOUCHER PROGRAM
Chapter 8
8-III.D PHA RENT REASONABLENESS METHODOLOGY

How Market Data is Collected

“...The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units **in the same market area**. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. **At least three comparable units will be used for each rent determination and of which at least two must have a gross rent that exceeds the subject gross contract rent, and the total average gross rent of the comparable units exceeds the subject gross rent.** Because units may be similar, but not exactly like the unit proposed for HCV assistance, the PHA may make adjustments to the range of prices to account for these differences. In certain cases where rent comparable unit data is unavailable in the immediate district and/or zip code area, the agency will expand its search into **the next** adjacent district(s).

20. Contract Rent v. Payment Standards/FMR

There is another conflict in defendants illegal policy to use one low comparable. Defendants collect data [comparables] against the contract rent, and HUD guidelines required that defendants collect data [comparables] against the payment standards.

This proves that the defendants are purposefully and intentionally using the one low comparable “as policy” in all their rent reasonableness determinations in order to purposefully and consistently lower the contract rent. This is the only way the defendants can increase the amount of “surplus grant funds” that they can accumulate.

Here’s the proof:

This is the defendants policy that confirms defendants use comparables against the Contract Rent:

“...at least two must have a gross rent that exceeds the subject gross **contract rent**...”

(in conjunction with one low comparable below the contract rent)

This is the HUD guidelines policy that confirms defendants are required to use comparables against the Payment Standards/FMR:

“...PHA should collect data on units with gross rents at least 20-25 percent *above* the greater of the **payment standard or the FMR, including any HUD approved exception payment standards...**”

(note: plaintiff’s “approved exception payment standard” included her approved 120% reasonable accommodation)

21. Plaintiff can provide an extensive study to prove that the **defendants are the only PHA in the country that uses one low comparable as policy in all their rent reasonableness determinations.** All other PHAs are in compliance with the HUD guidelines, and can prove it by their written methodology outlined in their Administrative Plan.

22. Plaintiff claims that after she complained to the defendants about the low comparable being used to lower her contract rent, which nullified her 120% reasonable accommodation, the defendants **retaliated** against the plaintiff by purposefully and intentionally **interfering** with the plaintiff’s live in aide. The reasonable accommodation to have a live in aide was approved by defendants in 2017, and every year thereafter for five years (2017-2022).

23. Plaintiff claims that federal rules and HUD guidelines require that plaintiff’s live in aide (1) is permitted to reside in plaintiff’s home *only* when providing support services which includes disability-related overnight care as needed, (2) is not permitted to reside in plaintiff’s home when not providing support services, (3) is required to have his own separate residence, and (4) must have a job to provide for his own expenses (especially considering that plaintiff only receives SSDI and is unable to pay for or care for a live in aide).

24. Plaintiff claims that the defendants acted outside the scope of their duties by acting as the gatekeeper to determine whether or not the plaintiff is entitled to have a live in aide.

In the Federal Register noted below, HUD confirms that the **defendants are not the gatekeepers** to assess the nature and character of plaintiff's disability, may not inquire into the nature or extent of plaintiff's disability, if the plaintiff can or can't live independently, and/or if the plaintiff does or does not need supportive services. The doctors do that.

Federal Register 98-10374, pages 23850, HUD writes:

"...HA does not assess the nature and character of the occupant's disability in order to match the occupant with requirements for occupancy...or to assure that the occupant will benefit from appropriate supportive services..."

"...An elderly or disabled Section 8 participant chooses whether to live in a group home or in other housing that satisfies the HUD housing quality standards. The HA may not bar access to group housing **because the HA believes that the participant can live independently, and does not need supportive services.** Conversely, the HA may not bar access to group housing **because the HA believes that the participant needs supportive services** that are not available at the housing..."

"...the HA has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently..."

"...The HA may not inquire into the nature or extent of disability..."

<https://www.govinfo.gov/content/pkg/FR-1998-04-30/pdf/98-10374.pdf>

25. Plaintiff claims that defendants intentionally **retaliated** against the plaintiff by **refusing to accept as verification** four (4) letters from four (4) different doctors over the span of eight (8) years, and a voluminous amount of medical records, to prove that plaintiff is disabled and is required to have a live in aide.

26. Plaintiff claims that defendants acted outside the scope of their duties when defendants required that the plaintiff, the plaintiff's current doctor, and the plaintiff's live in aide, all answer numerous interrogatory questions regarding plaintiff's disability and live in aide; even requiring that the plaintiff answer the questions in **2 hours and 43 minutes**, or the inspection scheduled the following morning would be cancelled.

The facts of this case prove that nothing the plaintiff provided the defendant Ryan Akamine, Chief Compliance Officer, was acceptable to "certify" the plaintiff's live in aide.

27. Plaintiff claims that defendants intentionally **retaliated** against the plaintiff after she filed her FHEO complaint, by continuing its investigation from the previous year, under the guise as part of an "ongoing investigation" into **certifying** plaintiff's live in aide.

28. Plaintiff claims that defendants, as part of their "ongoing investigation" in June 2023, communicated to members of the public, outside the agency, that the plaintiff and the live in aide were going to prison for fraud. Plaintiff claims that by communicating this to the public, this constitutes a claim of **defamation** against the defendants.

29. Plaintiff claims that defendants never notified the plaintiff or the live in aide that they were not in compliance with any federal or administrative rule. Had the defendants done so, the plaintiff and the live in aide would have immediately complied. The question still remains, what would warrant defendants to claim to members of the public that the plaintiff and live in aide are going to prison for fraud.

30. Plaintiff claims that because of threats of prison and fraud, effective 09.18.23 **the live in aide quit**. The plaintiff now lives alone. This is the first time in over six years that the plaintiff is without her live in aide.

31. Plaintiff claims defendants notified the plaintiff that she no longer qualified for a 2-bedroom voucher because her live in aide quit, and would be issued a 0-bedroom voucher at her next annual recertification.

32. Plaintiff claims that defendants told her that she will no longer receive a 120% reasonable accommodation. This 120% reasonable accommodation was approved in 2017 to accommodate plaintiff's disability. Because plaintiff is unable to live in a high rise or even a low rise, the 120% reasonable accommodation allows the plaintiff to search for a rental in a very limited rental market.

33. Plaintiff claims that she understood defendants policy was that the live in aide could only reside in her home when the live in aide was providing disability-related overnight care, and the live in aide was required to have his own separate residence, and was required to have a job to care for himself.

34. Plaintiff claims that the defendants adopted illegal policy that is not in compliance with federal rules and HUD guidelines as it pertains to plaintiff's live in aide, nor is it in compliance with the defendant's own Administrative Rules (refer to HPHA Administrative Plan, Chapter 3, Rule 3-I.M, titled LIVE IN AIDE, Page 3-9).

35. Plaintiff claims defendants fabricated illegal policies that plaintiff's live in aide must solely and exclusively reside in plaintiff's home even when *not* providing support services, is not permitted to provide disability-related overnight care as needed, is not permitted to have his own separate residence, and is not permitted to have a job.

This could be the reason the defendants opened an investigation into the live in aide, wanting to prove the live in aide had his own residence and had a job, and was thereby violating their new fabricated illegal policies, but for the purpose of interfering with the plaintiff's live in aide.

FHEO Enforcement Branch Chief Stephanie Rabiner confirmed the defendants investigated the live in aide's residence, but that she was unable to find any law that defined a live in aide's primary residence.

Ms. Rabiner also confirmed in her email that defendants investigation report into the live in aide proves that the defendants communicated with the former neighbor and landlord. It was the former neighbor and landlord who informed the plaintiff and live in aide that the defendants

told them the plaintiff and the live in aide were going to prison for fraud. This threat of prison is why the live in aide quit.

36. Plaintiff claims that defendant Executive Director Hakim Ouansafi was at all times fully aware of the unlawful acts of his employees, and yet did absolutely nothing to protect the plaintiff and live in aide from harm. It is the responsibility of the Executive Director to ensure that his employees are in compliance with federal laws and HUD guidelines that govern the behavior of his employees, and to ensure that the Section 8 Housing Choice Voucher Program is being implemented correctly.

37. Plaintiff claims that the defendants acted outside the scope of their duties; therefore, liability is imputed to the employer and qualified immunity does not apply. Hawaii Public Housing Authority is a state government entity organized under the laws of the State of Hawaii.

C. SUMMARY OF FACTS

(1) The following is a summary of facts about the plaintiff:

(a) Plaintiff, Laurie Thorson, is a 64-year old disabled woman. Plaintiff is a recipient of Social Security Disability Insurance (SSDI). Plaintiff was determined to be permanently disabled over a decade ago and is unable to work. The plaintiff is disabled with Epilepsy (a neurological seizure disorder) and Transient Epileptic Amnesia (TEA). Plaintiff has also been diagnosed with diabetes, anxiety, multiple back fractures (T3-T12), multiple pinched nerves in the thoracic and lumbar areas which cause chronic pain in her back and legs, and is blind in her right eye.

(b) Plaintiff originally received subsidized housing through the Section 8 Housing Choice Voucher Program in Oregon. Plaintiff transferred her 2-bedroom Section 8 voucher to Hawaii in 2017. Plaintiff's reasonable accommodation to have a live in aide and 2-bedroom voucher was initially approved as a reasonable accommodation in Oregon. Only after the plaintiff's neurologist contacted the plaintiff's son in Hawaii, did the son agree to be his mother's live in aide, and then he made arrangements to move his mother to Hawaii.

(c) It was plaintiff's neurologist and two other doctors from the mainland who determined the plaintiff could no longer live alone and required a live in aide as needed; mainly because of the frequency of seizures and amnesia. Because the plaintiff lived alone in Oregon, she was frequently in the emergency room and admitted into the hospital almost on a weekly basis for injuries from falling during seizures, and amnesia evident during and after seizures.

(d) In Oregon, the plaintiff was issued a 2-bedroom voucher but only used a 1-bedroom voucher because the plaintiff refused to have a stranger live in her home as her live in aide.

(e) Plaintiff moved to Hawaii on June 27, 2017.

(f) In 2017, after the plaintiff arrived in Hawaii, defendants approved and issued the plaintiff a 2-bedroom voucher to accommodate the plaintiff's reasonable accommodation to have a live in aide. The approval was based on three (3) letters from three (3) different medical providers from the mainland, issued to the plaintiff over the span of the previous 4 years (2013 – 2017). All three (3) medical providers unanimously confirmed in writing that the plaintiff is disabled and is required to have a live in aide as needed. In 2017, defendants compliance department approved the plaintiff's reasonable accommodation to have a 2-bedroom voucher to accommodate plaintiff's live in aide when providing "disability-related overnight care" as needed.

(g) In 2017, defendants also approved a 120% reasonable accommodation because the plaintiff is limited in where she can live. Plaintiff is unable to live in a high-rise, medium-rise, or low-rise rental due to her disability, which makes it difficult for plaintiff to secure a rental. The 120% reasonable accommodation expanded plaintiff's ability to secure a rental to accommodate her disability, especially considering there is a shortage of rentals on the island.

(h) Every year thereafter (2017 – 2022), the plaintiff's reasonable accommodations were approved at the plaintiff's annual recertification application process. During this period of time, from 2017 – 2022, defendants never questioned and/or investigated the plaintiff's reasonable accommodation to have a live in aide.

2. The following is a summary of facts of plaintiff's claims against the defendants:

(a) It was after the plaintiff was issued a new voucher in March 2022, that the defendants used one low comparable as policy in a rent reasonableness determinations. In fact, the defendants used over 15 comparables in over 5 rent reasonableness tests, but for the purpose of intentionally interfering with plaintiff securing the rental in Hawaii Kai. By using the one low comparable, plaintiff's payment standard was reduced, and her contract rent was reduced, which caused plaintiff's approved 120% reasonable accommodation to be nullified. Plaintiff complained about this to the defendants, and ever since defendants have not stopped harassing the plaintiff, even going as far as intentionally interfering with her reasonable accommodation to have a live in aide.

(b) On April 12, 2022 (1:17pm), Ryan Akamine, HPHA's Chief Compliance Officer, wrote to the plaintiff and introduced himself to the plaintiff for the first time. Ryan Akamine informed the plaintiff that he was instructed by Executive Director Hakim Ouansafi to "audit" the plaintiff. Note: the plaintiff previously wrote a letter to Hakim Ouansafi about HPHA staff interfering with her housing by using low comparables in their rent reasonableness determinations. Ryan Akamine informed the plaintiff that the inspection scheduled for the following day at 8:00am would be cancelled if she did not answer numerous interrogating questions by the end of the day (4:00pm) regarding her disability and her live in aide. Plaintiff was required to respond in **literally 2 hours and 43 minutes or the inspection scheduled the following morning would be cancelled.**

(c) On April 12, 2022 (1:17pm), in the same email noted above, Ryan Akamine writes,

“...With respect to your inspection...scheduled to take place on Wednesday, April 13, 2022...the inspection is also subject to the questions below...”

“...With respect to your Live-in aide, your son Ryan Thorson executed his Live-in aide Housing Agreement in 2017. In your subsequent discussions with Mr. Matsuura, you indicated that Ryan Thorson was NOT living in your unit on a full-time basis and would visit you only at certain times...provide us answers to the following by 4:00pm today...”

(Ryan Akamine addresses both the “inspection” and the “live in aide” in this email. Ryan Akamine claims he received information from Lyle Matsuura on or before April 6 about plaintiff’s live in aide, and yet he waited 6 days until April 12, the day before the inspection, to investigate plaintiff’s live in aide, requiring the plaintiff answer numerous interrogating questions about her live in aide, and respond in 2 hours and 43 minutes or the inspection would be cancelled. Ryan Akamine was determined to interfere with plaintiff securing the rental.)

(d) On April 12, 2022 (3:35pm), the plaintiff respectfully responded to Ryan Akamine by answering all of his interrogatory questions. With her response, plaintiff attached copies of the reasonable accommodation for a live in aide approved by defendants in 2017, three (3) letters from three (3) different doctors, and included a new letter from Dr. Megan Bradham dated April 12, 2022, which reads as follows:

Dr. Bradham writes:

“...Laurie Thorson is a patient of mine and medically required to have her son as her live in aide. Ryan Thorson is permitted to live in Laurie Thorson’s home to provide monitoring and care as needed...”.

(Ryan Akamine now had four (4) letters from four (4) different doctors verifying that plaintiff is disabled and is permitted to have a live in aide.) **This did not satisfy Ryan Akamine.**

(e) On April 12, 2022 (3:50pm), in an attempt to make sure that the inspection was not cancelled the following morning, plaintiff emailed Ryan Akamine again. **Plaintiff provided Ryan Akamine additional documents** to prove her disability and need for a live in aide (i.e., medical records, chart notes, x-rays, and numerous pictures to prove what happened/happens if plaintiff is without a live in aide, picture of holes in tongue, puddles of blood all over the house, wounds on elbows and knees, scratches on her face from seizing, wounds on her face from falling and hitting her face on the corners of tables, x-rays of numerous back fractures (T-3 to T-12), x-ray of broken arm, x-rays of several pinched nerves in thoracic spine and lower lumbar area which cause plaintiff chronic pain in her back and legs, etc.). **This did not satisfy Ryan Akamine.**

(f) On April 13, 2022 (6:29am), plaintiff again emailed Ryan Akamine. **Plaintiff provides Ryan Akamine with even more documents**, medical records, chart notes, and more pictures. The plaintiff did the best she could to provide Ryan Akamine all the information he needed so the inspection scheduled at 8:00am was not cancelled. The information Ryan Akamine had in his possession now proved that the plaintiff is disabled with epilepsy and TEA (Transient Epileptic Amnesia), and is permitted to have a live in aide to provide disability-related overnight care as needed. **This did not satisfy Ryan Akamine.**

(g) On April 13, 2022 (8:00am) the inspector arrived at the rental, and the plaintiff and her son were present. The inspection was performed, and it passed. The inspection was performed based on the RFTA and Lease for the contract rent of \$4,000, which documents were submitted to HPHA on March 21, 2022. Prior to the inspection, defendants never required the owner and plaintiff to revise the RFTA and Lease.

(The inspection was performed **23** days after the RFTA and Lease documents were submitted, which is a violation of 42 USC §1437f which requires that inspections are to be performed before **15** days from when defendants received the RFTA and Lease.)

(h) On April 13, 2022 (8:03am), after Ryan Akamine received the letter from Dr. Megan Bradham dated April 12, 2022, Ryan writes, "...we will contact Dr. Megan Bradham for our **required certification...**".

This just proves that Dr. Bradham's April 12 letter was not acceptable to Ryan Akamine. Nothing satisfied Ryan Akamine, because he had ulterior motives.

(i) On April 13, 2022 (8:03am) Ryan Akamine writes in response to plaintiff's pictures he received the previous day, "...Your live in aide is supposed to be living in your unit solely to provide you necessary support services. The injuries that you shared are either an unusual result where **no live in aide is necessary** or typical of what can result when **you don't have a proper live in aide...**"

(Plaintiff provided the pictures to Ryan Akamine, which were taken in Oregon before the plaintiff moved to Hawaii and when the plaintiff did not have a live in aide, only to prove what happened/happens if defendant does not have a live in aide.)

HUD confirms that Ryan Akamine is not a gatekeeper to verify if "...no live in aide is necessary..." or plaintiff doesn't have "...a proper live in aide...".

(j) On April 13, 2022 (4:03pm) after the inspection, Lyle Matsuura called the plaintiff and left a voicemail message in which Lyle said, **"...the unit passed inspection and you can move in today..."**.

(The rent began the day the unit passed inspection, on April 13, 2022. This is confirmed in the HAP contract signed on May 9, 2022.)

(k) On April 13, 2022, the plaintiff moved into her new home, based on the RFTA and Lease submitted on March 21, 2022 for the contract rent in the amount of \$4,000.

(l) After the inspection, after the plaintiff moved into the rental, defendants refused to communicate with the owner and the plaintiff for

16 days. Defendants never returned phone calls or responded to emails by the owner or the plaintiff. The owner needed to sign the HAP contract so he could start receiving payment for his rental. Our phone calls and emails went unanswered for 16 days (from April 13 to April 29). It was on April 29 that communications resumed, only because the owner and plaintiff submitted a revised lease for \$3,273 in order to initiate payment to the owner for the rental that the plaintiff was already living in. This was agreed upon between the owner and landlord, contingent on plaintiff appealing the low comparable of \$1,621 that caused the contract rent to be reduced from \$4,000 to \$3,273.

(m) During this period of time (April 13 to April 29), defendants were not communicating with the owner to sign the HAP contract, because Ryan Akamine was in full force maliciously harassing and intimidating the plaintiff's reasonable accommodation to have a live in aide, in an effort to intentionally interfere with plaintiff's housing by reducing plaintiff's 2-bedroom voucher to a 1-bedroom voucher. The goal was to interfere with plaintiff remaining in the rental before the HAP contract was signed with the owner.

(n) On April 25, 2022, Ryan Akamine writes to the plaintiff, "...As I previously indicated to you, attached please find my letter and attachment **certification** sent via facsimile transmission to Dr. Bradham regarding **certifying information for your Live-in-Aide...**"

Ryan Akamine writes to the doctor (after having already receiving the doctor's letter on April 12, 2022), "...This request seeks your professional opinions regarding the **necessity for a live in aide for your patient, the time and schedule requirements of a live in aide** for your patient, and your **knowledge** about your patient's **proposed** live in aide...".

(The live in aide was not "proposed" in 2022. He was "approved" in 2017.)

(Plaintiff chooses her own live in aide. The doctor do not choose or approve. Neither do the defendants or Ryan Akamine.)

(o) Ryan Akamine refused to accept any documentation the plaintiff provided:

The SSDI award letter did not satisfy Ryan Akamine. The federal rules outlined in this complaint prove the SSDI award letter is sufficient to confirm the plaintiff is disabled. The SSDI award letter specifically has the word “indefinite” on it, proving the plaintiff is indefinitely disabled.

The four (4) letters from four (4) different doctors did not satisfy Ryan Akamine. The letters from plaintiff’s doctors was sufficient for Ryan Akamine to “certify” plaintiff is disabled and is required to have a live in aide.

Nothing would satisfy Ryan Akamine.

(p) On April 26, 2022, plaintiff writes to Ryan Akamine, “...as determined by SSDI, my disability is permanent...”, and provides Ryan Akamine another copy of her SSDI award letter, another copy of the 120% reasonable accommodation approved in 2017, and another copy of the four (4) letters from four (4) different doctors to prove plaintiff is disabled and is required to have a live in aide.

Nothing would satisfy Ryan Akamine.

(q) On April 27, 2022, Ryan Akamine responds to plaintiff by writing, “...Thank you for your email and for *agreeing* that you will assist us in **gathering information regarding your live in aide...**” and “...During the process of your search for a new housing unit, **you informed** Hawaii Public Housing Authority **staff and others** that your approved live in aide (Ryan Thorson) comes over to see you only when you have a seizure or episode, and that your son travels a lot for his job. In your Friday, April 8, 2022 10:51pm email to Executive Director Ouansafi, you said “In the past, on numerous occasions, Ryan has moved in permanently to give me round the clock care when I am experiencing seizures on a daily basis. In your email Tuesday, April 12, 2022 3:35pm email to me, you said: “Ryan Thorson works varying hours as a project manager” and “Ryan Thorson has a job with varying hours” and “Ryan Thorson is employed with PTC Construction”. Additionally, Dr. Bradham’s April 12,

2022 letter in support of a live in aide says, “Ryan Thorson is permitted to live in Laurie Thorson’s home to provide monitoring and care as needed.”...”

(Ryan Akamine is lying. Plaintiff never spoke to “staff and others” about her live in aide. This proves Ryan Akamine’s position that the live in aide is required to solely reside in plaintiff’s unit, is not permitted to have a separate residence, and is not permitted to have a job.)

Ryan Akamine also writes, “...The photos of your injuries in your Tuesday, April 12, 202 (3:49pm) email to me are very concerning, as your live in aide is supposed to be living in your unit **solely** to provide you necessary support services. The injuries that you shared are either an unusual result where **no live in aide is necessary** or typical of what can result when **you don’t have a proper live in aide**. In light of the above, the Hawaii Public Housing Authority is seeking clarifying and necessary information from Dr. Bradham.....”

Ryan Akamine also writes, “...HPHA does not question that you have a disability; the HPHA is diligently and conscientiously trying to fulfill our fiduciary duty by asking relevant questions **to determine if you only need assistance “to provide monitoring and care as needed” or someone else who “shall be living in the unit solely to provide supportive services” to you...**”

(According to Federal Register 98-10374, pages 23850 (on page 51), HUD writes that it is not Ryan Akamine’s responsibility to determine if no live in aide is necessary or I don’t have a proper live in aide.)

(In 2017, it was caseworker Mrs. Villasteros who processed plaintiff’s reasonable accommodation for a live in aide. Mrs. Villasteros informed the plaintiff that the live in aide was required to have his own bedroom when he stayed with her overnight when providing disability-related overnight care as needed. Therefore plaintiff was issued a 2-bedroom voucher to accommodate her live in aide. Never did Mrs. Villasteros inform the plaintiff that the live in aide was to reside in her home when

not providing support services, and the live in aide could not have his own residence, and the live in aide could not have a job.)

(Ryan Akamine received plaintiff's photos on April 12, 2022, which he knew were taken before plaintiff had a live in aide, when plaintiff lived alone in Oregon alone. Plaintiff provided the photos to Ryan Akamine only to prove what happened/happens if plaintiff is without a live in aide. But at this point, plaintiff knew Ryan Akamine was rejecting anything and everything plaintiff provided, i.e., doctors letters, medical records, pictures, etc., but why?)

Nothing was acceptable to Ryan Akamine.

(r) On April 28, 2022, plaintiff responds to Ryan Akamine, and writes: "...Please allow me to officially clear the air on a few things so we can all be on the same page moving forward. You claim that I verbally stated that my son visits me only when I have a seizure or an episode. **This is false. I never said this...**" "...You claim that I verbally stated that my son travels a lot for his job. **This is false. I never said this.** My son does not travel for his job. My son works from home quite often due to the nature of his work..." "...the photos of my injuries in my email sent on Tuesday, April 12, 2022 were taken when I lived alone in Oregon without a live in aide, before I moved to Hawaii. My sending you these pictures was for the sole purpose of proving what happens to me when I don't have a live in aide..."

Plaintiff never heard from Ryan Akamine again.

(s) On April 29, 2022, after it was apparent to the plaintiff that defendants were making absolutely no attempt to return her phone calls or to contact the owner to sign the HAP contract, and realizing the owner needed to get paid for the rental she was **already living in for 16 days**, the plaintiff and owner took it upon themselves to provoke defendants into signing the HAP contract by submitting a revised Lease for \$3,273. The purpose was to provoke the defendants into signing the HAP contract so the owner could get paid something for his rental which the plaintiff was already living in since April 13, 2022.

(The contract rent never should have been reduced from \$4,000 to \$3,273, because defendants performed the inspection on April 13, 2022 based on the RFTA and Lease for \$4,000, dated March 21, 2022.)

(t) On May 9, 2022, defendants and the owner signed the HAP contract for \$3,273 (**49 days after** the original RFTA and Lease for \$4,000 was submitted on March 21, 2022, and **28 days after** the unit was inspected on April 13, 2022, and **28 days after** the plaintiff moved into the unit on April 13, 2022).

(u) Before the HAP contract was signed (on May 9, 2022), Ryan Akamine was in full force maliciously harassing and intimidating the plaintiff and her live in aide (for the purpose of interfering with the plaintiff securing the rental in Hawaii Kai) After the HAP contract was signed, Ryan Akamine never contacted the plaintiff again.

D. CLAIMS AGAINST RYAN AKAMINE, HPHA CHIEF COMPLIANCE OFFICER

1. Ryan Akamine was hired by HPHA in January 2022 as the Chief Compliance Officer. The first sentence of the job description for the Chief Compliance Officer reads as follows:

“..This position oversees and manages the agency’s Housing Compliance Office to ensure all public housing programs comply with State and Federal Housing Laws..”

([http://www.hpha.hawaii.gov/jobs/Announcement_Various%20Exempt%20Positions%20%20\(admin\)%206.26.17.htm](http://www.hpha.hawaii.gov/jobs/Announcement_Various%20Exempt%20Positions%20%20(admin)%206.26.17.htm))

2. Plaintiff claims Ryan Akamine had a fiduciary duty to ensure that the federal rules and HUD guidelines that govern the Section 8 Housing Choice Voucher Program were being correctly implemented.

3. On April 6, 2022, HPHA’s Executive Director, Hakim Ouansafi, instructed Ryan Akamine to follow up on the plaintiff’s complaints that low comparables were being used in rent reasonableness determinations,

which ultimately caused the plaintiff's contract rent and payment standard to be drastically reduced, and caused plaintiff's 120% reasonable accommodation to be nullified.

4. Plaintiff claims that instead of Ryan Akamine investigating the plaintiff's complaint regarding the low comparables being used in the rent reasonableness determinations, Ryan Akamine immediately began attacking the plaintiff's live in aide.

5. Plaintiff claims that Ryan Akamine acted outside the scope of his duties by acting as the gatekeeper to determine whether or not the plaintiff requires or does not require a live in aide. It's not because Ryan Akamine was truly concerned about the plaintiff, but rather his purpose was to intentionally interfere with the plaintiff's housing by causing her 2-bedroom voucher to be reduced to a 1-bedroom, or terminate her voucher altogether (which would cause the plaintiff to be homeless).

6. HUD confirms in this Federal Register, that Ryan Akamine is not plaintiff's gatekeeper:

Federal Register 98-10374, pages 23850:

"...HA does not assess the nature and character of the occupant's disability in order to match the occupant with requirements for occupancy...or to assure that the occupant will benefit from appropriate supportive services...",

"...An elderly or disabled Section 8 participant chooses whether [where] to live in a group home or in other housing that satisfies the HUD housing quality standards. The HA may not bar access to group housing because the HA believes that the participant can live independently, and does not need supportive services. Conversely, the HA may not bar access to group housing because the HA believes that the participant needs supportive services that are not available at the housing...",

“...the HA has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently...”, “...The HA may not inquire into the nature or extent of disability...”

7. Plaintiff claims that Ryan Akamine’s only “fiduciary duty” as the Chief Compliance Officer was to approve the live in aide based on the four (4) letters he had from four (4) different doctors, and to approve the live in aide in compliance with the applicable rules.

8. Plaintiff claims that Ryan Akamine acted outside the scope of his duties by demanding that the plaintiff, the plaintiff’s live in aide, and the plaintiff’s doctor answer numerous interrogating invasive questions about plaintiff’s disability and live in aide.

9. Plaintiff claims Ryan Akamine acted outside the scope of his duties by purposefully and intentionally not complying with the federal rules and HUD guidelines that dictate how the Section 8 Housing Choice Voucher Program is to be implemented.

10. Plaintiff claims Ryan Akamine acted outside the scope of his duties by purposefully and intentionally:

- (a) creating illegal policy to use one low comparable in all rent reasonableness policy
- (b) creating illegal policy to use one low comparable for the purpose of accumulating “surplus grant funds”
- (c) causing plaintiff’s contract rent to be reduced
- (d) causing plaintiff’s approved “exception payment standard” to be reduced,
- (e) causing plaintiff’s voucher to be reduced from a 2-bedroom voucher to a 0-bedroom voucher

- (f) interfering with plaintiff's housing**
- (g) interfering with plaintiff's choice of where to live (steering)**
- (h) interfering with plaintiff's "approved payment standard"**
- (i) nullifying plaintiff's 120% reasonableness accommodation**
- (j) interfering with plaintiff's reasonable accommodation to have a live in aide**
- (k) illegally investigating plaintiff and her live in aide for fraud**
- (l) defaming the plaintiff and live in aide by telling members of the public (outside of the agency) that the plaintiff and live in aide are going to prison for fraud.**
- (m) creating policy that plaintiff's live in aide is required to reside in plaintiff's home, even when not providing support services**
- (n) creating policy that plaintiff's live in aide is not permitted to have a separate residence**
- (o) creating policy that plaintiff's live in aide is not permitted to have a job**
- (p) creating policy that plaintiff's live in aide is not permitted to provide "disability-related overnight care" as needed**
- (q) denying plaintiff's request that the live in aide provide "disability-related overnight care" as needed**
- (r) causing the live in aide to quit as his mother's live in aide**
- (s) causing the plaintiff to live alone without her live in aide**

11. **Plaintiff requested an exception for defendants to permit “...disability-related overnight care...” as needed, and Ryan Akamine refused plaintiff’s request.**

The rules quoted below, 24 CFR 982.316 and HUD Notice PIH 2009-22, prove Ryan Akamine had a fiduciary duty to accommodate the plaintiff’s disability by approving “disability-related overnight care” as needed:

24 CFR §982.316

Live in Aide

(a) A family that consists of one or more elder [‘elder’ is 62 years old or older – plaintiff is 64], near-elderly, **or** disabled persons [plaintiff is disabled] may request that the PHA approve a live in aide in the unit and provide necessary supportive services for a family member who is a person with disabilities. **The PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.**

HUD Notice PIH 2009- 22 (HA)

(https://www.hud.gov/sites/documents/DOC_8989.PDF)

“...The definition of a live-in aide is recorded in 24 CFR Section 5.403 which states that a live-in aide is a person who resides with one or more elderly persons [over 60], near-elderly persons or persons with disabilities and who is: (1) determined to be essential to the care and well-being of the persons; (2) is not obligated for the support of the persons; and (3) **would not be living in the unit except to provide the necessary supportive services...**”

“...**Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Therefore, an additional bedroom should not be approved for a live-in aide under these circumstances...**”

"...A family may always request a reasonable accommodation to permit program participation by individuals with disabilities. A family's composition or circumstances may warrant the provision of an additional bedroom **to permit disability-related overnight care** [Plaintiff made this request and defendants denied her request.] and allow the family equal use and enjoyment of the unit. Such limited exceptions to the established subsidy standards are permitted under 24 CFR Section 982.402(b)(8). The PHA must consider requests for an exception to the established subsidy standards on a case-by-case basis and **provide an exception, where necessary, as a reasonable accommodation.** The PHA shall document the justification for all granted exceptions..."

12. Ryan Akamine, as the Chief Compliance Officer, had a fiduciary duty to comply with the federal rules that govern how the Section 8 Housing Choice Voucher Program is implemented.

13. Ryan Akamine had in his possession plaintiff's SSDI award letter which confirmed plaintiff is permanently disabled and is unable to work, in compliance with 42 USC 423 §223.

14. Ryan Akamine had in his possession four (4) letters from four (4) different doctors over the span of the previous 8 years, which all stated that the plaintiff is disabled and is required to have a live in aide, in accordance with 24 CFR 982.316, 24 CFR 8.6, & 24 CFR 5.403.

(The doctors letters are sufficient "verification" to prove that plaintiff is disabled and is required to have a live in aide. But Ryan Akamine ignored the letters he had from the medical providers and was determined to interfere with the plaintiff's housing, purposefully and intentionally acting as the **gatekeeper to have precedence over the doctors** letters.)

15. Ryan Akamine had in his possession the approved reasonable accommodation for a live in aide, and the approved 120% reasonable accommodation, both approved in 2017, and every year thereafter for five years, as part of plaintiff's annual recertification application.

16. Ryan Akamine confirms in emails that his sole purpose for “investigating” and/or “certifying” plaintiff’s live in aide was [not out of concern that plaintiff is cared for, but] to change the size of plaintiff’s voucher, from a 2-bedroom voucher to a 1-bedroom voucher (for the purpose of interfering and disqualifying the plaintiff in securing the 2-bedroom rental in Hawaii Kai.

17. After the HAP contract was signed on May 9, 2022, Ryan Akamine dropped his investigation into the plaintiff’s live in aide, and plaintiff never heard from Ryan Akamine again.

...only to find out on June 12, 2023 from Stephanie Rabiner, FHEO Branch Chief, that Ryan Akamine resumed his “investigation” from the previous year into plaintiff’s live in aide.

Ms. Rabiner writes:

“...Please be advised that HPHA has informed FHEO that HPHA has continued its investigation into your son’s residency between 2017 and April 2022. HPHA’s ongoing investigation is a continuation of its April 2022 inquiry into your need for a live-in aide and your son’s place of residence as your designated live-in aide...”.

18. On June 12, 2023, the plaintiff is informed by the FHEO Branch Chief, Stephanie K. Rabiner, that the defendants reopened their investigation into plaintiff’s live in aide (from a year ago), and that the defendants indeed were in communications with the former neighbor and landlord, who are the ones who told the plaintiff and the live in aide that the defendants said they are going to prison for fraud:

Ms. Rabiner writes:

“...Ms. Thorson, FHEO is not investigating you for fraud – fraud is outside of our jurisdiction. HUD’s Office of Inspector General is responsible for investigating fraud within the Department’s programs, and we are unaware of any complaint made to that office about you or your live-in aide...”

“...FHEO is only investigating whether there is reasonable cause to believe that HPHA violated the Fair Housing Act, Section 504 and/or the ADA. Your complaint alleges that, in retaliation for asserting that HPHA was using the rent reasonableness test to circumvent your exception payment standard accommodation, HPHA improperly began looking into the status of your live-in aide. You further alleged that HPHA said that it would not conduct an HQS inspection of the new unit until you answered several questions about your need for a live-in aide. As the emails you attached show, HPHA also asked questions about where your son, who has been your designated live-in aide since 2017, had been living and where he would be living once you moved...”

“...HPHA pointed to Chapter 14 to explain that, once it came across information indicating that your son did **not** live with you full time, it was required to ask questions about your need for a live-in aide and your son’s residence...”

“...Generally speaking, a housing provider should not inquire as to whether an individual still requires an approved reasonable accommodation except in limited circumstances. **One such circumstance is when the housing provider has information indicating that the individual no longer requires the reasonable accommodation.** FHEO, in investigating your complaint, must thus assess whether HPHA had information on April 6, 2022 and in the days thereafter **to warrant further inquiry and investigation into whether your son had resided with you** since 2017 and whether you still required an extra bedroom and a live-in aide as a reasonable accommodation...”

(What information did the defendants have that would support plaintiff no longer required a live in aide? They made it up.)

(only the plaintiff’s doctors determine if the plaintiff is required to have a live in aide, not the defendants)

“...Please be advised that HPHA has informed FHEO that HPHA has continued its investigation into your son’s residency between 2017 and April 2022. HPHA’s ongoing investigation is a continuation of

its April 2022 inquiry into your need for a live-in aide and your **son's place of residence** as your designated live-in aide. FHEO is thus also assessing whether HPHA's **ongoing investigation is a potential violation of the Fair Housing Act, Section 504 and/or the ADA**. Mr. Wong is thus not asking questions of your son to harass him or scare him away, but rather, he is asking questions for the purpose of helping FHEO determine whether HPHA's choice to continue its investigation is a violation of your fair housing rights..."

"...Do note that **HPHA has given FHEO the evidence it has collected during its investigation, including information that HPHA staff obtained from your former neighbor and former landlord**. Mr. Wong has not spoken to your neighbor, nor has he spoken to anyone who was not already aware that you receive housing assistance. I assure you that he is not spreading rumors and that investigators are trained to explain to witnesses that they are a neutral party, the investigation is ongoing, and that the Department has not made any determination about whether there has been any wrongdoing on the part of any individual. Unfortunately, some witnesses fail to heed this disclaimer and jump to their own conclusions..."

"...I also want to assure you that FHEO did not send or otherwise direct anyone to send the text messages your son received. We are unaware of who sent them and I personally conducted a public records search to try and identify the owner of the phone number, but was unable to do so. It's a text-only number and uses a service often used by spammers. The Department does not condone or otherwise endorse the content of the messages..."

19. The following is Ms. Rabiner's email dated 06.13.23, confirming to the plaintiff that there is no rule about a live in aides primary residence:

"...Ms. Thorson, I have looked in our Housing Choice Voucher handbooks (old and new), out regulations, and the PIH notices that refer to live in aides. **I cannot find anything that refers to live in aide's primary residence or HUD's definition of a live in aide's primary residence...**"

(It is illegal for Ryan Akamine to create policy that plaintiff's live in aide must only reside in her home, and could not have his own residence.)

20. Defamation claim against defendants:

(a) FHEO Branch Chief Stephanie Rabiner confirmed in her email that the defendants communicated with the former neighbor and landlord, under the guise of an ongoing investigation. It was the former neighbor and former landlord who informed the plaintiff and live in aide that, according to the defendants, they are going to prison for fraud.

The defendants also confirmed that it was the defendants who provided them with plaintiff's personal and confidential information: (i.e., disability, medical conditions, housing information, FHEO complaint, claims of discrimination, live in aide information, etc.).

Defendants actions to defame the plaintiff and the live in aide can be construed as retaliation for the plaintiff filing her FHEO complaint.

(b) Defamation occurs where a false and defamatory statement is communicated to a third party outside of the agency. An allegation of fraud, in and of itself, is serious, and capable of defamatory meaning.

(c) A claim for defamation is the fact that statements were made by defendants and were communicated to third parties, members of the public who are outside of the agency.

(d) Defamatory statements are defined as subjecting another to hatred, contempt or ridicule or tend to diminish the esteem, respect, goodwill or confidence in which the other is held in the community or to excite adverse, derogatory or unpleasant feelings or opinions against the other.

(e) The plaintiff was informed on **June 12, 2023** by FHEO, Stephanie Rabiner (Enforcement Branch Chief), that the defendants reopened their investigation from April 2022 as part of an on-going "investigation" into the plaintiff's live in aide. Ms. Rabiner confirmed that the defendants submitted the results of their investigation to FHEO, which confirmed that the defendants did contact plaintiff's former neighbor and landlord.

Ms. Rabiner writes,

“...Do note that HPHA has given FHEO the evidence it has collected during its investigation, including information that HPHA staff obtained from your former neighbor and former landlord...”

(f) Ryan Akamine should be terminated for purposefully and intentionally providing plaintiff's personal information to a member of the public outside of the agency, for making defamatory statements that the plaintiff and live in aide are guilty of fraud, for intentionally interfering with plaintiff's live in aide (who quit because of Ryan Akamine's threats, and interfering with plaintiff's housing by causing her 2-bedroom voucher to be reduced to a 0-bedroom voucher, and nullifying the plaintiff's reasonable accommodations.

21. Ryan Akamine continued to “investigate” the plaintiff's disability and live in aide, acting as the gatekeeper for the purpose of intentionally harassing and interfering with plaintiff's housing under the guise that he had a “fiduciary duty” to investigate, certify, assess, determine, and evaluate the plaintiff's disability and if plaintiff is required or not required to have support services. HUD makes it clear that **Ryan Akamine is not the gatekeeper, per Federal Register 98-10374, pages 23850 (quoted several times in this complaint).**

22. Ryan Akamine knew the plaintiff received SSDI benefits as a permanently disabled person. This is sufficient evidence to prove plaintiff is disabled, in accordance with 42 USC 423 §223. **This did not satisfy Ryan Akamine.**

23. Ryan Akamine continued to “investigate” the plaintiff's disability and live in aide, even though he had in his possession four (4) letters from four (4) different doctors over the span of the previous 8 years confirming that the plaintiff is disabled and is required to have a live in aide. By law, no additional information is required to “certify” plaintiff's disability or “certify” plaintiff's live in aide. The doctor's letters are sufficient evidence in accordance with HPHA's own Administrative Plan, Rules 2-II.D. and 7.11.F., which reads, “...PHA will not inquire about the nature or extent of any disability...”. **Nothing satisfied Ryan Akamine to certify the plaintiff's live in aide.**

24. Plaintiff claims that Ryan Akamine's fiduciary duty is/was to "...oversees and manages the agency's Housing Compliance Office to ensure all public housing programs comply with State and Federal Housing Laws..". However, this case proves that he did not perform his duties as required, but acted outside the scope of his duties.

**E. CLAIMS AGAINST LYLE MATSUURA,
HPHA SUPERVISOR IV**

1. Plaintiff claims Lyle Matsuura acted outside the scope of his duties by intentionally interfering with plaintiff's housing, by interfering with plaintiff's choice of where to live (steering), by interfering with plaintiff's payment standard and contract rent by purposefully and intentionally using illegitimate low comparables as policy in the rent reasonableness determinations, by interfering with plaintiff's reasonable accommodation to have a live in aide, by intentionally nullifying plaintiff's 120% reasonable accommodation, and by lying to Ryan Akamine.

2. Plaintiff claims that Lyle Matsuura approved approximately 15 comparables in 5 rent reasonableness determinations, but for the purpose of interfering with plaintiff securing the rental in Hawaii Kai.

3. Plaintiff claims that Lyle Matsuura approved the "low" comparable in the amount of \$1,621 in order to interfere with the plaintiff securing the rental in Hawaii Kai, zip code 96821.

4. Plaintiff claims that Lyle Matsuura lied (aka: defamatory statements) to Ryan Akamine, which resulted in plaintiff and her live in aide being investigated by Ryan Akamine for fraud.

5. On March 29, 2022, Lyle Matsuura wrote to the plaintiff that a rent reasonableness test was performed on the Hawaii Kai rental, and that two comparables were used (submitted by the plaintiff's son) in the amounts of \$4,321 and \$4,500; and that defendants added their own "low" comparable in the amount of \$1,621. The contract rent was \$4,000, and plaintiff's approved payment standard was \$4,031. The "low"

comparable caused the plaintiff's rent to be reduced from \$4,000 to \$3,273, a drastic decrease in the contract rent by \$727, which also nullified the plaintiff's 120% reasonable accommodation.

6. Plaintiff claims that Lyle Matsuura communicated to a Senator's assistant and said to this person, "who does she [plaintiff] think she is, doesn't she know Section 8 don't get an ocean view".

7. Plaintiff claims that Lyle Matsuura is part of defendants plan to accumulate as much "surplus grant funds" as possible, since he is the gatekeeper to enforce low comparables used against the contract rent. Lyle Matsuura has final authority to approve low comparables to lower the rent below the contract rent, all the for purpose of assisting his employer in accumulating as much "surplus grant funds" as possible. Lyle Matsuura knows that his employer collects \$728 each month in "surplus grant funds" from the plaintiff's voucher.

8. The following is a list of actions and/or inactions by Lyle Matsuura, HPHA supervisor, that caused harm to the plaintiff:

- Lyle retaliated against the plaintiff because she required he use the correct payment standard and utility allowance charts.
- Lyle had the authority to approve and disapprove the comparables.
- Lyle permitted the low comparable in the amount of \$1,621 to be included in the rent reasonableness determination, and to have precedence over the plaintiff's reasonable accommodations.
- Lyle used 15 comparables in 5 rent reasonableness tests in order to interfere with the plaintiff's housing.
- Lyle caused the plaintiff's contract rent to be drastically reduced.
- Lyle caused the plaintiff's payment standard to be reduced.
- Lyle caused the plaintiff's 120% reasonable accommodation to be nullified.
- Lyle delayed the inspection from taking place after receiving the RFTA and Lease.

- Lyle delayed the HAP contract from being signed.
- Lyle had an ulterior motive, acting outside the scope of his duties, to interfere with the plaintiff securing the rental in Hawaii Kai.
- Lyle fabricated lies to Ryan Akamine that plaintiff said things about her live in aide that are not true.
- Lyle has continued to play a part in harassing the plaintiff. The last was when he mailed a letter to plaintiff instructing her to complete forms ‘to add a member of her household’, and that if she did not return the forms by the deadline, her housing assistance would be terminated. Plaintiff never requested to add a member to her household.

F. CLAIMS AGAINST HAKIM OUANSAFI, HPHA EXECUTIVE DIRECTOR

1. Hakim Ouansafi is the Executive Director of the Hawaii Public Housing Authority. Mr. Ouansafi is solely responsible for ensuring that the agency implements the Section 8 Housing Choice Voucher Program in compliance with the federal rules and HUD guidelines. Mr. Ouansafi is responsible for the actions of his employees, especially if he has full knowledge that his employees are acting outside the scope of their duties. Mr. Ouansafi is solely responsible for supervising the Chief Compliance Officer, Ryan Akamine, who reports directly to Mr. Ouansafi.
2. Hakim Ouansafi received all of plaintiff emails, proving he was always informed of the actions of his employees Ryan Akamine and Lyle Matsuura, and how they were treating the plaintiff. Mr. Ouansafi’s silence proves that he supported his employees harassing the plaintiff.
3. On April 5, 2022, Hakim Ouansafi responded in an email and confirmed to the plaintiff that Ryan Akamine was now handling the plaintiff’s complaints. Instead of making sure the plaintiff’s complaints were addressed, Mr. Ouansafi instructed Ryan Aksamine to “audit” the

plaintiff, which actually meant to go on the attack against the plaintiff. And that's exactly what Ryan Akamine did, at the direction of the Executive Director Hakim Ouansafi.

4. Plaintiff notified Hakim Ouansafi that his employees were interfering with her housing, were interfering with her live in aide, were interfering with reasonable accommodations, etc.

Hakim Ouansafi did absolutely nothing.

5. Plaintiff notified Hakim Ouansafi that Ryan Akamine was retaliating against her by investigating her live in aide a year **after** the plaintiff filed her FHEO complaint. Plaintiff also informed Mr. Ouansafi that Ryan Akamine was telling members of the public, outside of the agency, that the plaintiff and live in aide are going to prison for fraud.

Hakim Ouansafi did absolutely nothing.

6. Plaintiff claims that Executive Director Hakim Ouansafi is solely responsible for adopting the illegal policy to use one low comparable in all rent reasonableness determinations against the contract rent. Plaintiff claims that Mr. Ouansafi knew at all times that "surplus grant funds" were being accumulated, as a result of the illegal policies. Mr. Ouansafi must be held accountable by providing an accounting of the approximately \$32M per year that he accumulated since he was employed with the Hawaii Public Housing Authority. Plaintiff claims that Mr. Ouansafi's illegal policies do not benefit the tenant or the landlord, but only benefits the defendants.

7. Plaintiff claims that the illegal policies were in effect prior to the employment of Mr. Hakim Ouansafi, who was hired on January 3, 2012. Besides being the Executive Manager of the Hawaii Public Housing Authority, Mr. Ouansafi is also the current registered owner/manager of First Commercial Consulting Services llc, located at 679 Kaumakani Street, Honolulu, Hawaii, 96825. This could be a conflict of interest.

**G. RENT REASONABLENESS DETERMINATIONS
and COMPARABLES**

(HPHA RULES v. FEDERAL RULES)

1. The defendant is required to comply with the federal laws and HUD guidelines that dictate how low comparables are used in rent reasonableness determinations.

24 CFR §982.54

“...The administrative plan must be in accordance with HUD regulations and requirements...”

2. There is no federal rule to support defendants using one **low** comparable as policy in all rent reasonableness determinations.

In fact, according to HUD, it’s the opposite:

**HUD/PIH Housing Choice Voucher Program Guidebook,
Chapter 3, Rent Reasonableness** (refer to page 8, section 3.1.2.)

“...PHAs should take a common-sense approach to valuing a unit based on these factors...”

3.1.2 PHAs need to be careful not to limit their rent reasonableness analysis to only mid-range units or only units in certain more affordable neighborhoods. **Voucher families may choose to rent units above the payment standard.** As a rule of thumb, the **PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards.**”

(“approved exception payment standard” is the plaintiff’s 120% reasonable accommodation approved in 2017)

https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Rent_Reasonableness.pdf

3 There is no Administrative Rule to support defendants can use one low comparable in rent reasonableness determinations. However, the defendants do confirm it on their website and in board meetings.

(a) The following is a link to the defendants website, which proves defendants adopted the illegal policy to use one **low** comparable.

<http://www.hpha.hawaii.gov/faqs/s8hcvli.html>

05.15.23, HPHA's website

HPHA's website, as of 05.15.23, confirms that HPHA's illegal policy is to use "...one lower rent..." as a comparable in rent reasonableness tests:

* **HPHA's website reads:**

"...What is rent reasonableness?

The State is required to ensure that the unit rent is reasonable according to prevailing market conditions. HPHA must determine if the rent is reasonable or too high according to market conditions for units of similar size, features, and amenities in the same area. **HPHA will choose two higher rents and one lower rent based on proximity to the subject property to compare rents..."**

(b) The following is a link to the defendants website, which proves defendants adopted the illegal policy to use one low comparable.

http://www.hpha.hawaii.gov/boardinfo/board_mtgs_completed/2023/4.20.23%20Board%20Packet.pdf

04.20.23, HPHA's Board of Directors Meeting

This document is from the Board of Directors Meeting Agenda dated 10.20.22 (see page 22), which reads:

B. Rent Reasonableness

3. At least three comparable units are used for each rent determination and of which **at least two must have a gross rent that exceeds the subject gross contract rent and one must have a gross rent that is lower than the subject contract rent.**

This is very important to note. The defendants say "...lower than the subject **contract rent**...". But that is not what the HUD guidelines say. The HUD guidelines confirm:

"...PHA should collect data on units with gross rents at least 20-25 percent *above* the greater of the payment standard or the FMR, including any HUD approved exception payment standards..."

(Defendants are clearly not in compliance with the HUD guidelines as it pertains to using comparables in rent reasonableness determinations.)

(c) The following is a link to the defendant's website, which proves defendants allow tenants to submit their own comparables, but we know that's not true. Plaintiff submitted 4, and they were thrown out. The plaintiff's son submitted 4, and the defendants kept 2 and then introduced their own low comparable.

Executive Director Hakim Ouansafi confirmed in a board meeting that tenants are allowed to submit their own comparables. If that truly is the case, **what tenant in their right mind would submit low comparables?** Landlords are also allowed to submit their own comparables, but again, **what landlord in their right mind would submit low comparables?**

This is the link to the board meeting where Hakim Ouansafi said tenants are allowed to bring in their own rent comps. Pay attention to the dialogue, everyone at the board meeting wants to talk about the comps, and Hakim Ouansafii shuts them down.

http://www.hpha.hawaii.gov/boardinfo/board_mtgs_completed/2023_Public/06.28.23%20Public%20Packet.pdf

06.28.23 HPHA's Board of Directors Meeting

Refer to page 21 to read what Hakim Ouansafi said about comparables:

“...Executive Director Ouansafi clarified that the rent comparable is required by law and the payment standards are set. [Note: He does not say “low” comparables.] He stated that City & County leases are different because the City & County is able to use existing leases, while the HPHA cannot because of tenant confidentiality. He added that the HPHA can always improve and wants what is fair to everyone, including landlords. He stated that he has reached out to Ms. Iwamoto with possible meeting dates to discuss the issue and find possible solutions. [Note: Iwamoto is a landlord whose rents were reduced because of defendants using low comparables.] ...”

“...Executive Director Ouansafi stated the HPHA has more information and cannot discuss it at this time as it is not on the agenda for this meeting. Designee Campos added that for rent comps, quality needs to be considered in pricing as well. Director Pulmano asked if the rent comps are based on publicly available data. Executive Director Ouansafi stated that is correct, rent comps are based on publicly available data. He acknowledged that rent prices can change within a few months based on the prices of other available units at that time. Executive Director Ouansafi explained that most of the time, the outcomes of the rent comparable software are what they should be, and sometimes they do not come out correctly and **that is why people are allowed to bring in their own rent comps...**”

“...He reported that he needs to stop the conversation as it is not an agenda item and does not want to be in violation. Director Pulmano asked if this matter can be added as an agenda item. Chairperson Hall stated he is not sure how that can be added to the agenda...”

4. The following federal rules prove the defendants policy to use one low comparables is fabricated. Remember, the defendants are the only PHA in the country that uses one low comparable as policy in their rent reasonableness determinations.

(a) 42 USC §1437f

SEC. 512.

(1) Comparable properties. ...'comparable properties' means properties in the same market areas...that-

(A) are similar to...**neighborhood (including risk of crime), type of location, access, street appeal, age, property size, apartment mix, physical configuration, property and unit amenities, utilities, and other relevant characteristics.**

<https://uscode.house.gov/view.xhtml?hl=false&edition=2021&req=granuleid%3AUSC-prelim-title42-section1437f&num=0#amendment-note>

(b) 24 CFR §982.503 refers to 507

(c) 24 CFR §982.507

(b) Comparability.

The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other **comparable** unassisted units.

(d) 24 CFR 983.303, Reasonable Rent

Nowhere in this CFR does it say that a low comparable is to be used. The defendants are wrong in adopting policy contrary to the federal rules. There is no federal rule to support the defendants using one low comparables in conjunction with two high comparables.

<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-983/subpart-G/section-983.303>

H. LIVE IN AIDE

(CFR's, FEDERAL REGISTER, HUD GUIDELINES, HUD NOTICES, HPHA ADMIN RULES)

1. The following federal rules and HUD guidelines proves that the defendants adopted or fabricated policies, as it pertains to plaintiff's live in aide, that are not in compliance with the federal rules and HUD guidelines, which are quoted verbatim below:

(a) 24 CFR §5.403

Live in aide means a person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well being of the person
- (2) Is not obligated for the support of the person; and
- (3) **Would not be living in the unit except to provide the necessary supportive services.**

(b) 24 CFR §982.316

Live in Aide

(a) A family that consists of one or more elder [over 62 years of age, plaintiff is 62 years of age], near-elderly, or disabled persons may request that the PHA approve a live in aide in the unit and provide necessary supportive services for a family member who is a person with disabilities. The PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

(b) At any time, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, **if:**

- (1) The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

(2) The person commits drug-related criminal activity or violent criminal activity; or

(3) The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

(c) Refer to HUD Notice PIH 2009-22 (HA) (short version)

(https://www.hud.gov/sites/documents/DOC_8989.PDF)

Page 1, para. 3, "...live-in aide is a person who resides with..." and "**...would not be living in the unit except to provide the necessary supportive services...**"

Page 2, para. 2, "...A family's composition or circumstances may warrant the provision of an additional bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit..."

(The live in aide is permitted to stay overnight only if providing "disability-related overnight care". This does not say that the live in aide is required to solely reside in the unit and is not permitted to have a secondary residence, as HPHA falsely claims.)

(d) Refer to HUD Notice PIH 2009- 22 (HA) (extended version)

(https://www.hud.gov/sites/documents/DOC_8989.PDF)

"...The definition of a live-in aide is recorded in 24 CFR Section 5.403 which states that a live-in aide is a person who resides with one or more elderly persons [over 60], near-elderly persons or persons with disabilities and who is: (1) determined to be essential to the care and well-being of the persons; (2) is not obligated for the support of the persons; and (3) **would not be living in the unit except to provide the necessary supportive services...**"

"...Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Therefore, an additional bedroom should not be approved for a live-in aide under these circumstances..."

"...A family may always request a reasonable accommodation to permit program participation by individuals with disabilities. A family's composition or circumstances may warrant the provision of an additional bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit. Such limited exceptions to the established subsidy standards are permitted under 24 CFR Section 982.402(b)(8). The PHA must consider requests for an exception to the established subsidy standards **on a case-by-case basis and provide an exception, where necessary, as a reasonable accommodation. The PHA shall document the justification for all granted exceptions..."**

(e) HUD document: 4350.3 REV-1

(<https://www.hud.gov/sites/documents/43503c3HSGH.PDF>)

Page 3-9

3-6(E.)(3.)(a.) Live-in aide.

(1) A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who:

(a) Is determined to be essential to the care and well being of the person(s);

(b) Is not obligated for the support of the person(s); and

(c) Would not be living in the unit except to provide the necessary supportive services.

(2) To qualify as a live-in aide:

(a) The owner [PHA] must verify the need for the live-in aide.

Verification that the live-in aide is needed to provide the necessary supportive services essential to the care and well-being of the person must be obtained from the person's physician, psychiatrist or other medical practitioner or health care provider. The owner must approve a live-in aide if needed as reasonable accommodation in accordance with 24 CFR Part 8 [which includes epilepsy] to make the

program accessible to and usable by the family member with a disability. The owner may verify whether the live-in aide is necessary **only to the extent necessary to document that applicants or tenants who have requested a live-in aide have a disability-related need for the requested accommodation. This may include verification from the person's physician...or health care provider.** The owner may **not** require applicants or tenants to provide access to confidential medical records or to submit to a physical examination.

(re (2)(a) above, "verification" must be "obtained from the person's physician", not from HPHA's employee Ryan Akamine. The actions of Ryan Akamine to act as the gatekeeper proves he is acting outside the scope of his duties.)

(f) Federal Register 98-10374, pages 23850, HUD writes:

"...HA does not assess the nature and character of the occupant's disability in order to match the occupant with requirements for occupancy...or to assure that the occupant will benefit from appropriate supportive services...",

"...An elderly or disabled Section 8 participant chooses whether [where] to live in a group home or in other housing that satisfies the HUD housing quality standards. The HA may not bar access to group housing because the HA believes that the participant can live independently, and does not need supportive services. Conversely, the HA may not bar access to group housing because the HA believes that the participant needs supportive services that are not available at the housing...",

"...the HA has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently...",

"...The HA may not inquire into the nature or extent of disability...")

(to clarify: Ryan Akamine did not have the authority to “assess the nature and character of the occupant’s disability” and “may not inquire into the nature or extent of [plaintiff’s] disability”. Ryan Akamine has “..no responsibility or authority to act as [plaintiff’s] gatekeeper...”
“...(c) [Live in aide] qualifies for occupancy only as long as the individual needing supportive services requires the aide’s services and remains a tenant...”

(to clarify, the above sentence says: as long as the “individual” remains a tenant, not as long as the “live in aide” remains a tenant.)

“...(f) (4) An adult child is eligible to move into a Section 202/8 project after initial occupancy only if they are essential to the care or well-being of the elderly parent(s). The adult child may be considered a live-in aide if all of the requirements in 1, above, apply and **there is a verified need for a live-in aide** in accordance with 2(a), above...”

(verification must be provided by a physician, not the defendants)

(g) 24 CFR §5.403

Live in aide means a person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:
(1) Is determined to be essential to the care and well being of the person
(2) Is not obligated for the support of the person; and
(3) **Would not be living in the unit except to provide the necessary supportive services.** (emphasis added)

(h) 24 CFR §982.316

Live in Aide

(a) A family that consists of one or more elder [over 62 years of age, plaintiff is 62 years of age], near-elderly, or disabled persons may request that the PHA approve a live in aide in the unit and provide necessary supportive services for a family member who is a person with disabilities. **The PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to**

make the program accessible to and usable by the family member with a disability.

(b) At any time, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, **if:**

- (1) The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- (2) The person commits drug-related criminal activity or violent criminal activity; or
- (3) The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

(i) **HPHA Admin Rule 3-I.M.**

PHA Policy

A family's request for a live-in aide must be made in writing. **Written verification will be required from a reliable, knowledgeable professional, such as a doctor,** social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) **would not be living in the unit except to provide the necessary supportive services.**

(j) **§ 966.53**

The following CFR confirms that a live in aide is not considered a tenant of the disabled person's home:

(<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-966/subpart-B/section-966.53>)

§ 966.53 Definitions.

For the purpose of this subpart, the following definitions are applicable: **Tenant shall mean the adult person (or persons) (other than a live-in aide):**

(1) Who [tenant] resides in the unit, and who [tenant] executed the lease with the PHA as lessee of the dwelling unit.

2. The following email is from FHEO Branch Chief, Stephanie Rabiner. The email is dated 06.13.23.

(a) FHEO Branch Chief Stephanie Rabiner confirms in her email (quoted verbatim) that in June 2022 Ryan Akamine reopened his investigation into plaintiff's live in aide (from April 2022).

Ms. Rabiner writes in her dated 06.18.23:

“...Please be advised that HPHA has informed FHEO that HPHA has continued its investigation into your son's residency between 2017 and April 2022. HPHA's ongoing investigation is a continuation of its April 2022 inquiry into your need for a live-in aide and your son's place of residence as your designated live-in aide...”

(b) Ryan Akamine claims that it is policy that plaintiff's live in aide is not permitted to have his own separate residence, and must reside solely and exclusively in the plaintiff's home (even if not providing support services), and is not permitted to have a job.

But there's no law to support Ryan Akamine's position. He's just making up stuff in order to interfere with plaintiff's housing and reasonable accommodation to have a live in aide.

Ms. Rabiner writes in her email dated 06.13.23:

“...Ms. Thorson, I have looked in our Housing Choice Voucher handbooks (old and new), out regulations, and the PIH notices that refer to live in aides. **I cannot find anything that refers to live in aide's primary residence or HUD's definition of a live in aide's primary residence...**”

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I. CONCLUSION

1. Plaintiff claims that the defendants refuse to comply with the federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented.
2. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use of low comparables in rent reasonableness determinations.
3. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use comparables against the contract rent (instead of the payment standard).
4. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use low comparables in rent reasonableness determinations against the contract rent for the purpose of lowering the contract rent.
5. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use low comparables in rent reasonableness determinations against the contract rent for the purpose of lowering the contract rent so the defendants can collect "surplus grant funds".
6. Defendant is the only PHA in the country that uses a **low** comparable as policy in all their rent reasonableness determinations.
7. Plaintiff claims that landlords and tenants do not benefit from defendant using one low comparable as policy, but rather it is only the defendants who benefit because defendants keep the "surplus grant funds", which is the difference between the FMR/payment standard *and* the contract rent. The contract rent is always lowered as a result of defendants using one low comparable. The lower the defendants can lower contract rent, the more "surplus grant funds" defendants can keep.

8. Plaintiff claims that the federal rules and HUD guidelines do not support defendants illegal policy as it pertains to live in aides being required: (1) to reside in plaintiff's home only, even when not providing support services, (2) is not permitted to have a separate residence, (3) is not permitted to provide "disability-related overnight care" as needed, and (3) is not permitted to have a job.

9. Plaintiff claims that the federal rules and HUD guidelines do not support defendants policy regarding live in aides, but rather plaintiff has provided authorities in this complaint to prove that live in aides (1) may reside in plaintiff's home only when providing support services which includes disability-related overnight care as needed, (2) may not reside in plaintiff's home when not providing support services, (3) is required to have a separate residence, and (4) must have a job to provide for his own living expenses (especially considering that plaintiff only receives SSDI and is unable to pay for or care for a live in aide).

10. Plaintiff claims that all defendants were obligated to comply with the following basic HUD requirements as a PHA, and failed:

(a) Defendant is required to not discriminate against disabled recipients.

HPHA failed this obligation.

(b) Defendant is required to ensure decent safe housing units are accessible to **all** recipients.

HPHA failed this obligation.

(c) Defendant is required to make reasonable accommodations to its own policies, practices, and procedures, to exercise discretion and flexibility to avoid displacement of tenants, and to prevent actions that have a negative impact on the disabled recipient.

HPHA failed this obligation.

(d) Defendant is required to train their employees to be aware of civil rights obligations and their own obligations under the Fair Housing Act to further fair housing for all the disabled recipients.

HPHA failed this obligation.

(e) Defendant is required to use appropriate utility allowance charts. Defendants failure to use the appropriate utility allowance chart caused the plaintiff financial harm, since it is the responsibility of the plaintiff to pay the electric bill, which averages \$500 per month. This is a hardship on the plaintiff because of her limited monthly income, in which 60% of her income is currently going towards the electric bill.

HPHA failed this obligation.

(f) Defendant is required to use appropriate payment standard charts. Defendants failure to use appropriate payment standard charts caused the plaintiff harm, since it determines the amount of the payment standard on the voucher, which assists the tenant to search for a rental.

HPHA failed this obligation.

(g) Defendant is required to comply with the HUD guidelines as it pertains to comparables used in rent reasonableness determinations. Defendants used the low comparable in the amount of \$1,621 for the purpose of causing harm to the plaintiff, by interfering with plaintiff's housing, interfering with plaintiff's payment standard and contract rent (which nullified plaintiff's 120% reasonable accommodation). It is not reasonable for the defendants (or any PHA) to allow low comparables to have precedence over plaintiff's 120% reasonable accommodation (aka: "approved exception payment standard").

The \$1,621 "low" comparable located in zip code 96816 was \$2,379 less than the contract rent of \$4,000 rental located in zip code 96821. This caused plaintiff's contract rent to be reduced from \$4,000 to \$3,273, a 20% decrease in the contract rent, which nullified plaintiff's 120% reasonable accommodation.

HPHA failed this obligation.

(h) Defendant is required to comply with HUD/PIH guidelines when using comparables, which HUD states: “...the PHA should collect data on [comparable] units with gross rents **at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...**”.

HPHA failed this obligation.

(i) Defendant is required to comply with HUD/PIH guidelines “...to use a common sense approach...” in rent reasonableness determinations, and “...may justify a higher rent under the rent reasonableness provisions in 24 CFR § 982.507(b)(1)...”, and “...must permit a higher rent that may be necessary as a reasonable accommodation for persons with disabilities in accordance with Federal civil rights laws...”

(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook)

HPHA failed this obligation.

(j) Defendants are required “... to be careful not to limit their rent reasonableness analysis to only mid-range units or only units in certain more affordable neighborhoods. Voucher families may choose to rent units above the payment standard. As a rule of thumb, **the PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...**”

[120% reasonable accommodation is plaintiff’s “approved exception payment standard”]

(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook)

HPHA failed this obligation.

(k) Defendants are required to be in compliance with 24 CFR §100.400, and Hawaii’s Fair Housing Act under HRS Ch.515 (42 USC §3617), which **prohibits acts of retaliation** against a person who is exercising her rights under the Fair Housing Act. Defendants purposefully and intentionally threatened, harassed, and intentionally interfered with plaintiff’s housing under the pretext of a sudden

“investigation” and/or “certifying” the plaintiff’s live in aide. Defendants took all of plaintiff’s reasonable accommodations away from her, which were approved in 2017, including her live in aide by communicating to the public that the live in aide was going to prison for fraud, causing the live in aide to quit.

HPHA failed this obligation.

(l) Defendants are required to not defame the plaintiff and her live in aide, and are required to not intentionally cause them harm.

HPHA failed this obligation.

(m) Defendants are required to protect plaintiff’s personal and confidential information and not provide it to third parties outside of the agency. Defendants are required to not discuss or disclose the plaintiff’s disability or medical condition, or her housing assistance, or any other personal and confidential information.

(n) Defendants are required to not communicate to third parties outside of the agency that the plaintiff and the live in aide are going to prison for fraud. If defendants believed that the plaintiff and live in aide were not in compliance with any administrative rule, then the defendants had a fiduciary duty to notify the plaintiff and live in aide, and allow them to comply.

(o) Defendants threat caused the live in aide to quit as his mother’s live in aide and permanently moved out of his mother’s home. This is the first time in over six years that the mother is now without a live in aide. As a result of the live in aide moving out, the plaintiff’s 2-bedroom voucher has been reduced to a 0-bedroom voucher. Defendants had a fiduciary duty to protect and assist the plaintiff in her housing, not destroy her.

HPHA failed this obligation.

(p) Defendants were determined to terminate the plaintiff’s reasonable accommodation for a live in aide, which defendants knew would cause the plaintiff’s 2-bedroom voucher to be reduced to a 0-bedroom voucher, or possibly terminate the plaintiff’s voucher altogether, which would

ultimately cause the plaintiff to be homeless. The responsibility of defendants is to be a safety net so the disabled elderly are not homeless. **HPHA failed this obligation.**

(q) Defendants had a legal obligation to not interfere with the plaintiff's live in aide, not to interfere with plaintiff's reasonable accommodation to have a live in aide (approved in 2017), not interfere with plaintiff's voucher, and not interfere with plaintiff's housing. Defendants continually harassed the plaintiff under the guise of "certifying" the plaintiff's disability and "certifying" the live in aide.

HPHA failed this obligation.

(r) Defendants continued to harass the plaintiff under the guise of "certifying" live in aide, by requiring the plaintiff, the plaintiff's live in aide, and the plaintiff's doctor answer numerous interrogating questions regarding plaintiff's disability and live in aide. Defendants had an obligation to not act as the gatekeeper, but rather should have assisted the plaintiff and made every effort to not cause her harm.

HPHA failed this obligation>

(s) Defendants already had in their possession a total of four (4) letters from four (4) different doctors over the span of the previous eight (8) years, which all the doctors confirmed the plaintiff is disabled and is required to have a live in aide. But these letters did not satisfy Ryan Akamine in order to "certify" the plaintiff's live in aide. Even after plaintiff provided Ryan Akamine with a voluminous amount of documents and medical records to prove her disability, and what happened/happens if she is without a live in aide, Ryan Akamine was never satisfied. This proves that defendants had ulterior motives to interfere with plaintiff's housing, to interfere with plaintiff's live in aide, and to interfere with plaintiff's reasonable accommodations.

HPHA failed this obligation..

(t) Defendants purposefully and intentionally harassed and intimidated the plaintiff, for the purpose of discriminating and interfering with plaintiff's housing, by interfering with plaintiff's reasonable

accommodations previously approved by defendants in 2017. Plaintiff expected defendants to assist in her housing, not find fault with the plaintiff for following the rules and making sure correct charts and comparables were used. Now we know low comparables are always used so the defendants can accumulate as much “surplus grants funds” as they can. It is only the defendants who benefit from using low comparables. The tenant and landlord do not benefit from defendants using low comparables as policy in all their rent reasonableness determinations.

HPHA failed this obligation..

J. PRAYER

1. Plaintiff prays the court **declares** that the defendant’s actions, policies, and practices, as alleged herein, violate the federal rules outlined in this complaint.
2. Plaintiff prays the court orders the defendants to **comply** with all the federal rules that govern how the Section 8 Housing Choice Voucher Program is to be implemented.
3. Plaintiff prays the court orders the defendants to **revise** their Administrative Plan to reflect the federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is implemented. Plaintiff prays the court will order defendants to revise their Administrative Plan to be in accordance with HUD regulations and requirements, in compliance with **24 CFR §982.54, which reads:**
24 CFR §982.54
“...The administrative plan must be in accordance with HUD regulations and requirements...”
4. Plaintiff prays the court orders the defendants to revise their Administrative Plan to reflect the written methodology in using appropriate comparables in rent reasonableness determinations in compliance with HUD guidelines.

5. Plaintiff prays the court orders the defendants be restrained from using **low comparables** in their rent reasonableness determinations, in compliance with the **HUD/PIH Housing Choice Voucher Program Guidebook, which reads as follows:**

Chapter 3 Rent Reasonableness

3.1.2 "...the PHA should collect data [comparables] on units with gross rents at least **20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...**"

(Note: "approved exception payment standard" included plaintiff's 120% reasonable accommodation, approved in 2017)

6. Plaintiff prays the court orders the defendants to take all necessary and appropriate affirmative steps to correct the effects of their unlawful conduct in using low comparables by revising all the existing vouchers to ensure that the correct comparables were used in rent reasonable determinations, and recalculate all the contract rents to reflect the correct payment standard, and correct the rent portions recipients pay and landlord receive (retroactively). Defendants should be ordered to go back at least ten (10) years to review and correct all the files, and reimburse all recipients and landlords accordingly.

7. Plaintiff prays the court orders the defendants to create a database to reflect accurate comparables by zip code. HUD requires this of all PHAs. Executive Director Halim Ouansafi confirms in the 06/23 board meeting that the database is not accurate, and this is why he permits tenants to submit their own comparables.

8. Plaintiff prays the court orders the defendants be restrained from **steering** recipients away from living in certain neighborhoods, and into high-crime poverty-stricken neighborhoods.

9. Plaintiff prays the court orders the defendants act in the best interest of all tenants and all landlords without prejudice and without harassment, not be bullied by defendants into lowering their contract rent below the payment standards established by HUD.

10. Plaintiff prays the court orders the defendants to no longer use low comparables as policy in all rent reasonableness determinations for the purpose of accumulating “surplus grant funds”.

11. Plaintiff prays the court orders the defendants to provide an accounting of where the \$29M/year of “surplus grants funds” are.

12. Plaintiff prays the court orders **restraining orders** against the defendant’s employees to protect the plaintiff and live in aide. Restraining orders are necessary to protect the plaintiff and the live in aide from future retaliation, harassment, and defamation.

13. Plaintiff prays the court orders defendants be subject to a full audit of ‘surplus grant funds’ accumulated as a result of defendants low comparable policy in their rent reasonableness determinations. This is a huge task, but we’re talking about approximately \$2.4M monthly and \$29M annually in “surplus grant funds” that are being accumulated by the defendants as a result of defendants low comparable policy.

14. I pray that HPHA and its employees are subject to Fair Housing **training** programs. The facts of this case are not merely allegations, but rather factual findings against HPHA’s inability to follow federal rules.

15. Based on my research of the past and present leadership of Hawaii Public Housing Authority, it is well documented that there is a pattern of abuse and lack of leadership. To date, there have been multiple lawsuits against the Hawaii Public Housing Authority.

(a) The link below proves that HPHA **has a history of not complying with federal rules**. This is a Compliance Agreement, which HUD required HPHA sign. The link below is a HUD/FHEO Section 504 Voluntary Compliance Agreement between Hawaii Disability Rights Center and Hawaii Public Housing Authority, was signed by HPHA’s executive director Hakim Ouansafi on July 6, 2018.

https://www.hud.gov/sites/dfiles/FHEO/documents/18VCA_HDRC.pdf

(b) The link below proves that HPHA **has failed to adequately train their employees to comply with the federal rules that dictate fair housing**. This would be a great time to order HPHA leadership to provide on the job training to HPHA employees as it pertains to fair housing.

“...This study proves that only 18.4% of HPHA employees have received on the job training for fair housing...”

https://dbedt.hawaii.gov/hhfdc/files/2020/04/FINAL_AI.pdf

K. CLAIMS FOR RELIEF

1. As it pertains to the plaintiff's contract rent, that the court order the defendants reinstate the correct contract rent in the amount of \$4,000, which is the contract rent confirmed in the RFTA and Lease dated March 21, 2022, which was signed by the plaintiff and the owner; noting that the inspection performed on April 13, 2022 was based on the RFTA and Lease dated March 21, 2022 for the contract rent of \$4,000.
2. As it pertains to the plaintiff's contract rent, that the court order the defendants reinstate the correct contract rent in the amount of \$4,000, effective retroactively from the date the unit passed inspection on April 13, 2022, which is also the effective date of the HAP contract.
3. As it pertains to plaintiff's 120% reasonable accommodation, that the court order defendants restore the plaintiff's 120% reasonable accommodation in calculating the plaintiff's contract rent (which was nullified effective April 13, 2022 when HPHA used the low comparable).
4. As it pertains to the inappropriate payment standard and utility allowance charts initially provided to the plaintiff in 2022, that the court order defendants use appropriate charts in determining the plaintiff's rent portion; applied retroactively effective April 13, 2022.
5. As it pertains to plaintiff's medical records, pictures, and any other documents that pertain to plaintiff's disability, plaintiff prays the court order the defendants purge all their computer and hard files of all records that pertain to plaintiff's disability. In compliance with HIPAA

laws, plaintiff requests that all medical information remain confidential and private and order the defendants not to provide plaintiff's medical information or disability to the members of the public, outside of the agency. Plaintiff requests that such an order is in compliance with the following rules:

HPHA Admin rule 7-II.F.

"...PHA will **not** place this information in the tenant file. Under **no** circumstances will the PHA request a participant's **medical record(s)**..."

HPHA Admin rule 2.II-D.

"...The PHA will **not** inquire about the nature or extent of any disability...**Medical records** will **not** be accepted or retained in the participant file..."

6. As it pertains to discrimination, defamation, harassment, retaliation, manipulation, coercion, and intentional interference, plaintiff prays that the court grant the plaintiff a restraining order against the defendants from future discrimination, defamation, harassment, retaliation, manipulation, coercion, and intentional interference.

7. As it pertains to the defendants, that they are ordered to comply with the federal rules and HUD guidelines that govern how comparables are to be collected and used in rent reasonableness determinations.

8. As it pertains to the defendants using low comparables, that the court order defendants to:

- (a) not use low comparables as policy in any rent reasonableness determinations.
- (b) not use low comparables as policy in any rent reasonableness determinations for the purpose of reducing the contract rent.
- (c) not use low comparables as policy in any rent reasonableness determinations for the purpose of accumulating "surplus grant funds".
- (d) provide an accounting of how the "surplus grant funds" have been allocated for the last ten (10) years.

L. CLAIMS FOR MONETARY DAMAGES

1. GENERAL DAMAGES

Plaintiff prays that the court enters an order for monetary damages in the amount of \$350,000.

(a) As outlined in this complaint, the actions of the defendants caused the plaintiff harm, which includes but is not limited to: caused plaintiff's 2-bedroom voucher to be reduced to a 0-bedroom voucher, caused plaintiff's contract rent to be reduced (as a result of defendant's using low comparables as policy), caused plaintiff's payment standard to be reduced which caused plaintiff to lose her 120% reasonable accommodation – approved in 2017 (as a result of defendant's using low comparables as policy), and caused plaintiff to no longer have a live aide (as a result of defendant's intentionally interfering and causing harm to the live in aide, the live in aide quit).

(b) As of the date of this complaint, the defendants refused to grant plaintiff's request that her live in aide be approved to provide disability-related overnight care as needed. This would allow for plaintiff's live in aide to return, with the conditions that he be permitted to reside in his mother's home only to provide support services – including disability-related overnight care as needed, be permitted to have a separate residence (to reside in when he is not providing support services). and be permitted to have a job to take care of himself.

But defendant's refused.

(c) Plaintiff claims she is not able to pay for and care for a live in aide on her limited income of SSDI. The very reason the plaintiff moved to Hawaii was so her son could be her live in aide for free and provide the necessary support services, including disability-related overnight care as needed. Defendants approved these reasonable accommodations for the plaintiff in 2017, but now the **defendants refuse.**

(d) Plaintiff claims that the defendants refuse to provide her and the landlord with the information needed to go forward, which includes the

payment standard for the 0-bedroom voucher (which defendants caused plaintiff's 2-bedroom to be reduced to a 0-bedroom voucher). Plaintiff claims that the defendants refuse to cooperate and provide her and the landlord the necessary information needed to determine if the plaintiff can continue residing in the rental.

(e) An award for \$350,000 is justified for the purpose of making the plaintiff whole for the damages inflicted upon her by the defendants acting outside the scope of their duties. As a result, defendants' actions were purposeful and intentional to cause the plaintiff harm. Defendants discriminated and retaliated against the plaintiff, interfered with plaintiff's housing, interfered with plaintiff's reasonable accommodations (approved in 2017), interfered with plaintiff's voucher size, and interfered with plaintiff's live in aide.

(f) An award for \$350,000 is justified for the damages that include, but are not limited to: retaliation, intentional interference, defamation of character, coercion, manipulation, intimidation, harassment, intentional infliction of emotional distress, mental anguish, pain and suffering, and discrimination, which were inflicted upon plaintiff by the defendants.

(g) An award for \$350,000 is justified for the purpose of making the plaintiff whole. Defendants failed to administer the Section 8 Housing Choice Voucher Program in accordance with the federal rules and HUD guidelines, also in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other Federal, State, and local laws; which prohibits discrimination and promotes fair equal housing opportunities for all disabled persons.

(h) The following federal rules prove that the conduct of the defendants is unlawful, and warrants an award for damages to the plaintiff:

24 CFR 100.400

Prohibited interference, coercion, or intimidation.

(a) This subpart provides the Department's interpretation of the conduct that is **unlawful** under section 818 of the Fair Housing Act.

(b) It shall be **unlawful** to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of...any right granted or protected by this part.

(c) **Conduct made unlawful under this section includes, but is not limited to the following:**

(1) Coercing a person, either orally, in writing, or by other means, to deny or limit the benefits provided that person in connection with the...rental of a dwelling...because of race, color, religion, sex, handicap, familial status, or national origin.

(2) Threatening, intimidating or interfering with persons in their enjoyment of a dwelling because of the race, color, religion, sex, handicap, familial status, or national origin of such persons, or of visitors or associates of such persons.

(5) Retaliating against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Fair Housing Act.

(6) Retaliating against any person because that person reported a discriminatory housing practice to a housing provider or other authority.

24 CFR §100.600

Quid pro quo and hostile environment harassment.

(a) General. Quid pro quo and hostile environment harassment because of race, color, religion, sex, familial status, national origin or handicap may violate sections 804, 805, 806 or 818 of the Act, depending on the conduct. The same conduct may violate one or more of these provisions.

(1) Quid pro quo harassment.

(2) Hostile environment harassment.

(b) Type of conduct. Harassment can be written, verbal, or other conduct, and does not require physical contact.

(c) Number of incidents. **A single incident of harassment** because of race, color, religion....or handicap may constitute a discriminatory housing practice, where the incident is sufficiently severe to create a hostile environment, or evidences of a quid pro quo.

2. PUNITIVE DAMAGES

Plaintiff prays that the court enters an order for punitive damages in the amount of \$5,000,000.

- (a) An award for \$5,000,000 in punitive damages is less than two months of what the defendants accumulate in “surplus grant funds” from the landlords and the recipients of the Section 8 Housing Choice Voucher Program by illegally using one low comparable in all rent reasonableness determinations.
- (b) An award for \$5,000,000 in punitive damages is justified to vindicate the plaintiff, and to punish the defendants for failing to implement the Section 8 Housing Choice Voucher Program in conformity with the federal rules and HUD guidelines, in addition to, defendants own administrative plan, local laws, title VI of the Civil Rights Act of 1964, the Fair Housing Act which prohibits discrimination and promotes equal opportunity and fair housing for all disabled Section 8 recipients.
- (c) An award for \$5,000,000 in punitive damages is justified because plaintiff claims that the defendants should be punished for:
- (1) violating federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented,
 - (2) adopting policies that are not in compliance with the federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented.
 - (3) implementing their own illegal policy as it pertains to using one low comparables as policy in all rent reasonableness determinations, and refusing to document their illegal policies in their Administrative Plan (refusing to comply with 24 CFR §982.54, “...The administrative plan must be in accordance with HUD regulations and requirements...”

- (4) implementing their own illegal policy as it pertains to using one low comparables in all rent reasonableness determinations, for the purpose of reducing the contract rent to accumulate “surplus grant funds”, and refusing to document their illegal policies in their Administrative Plan.**
- (5) implementing their own illegal policy as it pertains to live in aides, which is not in compliance with federal rules and HUD guidelines, and refusing to document their illegal policies in their Administrative Plan.**
- (6) implementing illegal policies that caused harm to the plaintiff.**
- (7) implementing illegal policies that causes harm to all Section 8 recipients.**
- (8) implementing illegal policies that causes harm to all landlords.**
- (d) An award for \$5,000,000 in punitive damages is justified to set a precedence that all PHAs must follow federal rules and HUD guidelines when implementing the Section 8 Housing Choice Voucher Program.**
- (e) An award for \$5,000,000 in punitive damages is justified because an award for punitive damages will discourage and deter the defendants and its employees from future acts of acting outside the scope of their duties, acts construed as egregious, malicious, grossly negligent, oppressive, and intentional. The end result has to be that the punishment is severe enough to deter defendants from future acts of discrimination, interference, harassment, etc., and to deter defendants from adopting illegal policies in the future that are not in the best interest of the Section 8 recipient and/or the landlord/owner.**
- (f) Plaintiff prays the court awards a civil penalty against the defendants in an amount authorized by 42 USC 3614(d)(1)(C).**
- (g) Plaintiff prays the court award any additional relief and penalties against defendants the court determines is in the best interest of justice.**

In closing, plaintiff reserves the right to retain counsel at any time during the proceedings of this case, and that an award for attorney fees be granted (if necessary). If the court deems it necessary to appoint a court-appointed attorney to represent the plaintiff, plaintiff requests the court appoint the U.S. Attorney General, Clare Connors. It is assumed that the U.S. Attorney General would be the appropriate attorney to represent the plaintiff, acting in the best interest of the plaintiff and all recipients of the Section 8 Housing Choice Voucher Program.

Date: 10-4-23

Plaintiff: Laurie Thorson
Laurie Thorson, pro se
P. O. Box 1409
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(808) 222-5885
Lthorson7@gmail.com

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FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII
08/23/2024 3:22pm ag
Lucy H. Carrillo, Clerk of Court

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Attachment B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

LAURIE THORSON)	
pro se plaintiff	)	CV-23-00412-MWJS-WRP
v.)	
HAWAII PUBLIC HOUSING AUTHORITY)	
and	)	MOTION FOR LEAVE TO FILE
Hakim Ouansafi, HPHA Exec. Director	)	AMENDED COMPLAINT
Ryan Akamine, Chief Compliance Officer)	
Lyle Matsuura, HPHA Supervisor IV)	
_____)	

Attached is my Proposed Amended Complaint. As ordered by the court, and in compliance with LR10.4, I typed in red the words I want to add and striked through the parts I want to delete.

Attached to the Proposed Amended Complaint is an attachment to support my adding the claim of Fraud, and adding Bennet Liu (Chief Financial Officer) as a defendant. This document proves the defendants are stealing federal funds from the Section 8 Housing Choice Voucher Program, in violation of 18 U.S.C. §666. As the Chief Financial Officer, Bennett Liu has a major role in diverting or misappropriating the stolen federal funds.

Respectfully submitted,

Date: August 23, 2024

/s/ Laurie Thorson

Laurie Thorson
P. O. Box 1409
Kailua, HI 96734
808-222-5885

ATTACHMENTS:

PROPOSED AMENDED COMPLAINT
ATTACHMENT TO PROPOSED AMENDED COMPLAINT – CHART TITLED ‘FRAUD’

Laurie Thorson, pro se
P. O. Box 1409
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· WORDS IN RED ARE TO BE ADDED
· RED-LINED WORDS ARE TO BE DELETED

IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF HAWAII

LAURIE THORSON)
pro se plaintiff	) CV-23-00412-MWJS-WRP
v.	) PROPOSED
	) AMENDED COMPLAINT
HAWAII PUBLIC HOUSING AUTHORITY)
aka: HPHA)
and)
Hakim Ouansafi, HPHA Executive Director)
Ryan Akamine, HPHA Compliance Chief)
Lyle Matsuura, HPHA Supervisor IV	) JURY TRIAL
Bennett Liu, HPHA Chief Financial Officer)
_____)

Defendants:

Hawaii Public Housing Authority (aka: HPHA)

1002 North School Street
Honolulu, Hawaii 96817
hphas8office@hawaii.gov
(808) 832-6040

Hakim Ouansafi, Executive Director

Hawaii Public Housing Authority
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hakim.ouansafi@hawaii.gov
(808) 832-4694 and (808) 832-4696

(more defendants continued on next page)

(to navigate through this complaint, refer to the Table of Contents at the end)

Ryan Akamine, Chief Compliance Officer

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Lyle Matsuura, Supervisor IV

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Bennett Liu, Chief Financial Officer

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(808) 204-9042

A. VENUE AND JURISDICTION

1. This venue is proper because defendants, Hawaii Public Housing Authority (HPHA) and its employees (hereinafter referred to as defendants) are located in this judicial district.
2. This venue is proper because the acts of defendants that caused the plaintiff harm occurred in this judicial district.
3. This court has jurisdiction over this action because defendants receive federal funds from HUD (U.S. Department of Housing and Urban Development) to implement the Section 8 Housing Choice Voucher Program in Hawaii.

4. This court has jurisdiction over this action because it pertains to federal laws and HUD guidelines that dictate how the defendants are to implement the Section 8 Housing Choice Voucher Program.

5. This court has jurisdiction over this action because it pertains to noncompliance by defendants for illegally deleting from and/or adding to the federal laws and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented.

6. This court has jurisdiction over this action because it pertains to noncompliance by defendants for failure to ensure that their administrative plan conforms to the federal rules and HUD guidelines.

B. PLAINTIFF'S CLAIMS AGAINST THE DEENDANTS

1. Plaintiff claims defendants are guilty of FRAUD. Plaintiff claims evidence proves that since 2015 (to current date), defendants have stolen approximately \$103,579,320 from the Section 8 Housing Choice Voucher Program (see attached chart of HUD figures that prove Fraud).

2. Plaintiff claims defendants are not in compliance with the federal rules and HUD guidelines that dictate how the Section 8 Housing Choice Voucher Program is to be implemented, ~~Plaintiff claims~~ and defendants adopted an illegal policy to use **one low comparable in all their rent reasonableness determinations** that is not in compliance with federal rules and HUD guidelines.

3. Plaintiff claims defendants illegal policy to use one low comparable does not benefit the tenant or the landlord/owner, but only benefits the defendants. Defendants use one low comparable as policy to lower the contract rent for the purpose of accumulating as much 'surplus grant funds' as they can, which amount exceeds approximately \$103M \$32M per year.

4. Plaintiff claims there is no rule in defendants Administrative Plan to support defendants policy to use one low comparable in rent reasonableness determinations. In fact, plaintiff can prove that the defendants current Administrative Plan is not in compliance with the federal rules and HUD guidelines (as required **in accordance with** 24 CFR §982.54).

5. Plaintiff claims defendants policy to use one low comparable was not in effect prior to the employment of Executive Director Hakim Ouansafi, who was hired on January 3, 2012. Plaintiff claims Hakim Ouansafi created and enforces the illegal policy to use one low comparable in all rent reasonableness determinations.

6. Plaintiff claims that she reported to Executive Director Hakim Ouansafi (and other government officials) that there were discrepancies in the handling of her voucher, including using the one low comparable. To date, the plaintiff is alone to defend for herself and this is why plaintiff is filing this complaint.

7. Plaintiff claims that defendants discriminated, intimidated, harassed, defamed, and retaliated against the plaintiff (and continue to do so **even today**) for the purpose of intentionally interfering with plaintiff's housing, and interfering with plaintiff's approved reasonable accommodations.

8. Plaintiff claims that the defendants purposefully and intentionally retaliated against the plaintiff, as outlined below:

(a) **retaliated** against the plaintiff **after** she complained to the agency that they were not using the correct payment standard charts, and correct utility allowance charts, and used one **low comparables** in the rent reasonable determinations that caused the plaintiff's contract rent to be drastically reduced and nullified plaintiff's 120% reasonable accommodation, *and then,*

(b) **retaliated** against the plaintiff *again after* she complained about the one low comparable being used, by interfering with the plaintiff's reasonable accommodation to have a **live in aide**, *and then*,

(c) **retaliated** against the plaintiff *again* (a year and a half later) **after** the plaintiff filed her FHEO complaint, in order to interfere with the plaintiff's **live in aide** under the guise of an on-going "investigation" into plaintiff's live in aide, *and then*,

(d) **retaliated** against the plaintiff *again* by **defaming** the plaintiff and live in aide by communicating to members of the public, outside the agency, that the plaintiff and live in aide are going to prison for fraud. Defendants never communicated to the plaintiff or live in aide that they were not in compliance with any federal or administrative rule. Had defendants done so, the plaintiff and live in aide would have immediately complied. To date, the plaintiff still does not know what would warrant the defendants to claim the plaintiff and live in aide are guilty of fraud.

9. Plaintiff claims that the defendants intentionally use one **low** comparable "as policy" in all rent reasonableness determinations. By using the low comparable, defendants **interfered** with plaintiff's housing by causing the plaintiff's payment standard and contract rent to be reduced from \$4,000 to \$3,273, and which nullified plaintiff's 120% reasonable accommodation (considered by HUD as plaintiff's "approved exception payment standards").

10. Plaintiff claims that the defendants consistently use **low** comparables "as policy" in **all** their rent reasonableness determinations. This policy is not in compliance with the HUD rules that are outlined in HUD/PIH Housing Choice Voucher Program Guidebook, Chapter 3, titled Rent Reasonableness, which confirms:

"...PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards..."

**HUD/PIH Housing Choice Voucher Program Guidebook,
Chapter 3, Rent Reasonableness**

“...PHAs should take a common-sense approach to valuing a unit based on these factors...”

3.1.2 PHAs need to be careful **not** to limit their rent reasonableness analysis to only mid-range units or only units in certain more affordable neighborhoods. **Voucher families may choose to rent units above the payment standard.** As a rule of thumb, the **PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards** (which “exception payment standard” is plaintiff’s 120% reasonable accommodation, approved in 2017).

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook

11. Plaintiff claims that the defendants consistently use one **low** comparables **as policy** in all their rent reasonableness determinations for the purpose of accumulating as much “surplus grant funds” as possible. The total “surplus grant funds” per voucher is the difference between the full value of the voucher (which defendants receive as grant funds from HUD) *and* the contract rent. The lower the defendants can get the contract rent, the more “surplus grant funds” defendants get to keep.

Refer to this HUD link, last sentence on page 7:

"... If the recipient [HPHA] approves unit rents that are reasonable, but are **less than the FMR** used to determine the grant award, then **there may be a surplus of grant funds** and the recipient [PHA] may be able to serve additional program participants..."

<https://files.hudexchange.info/resources/documents/CoC-Rent-Reasonableness-and-FMR.pdf> (Refer to the last sentence on page 7)

12. Plaintiff claims it is illegal for the defendants to consistently use low comparables as policy for the purpose of intentionally lowering the contract rent for the purpose of accumulating “surplus excess funds”.

13. Plaintiff's claims that the defendants interfered with her payment standard, interfered with her contract rent, interfered with her reasonable accommodation to have a live in aide, and interfered with her 120% reasonable accommodation which was considered as her approved "exception payment standard" in the amount of \$4,031. As a result of defendants using the low comparable as policy in their rent reasonableness determinations, the defendants lowered her contract rent to \$3,273. This means the defendants are accumulating \$758 each month as "surplus grant funds" from plaintiff's Section 8 voucher.

~~Here is the calculation:~~

~~— \$4,031 plaintiff's approved "exception payment standard"~~
~~— \$3,273 plaintiff's contract rent (lowered as a result of~~
~~defendants using one low comparable)~~
~~= \$758 "surplus grant funds" defendants collect each month~~
~~x 12 months per year~~
~~————— \$9,096 per year (defendants accumulate each~~
~~year from plaintiff's Section 8 voucher)~~

~~14. Defendant's website (board meeting on 09.21.23) confirms that in one month defendants "...expended a total of \$4,765,532 in housing assistance payments (HAP) to private landlords on behalf of 3,528 voucher holders...".~~

~~Refer to Page 26~~

~~http://www.hpha.hawaii.gov/boardinfo/board_mtgs_completed/2023_Public/09.21.23%20Public%20Packet%20HPHA%20Regular.pdf~~

~~14. The purpose of defendants lowering the contract rent for each voucher (by using low comparables) is to increase the amount of 'surplus grant funds' the defendants accumulate, which allows the defendants to steal a greater amount of federal funds from the Section 8 Housing Choice Voucher Program.~~

It's important to note the fraud scheme here (see attached chart):

- Defendants receive from HUD the maximum subsidy for each voucher (which as of today is 120% of the payment standard per voucher)
- The defendants then lower the contract rent as low as they can get it (by using low comparable against the contract rent in all rent reasonableness determinations for each voucher).
- The defendants are issued the total vouchers that equal the total subsidy received.
- The defendants use approximately 80% of the vouchers they received from HUD, but use 100% of the subsidy they received from HUD.
- There is no financial accounting for the 20% of subsidy that was not used. It just disappears from all accounting records.
- The attached chart proves the HUD figures, the total subsidy the defendants received, the total vouchers issued, the total vouchers used, and confirmation that $\pm 100\%$ of the subsidy was used for only $\pm 80\%$ of the vouchers the defendants received.
- This is fraud, and is considered a crime according to 18 U.S.C. §666 and CRM 1002 (Department of Justice, Criminal Rules Manual)

~~15.—Based on the **3,528** Section 8 vouchers, it is reasonable to assume that defendants are receiving “surplus grant funds” for each voucher because of their policy to use one low comparable in all rent reasonableness determinations. Assuming the defendants receive \$758 in “surplus grant funds” from each **3,528** vouchers. That would mean that the **defendants are accumulating approximately \$2,674,224 each month in “surplus grant funds.**~~

~~—\$758 “surplus grant funds” per voucher, per month
x 3,528 vouchers managed by defendants each month~~

~~**= \$2,674,224 —“surplus grant funds” defendants accumulate each month (approximately)**~~

~~16.—Based on the \$2,674,224 of “surplus grant funds” that the defendants accumulate each month, is can be determined that~~

~~defendants are accumulating approximately a total of \$32,090,688 each year in “surplus grant funds”.~~

~~\$2,674,224 defendants monthly “surplus grant funds”
x 12 per month
— \$32,090,688 “surplus grant funds” defendants accumulate
————— each year (approximately)~~

~~17.~~

15. Defendants illegal policy to use one low comparable in all rent reasonableness determinations does not benefit the landlord and does not benefit the tenant, but only benefits the defendants. It is reasonable to expect that the defendants would adopt policy that is in the best interest of the landlords and tenants, not just the defendants:

(a) **Landlords** are required to reduce their contract rent **below the contract rent**, below HUD’s FMR, and below the tenant’s payment standard. It is expected that landlords/owners should be consistent in renting out their units based on HUD’s FMR by zip code and by bedroom size. But if the landlord decides to rent to a Section 8 recipient, it will always work out that the landlord will be required to lower the rent in order to accommodate the defendants using even one low comparables. Landlords will never be allowed to at least get the FMR value for their rental. Now I understand why landlords in Hawaii do not want to rent to Section 8 recipients.

(b) **Tenants/Section 8 recipients** use the payment standard amount communicated to them on their voucher to assist them in finding a rental. Only to find out in the end that defendants will always use a low comparable to lower the contract rent. This means the tenant must start searching for another rental (before the voucher expires) below the new lowered payment standard, or the landlord must lower the rent. Tenants are truly at the mercy of the defendants and the landlords, because the landlord is not required to accept the new contract rent that is determined by the defendants using one low comparable.

(c) **Plaintiff** lost her “approved exception payments standard” (which included plaintiff’s 120% reasonable accommodation) when the defendants used the low comparable to lower the contract rent (from \$4,000 to \$3,273. The landlord accepted the lower contract rent, and the plaintiff agreed to appeal defendants decision to use low comparables “as policy” in all their rent reasonableness determinations.

~~18.~~

16. Plaintiff claims that the defendants acted outside the scope of their duties and are unable to claim their motive is/was to use the “surplus excess funds” to support other recipients and programs, which HUD permits. This thinking is equivalent to robbing a bank and giving the money to the poor. A crime is still being committed.

~~19.~~

17. Plaintiff claims that the defendants have not revised their Administrative Plan to reflect their policy to use one low comparable (in conjunction with two high comparables) in their rent reasonableness determinations.

This is the short version of defendants Administrative Plan:

“...At least three comparable units will be used for each rent determination and of which at least two must have a gross rent that exceeds the subject gross contract rent

This is the full version of defendants Administrative Plan:

HPHA ADMINISTRATIVE PLAN
SECTION 8 – HOUSING CHOICE VOUCHER PROGRAM
Chapter 8
8-III.D PHA RENT REASONABLENESS METHODOLOGY
How Market Data is Collected
“...The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units **in the same**

market area. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. **At least three comparable units will be used for each rent determination and of which at least two must have a gross rent that exceeds the subject gross contract rent, and the total average gross rent of the comparable units exceeds the subject gross rent.** Because units may be similar, but not exactly like the unit proposed for HCV assistance, the PHA may make adjustments to the range of prices to account for these differences. In certain cases where rent comparable unit data is unavailable in the immediate district and/or zip code area, the agency will expand its search into **the next** adjacent district(s).

~~20.~~

18. **Contract Rent v. Payment Standards/FMR**

There is another conflict in defendants illegal policy to use one low comparable. Defendants collect data [comparables] against the contract rent, and HUD guidelines required that defendants collect data [comparables] against the payment standards.

This proves that the defendants are purposefully and intentionally using the one low comparable “as policy” in all their rent reasonableness determinations in order to purposefully and consistently lower the contract rent (for the purpose of accumulating “surplus grant funds”).

Here’s the proof:

Defendants policy confirms that defendants use comparables against the Contract Rent:

“...at least two must have a gross rent that exceeds the subject gross **contract rent**...”

(in conjunction with one low comparable below the contract rent)

HUD guidelines confirm that defendants are required to use comparables against the Payment Standards/FMR:

“...PHA should collect data on units with gross rents at least 20-25 percent *above* the greater of the **payment standard or the FMR, including any HUD approved exception payment standards...**”

(note: plaintiff’s “approved exception payment standard” included her approved 120% reasonable accommodation)

~~21.~~

19. Plaintiff can provide an extensive study to prove that the **defendants are the only PHA in the country that uses one low comparable as policy in all their rent reasonableness determinations**. All other PHAs are in compliance with the HUD guidelines, and can prove it by their written methodology outlined in their Administrative Plan.

~~22.~~

20. Plaintiff claims that after she complained to the defendants about the low comparable being used to lower her contract rent, which nullified her 120% reasonable accommodation, the defendants **retaliated** against the plaintiff by purposefully and intentionally **interfering** with the plaintiff’s live in aide. The reasonable accommodation to have a live in aide was approved by defendants in 2017, and every year thereafter for five years (2017-2022).

~~23.~~

21. Plaintiff claims that federal rules and HUD guidelines require that plaintiff’s live in aide (1) is permitted to reside in plaintiff’s home *only* when providing support services which includes disability-related overnight care as needed, (2) is not permitted to reside in plaintiff’s home when not providing support services, (3) is required to have his own separate residence, and (4) must have a job to provide for his own

expenses (especially considering that plaintiff only receives SSDI and is unable to pay for or care for a live in aide.

~~24.~~

~~22.~~ Plaintiff claims that the defendants acted outside the scope of their duties by acting as the gatekeeper to determine whether or not the plaintiff is entitled to have a live in aide.

In the Federal Register noted below, HUD confirms that the **defendants are not the gatekeepers** to assess the nature and character of plaintiff's disability, may not inquire into the nature or extent of plaintiff's disability, if the plaintiff can or can't live independently, and/or if the plaintiff does or does not need supportive services. The doctors do that.

Federal Register 98-10374, pages 23850, HUD writes:

"...HA does not assess the nature and character of the occupant's disability in order to match the occupant with requirements for occupancy...or to assure that the occupant will benefit from appropriate supportive services..."

"...An elderly or disabled Section 8 participant chooses whether to live in a group home or in other housing that satisfies the HUD housing quality standards. The HA may not bar access to group housing **because the HA believes that the participant can live independently, and does not need supportive services.** Conversely, the HA may not bar access to group housing **because the HA believes that the participant needs supportive services** that are not available at the housing..."

"...the HA has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently..."

"...The HA may not inquire into the nature or extent of disability..."

<https://www.govinfo.gov/content/pkg/FR-1998-04-30/pdf/98-10374.pdf>

~~25.~~

23. Plaintiff claims that defendants intentionally **retaliated** against the plaintiff by **refusing to accept as verification** four (4) letters from four (4) different doctors over the span of eight (8) years, and a voluminous amount of medical records, to prove that plaintiff is disabled and is required to have a live in aide.

~~26.~~

24. Plaintiff claims that defendants acted outside the scope of their duties in which defendants required that the plaintiff, the plaintiff's current doctor, and the plaintiff's live in aide, answer numerous interrogatory questions regarding plaintiff's disability and live in aide; even requiring that the plaintiff answer the questions in **2 hours and 43 minutes**, or the inspection of the rental scheduled for the following morning would be cancelled.

The facts of this case prove that nothing the plaintiff provided the defendant Ryan Akamine, Chief Compliance Officer, was acceptable to "certify" the plaintiff's live in aide.

~~27.~~

25. Plaintiff claims that defendants intentionally **retaliated** against the plaintiff after she filed her FHEO complaint, by continuing its investigation from the previous year, under the guise as part of an "ongoing investigation" into **certifying** plaintiff's live in aide.

~~28.~~

26. Plaintiff claims that defendants, as part of their "ongoing investigation" in June 2023, communicated to members of the public, outside the agency, that the plaintiff and the live in aide were going to prison for fraud. Plaintiff claims that by communicating this to the public, this constitutes a claim of **defamation** against the defendants.

~~29.~~

27. Plaintiff claims that defendants never notified the plaintiff or the live in aide that they were not in compliance with any federal or administrative rule. Had the defendants done so, the plaintiff and the live in aide would have immediately complied. The question still remains, what would warrant defendants to claim to members of the public that the plaintiff and live in aide are going to prison for fraud.

~~30.~~

28. Plaintiff claims that because of threats of prison and fraud, effective 09.18.23 **the live in aide quit**. The plaintiff now lives alone. This is the first time in over six years that the plaintiff is without her live in aide.

~~31.~~

29. Plaintiff claims defendants notified the plaintiff that she no longer qualified for a 2-bedroom voucher because her live in aide quit, and would be issued a 0-bedroom voucher at her next annual recertification.

~~32.~~

30. Plaintiff claims that defendants told her that she will no longer receive a 120% reasonable accommodation. This 120% reasonable accommodation was approved in 2017 to accommodate plaintiff's disability. Because plaintiff is unable to live in a high rise or even a low rise, the 120% reasonable accommodation allows the plaintiff to search for a rental in a very limited rental market.

~~33.~~

31. Plaintiff claims that she understood defendants policy was that the live in aide could only reside in her home when the live in aide was providing disability-related overnight care, and the live in aide was required to have his own separate residence, and was required to have a job to care for himself.

~~34.~~

~~32.~~ Plaintiff claims that the defendants adopted illegal policy that is not in compliance with federal rules and HUD guidelines as it pertains to plaintiff's live in aide, nor is it in compliance with the defendant's own Administrative Rules (refer to HPHA Administrative Plan, Chapter 3, Rule 3-I.M, titled LIVE IN AIDE, Page 3-9).

~~35.~~

~~33.~~ Plaintiff claims defendants **admitted in writing to their** fabricated illegal policies that plaintiff's live in aide must solely and exclusively reside in plaintiff's home even when *not* providing support services, is not permitted to provide disability-related overnight care as needed, is not permitted to have his own separate residence, and is not permitted to have a job.

This could be the reason the defendants opened an investigation into the live in aide, wanting to prove the live in aide had his own residence and had a job, and was thereby violating their new fabricated illegal policies, but for the purpose of interfering with the plaintiff's live in aide.

FHEO Enforcement Branch Chief Stephanie Rabiner confirmed the defendants investigated the live in aide's **"primary"** residence, but that she was unable to find any law that defined a live in aide's primary residence. **Ms. Rabiner's email reads:**

"...I have looked in our Housing Choice Voucher handbooks (old and new), our regulations, and the PIH notices that refer to live in aides. I cannot find anything that refers to a live in aide's primary residence or HUD's definition of a live in aides primary residence..."

Ms. Rabiner also confirmed in her email that defendants investigation report into the live in aide proves that the defendants communicated with the former neighbor and landlord. It was the former neighbor and landlord who informed the plaintiff and live in aide that the defendants

told them the plaintiff and live in aide were going to prison for fraud. This threat is why the live in aide quit.

~~36.~~

34. Plaintiff claims that defendant Executive Director Hakim Ouansafi was at all times fully aware of the unlawful acts of his employees, and yet did absolutely nothing to protect the plaintiff and live in aide from harm. It is the responsibility of the Executive Director to ensure that his employees are in compliance with federal laws and HUD guidelines that govern the behavior of his employees, and to ensure that the Section 8 Housing Choice Voucher Program is being implemented correctly.

~~37.~~

35. Plaintiff claims that the defendants acted outside the scope of their duties; therefore, liability is imputed to the employer and qualified immunity does not apply. Hawaii Public Housing Authority is a state government entity organized under the laws of the State of Hawaii.

36. Plaintiff claims that the defendants altered financial statements and provided state auditors false information in order to hide the federal funds that the defendants were stealing.

37. Plaintiff claims defendants used 100% of the subsidy to issue only approximately 80% of the vouchers, and the balance of the subsidy was stolen (see attached charts). Evidence proves the HPHA received 120% subsidy for each Section 8 voucher, then used the illegal policy to use low comparables against the contract rent in order to consistently reduce amount actually paid for each voucher, which allowed for a greater portion of federal funds to be stolen.

C. SUMMARY OF FACTS

(1) The following is a summary of facts about the plaintiff:

(a) Plaintiff, Laurie Thorson, is a 64-year old disabled woman. Plaintiff is a recipient of Social Security Disability Insurance (SSDI). Plaintiff was determined to be permanently disabled over a decade ago and is unable to work. The plaintiff is disabled with Epilepsy (a neurological seizure disorder) and Transient Epileptic Amnesia (TEA). Plaintiff has also been diagnosed with diabetes, anxiety, multiple back fractures (T3-T12), multiple pinched nerves in the thoracic and lumbar areas which cause chronic pain in her back and legs, and is blind in her right eye.

(b) Plaintiff originally received subsidized housing through the Section 8 Housing Choice Voucher Program in Oregon. Plaintiff transferred her 2-bedroom Section 8 voucher to Hawaii in 2017. Plaintiff's reasonable accommodation to have a live in aide and 2-bedroom voucher was initially approved as a reasonable accommodation in Oregon. Only after the plaintiff's neurologist contacted the plaintiff's son in Hawaii, did the son agree to be his mother's live in aide, and then he made arrangements to move his mother to Hawaii.

(c) It was plaintiff's neurologist and two other doctors from the mainland who determined the plaintiff ~~could no longer live alone and~~ required a live in aide as needed; mainly because of the frequency of seizures and amnesia. Because the plaintiff lived alone in Oregon, she was frequently in the emergency room and admitted into the hospital almost on a weekly basis for injuries from falling during seizures, and amnesia evident during and after seizures.

(d) In Oregon, the plaintiff was issued a 2-bedroom voucher but only used a 1-bedroom voucher because the plaintiff refused to have a stranger live in her home as her live in aide.

(e) Plaintiff moved to Hawaii on June 27, 2017.

(f) In 2017, after the plaintiff arrived in Hawaii, defendants approved and issued the plaintiff a 2-bedroom voucher to accommodate the plaintiff's reasonable accommodation to have a live in aide. The approval was based on three (3) letters from three (3) different medical providers from the mainland, issued to the plaintiff over the span of the previous 4 years (2013 – 2017). All three (3) medical providers unanimously confirmed in writing that the plaintiff is disabled and is required to have a live in aide as needed. In 2017, defendants compliance department approved the plaintiff's reasonable accommodation to have a 2-bedroom voucher to accommodate plaintiff's live in aide when providing "disability-related overnight care" as needed.

(g) In 2017, defendants also approved a 120% reasonable accommodation because the plaintiff is limited in where she can live. Plaintiff is unable to live in a high-rise, medium-rise, or low-rise rental due to her disability, which makes it difficult for plaintiff to secure a rental. The 120% reasonable accommodation expanded plaintiff's ability to secure a rental to accommodate her disability, especially considering there is a shortage of rentals on the island.

(h) Every year thereafter (2017 – 2022), the plaintiff's reasonable accommodations were approved at the plaintiff's annual recertification application process. During this period of time, from 2017 – 2022, defendants never questioned and/or investigated the plaintiff's reasonable accommodation to have a live in aide.

2. The following is a summary of facts of plaintiff's claims against the defendants:

(a) It was after the plaintiff was issued a new voucher in March 2022, that the defendants used one low comparable as policy in a rent reasonableness determinations. In fact, the defendants used over 15

comparables in over 5 rent reasonableness tests, but for the purpose of intentionally interfering with plaintiff securing the rental in Hawaii Kai. By using the one low comparable, plaintiff's payment standard was reduced, and her contract rent was reduced, which caused plaintiff's approved 120% reasonable accommodation to be nullified. Plaintiff complained about this to the defendants, and ever since defendants have not stopped harassing the plaintiff, even going as far as intentionally interfering with her reasonable accommodation to have a live in aide.

(b) On April 12, 2022 (1:17pm), Ryan Akamine, HPHA's Chief Compliance Officer, wrote to the plaintiff and introduced himself to the plaintiff for the first time. Ryan Akamine informed the plaintiff that he was instructed by Executive Director Hakim Ouansafi to "audit" the plaintiff. Note: the plaintiff previously wrote a letter to Hakim Ouansafi about HPHA staff interfering with her housing by using low comparables in their rent reasonableness determinations. Ryan Akamine informed the plaintiff that the inspection scheduled for the following day at 8:00am would be cancelled if she did not answer numerous interrogating questions by the end of the day (4:00pm) regarding her disability and her live in aide. Plaintiff was required to respond in **literally 2 hours and 43 minutes or the inspection scheduled the following morning would be cancelled.**

(c) On April 12, 2022 (1:17pm), in the same email noted above, Ryan Akamine writes,

"...With respect to your inspection...scheduled to take place on Wednesday, April 13, 2022...the inspection is also subject to the questions below..."

"...With respect to your Live-in aide, your son Ryan Thorson executed his Live-in aide Housing Agreement in 2017. In your subsequent discussions with Mr. Matsuura, you indicated that Ryan Thorson was NOT living in your unit on a full-time basis and would visit you only at certain times...provide us answers to the following **by 4:00pm today...**"

(Ryan Akamine addresses both the “inspection” and the “live in aide” in this email. Ryan Akamine claims he received information from Lyle Matsuura on or before April 6 about plaintiff’s live in aide, and yet he waited 6 days until April 12, the day before the inspection, to investigate plaintiff’s live in aide, requiring the plaintiff answer numerous interrogating questions about her live in aide, and respond in 2 hours and 43 minutes or the inspection would be cancelled. Ryan Akamine was determined to interfere with plaintiff securing the rental.)

(d) On April 12, 2022 (3:35pm), the plaintiff respectfully responded to Ryan Akamine by answering all of his interrogatory questions. With her response, plaintiff attached copies of the reasonable accommodation for a live in aide approved by defendants in 2017, three (3) letters from three (3) different doctors, and included a new letter from Dr. Megan Bradham dated April 12, 2022, which reads as follows:

Dr. Bradham writes:

“...Laurie Thorson is a patient of mine and medically required to have her son as her live in aide. Ryan Thorson is permitted to live in Laurie Thorson’s home to provide monitoring and care as needed...”

(Ryan Akamine now had four (4) letters from four (4) different doctors verifying that plaintiff is disabled and is permitted to have a live in aide.) **This did not satisfy Ryan Akamine.**

(e) On April 12, 2022 (3:50pm), in an attempt to make sure that the inspection was not cancelled the following morning, plaintiff emailed Ryan Akamine again. **Plaintiff provided Ryan Akamine additional documents** to prove her disability and need for a live in aide (i.e., medical records, chart notes, x-rays, and numerous pictures to prove what happened/happens if plaintiff is without a live in aide, picture of holes in tongue, puddles of blood all over the house, wounds on elbows and knees, scratches on her face from seizing, wounds on her face from falling and hitting her face on the corners of tables, x-rays of numerous back fractures (T-3 to T-12), x-ray of broken arm, x-rays of

several pinched nerves in thoracic spine and lower lumbar area which cause plaintiff chronic pain in her back and legs, etc.).

This did not satisfy Ryan Akamine.

(f) On April 13, 2022 (6:29am), plaintiff again emailed Ryan Akamine. **Plaintiff provides Ryan Akamine with even more documents,** medical records, chart notes, and more pictures. The plaintiff did the best she could to provide Ryan Akamine all the information he needed so the inspection scheduled at 8:00am was not cancelled. The information Ryan Akamine had in his possession now proved that the plaintiff is disabled with epilepsy and TEA (Transient Epileptic Amnesia), and is permitted to have a live in aide to provide disability-related overnight care as needed.

This did not satisfy Ryan Akamine.

(g) On April 13, 2022 (8:00am) the inspector arrived at the rental, and the plaintiff and her son were present. The inspection was performed, and it passed. The inspection was performed based on the RFTA and Lease for the contract rent of \$4,000, which documents were submitted to HPHA on March 21, 2022. Prior to the inspection, defendants never required the owner and plaintiff to revise the RFTA and Lease.

(The inspection was performed **23** days after the RFTA and Lease documents were submitted, which is a violation of 42 USC §1437f which requires that inspections are to be performed before **15** days from when defendants received the RFTA and Lease.)

(h) On April 13, 2022 (8:03am), after Ryan Akamine received the letter from Dr. Megan Bradham dated April 12, 2022, Ryan writes, "...we will contact Dr. Megan Bradham for our **required certification...**".

This just proves that Dr. Bradham's April 12 letter was not acceptable to Ryan Akamine. Nothing satisfied Ryan Akamine, because he had ulterior motives.

(i) On April 13, 2022 (8:03am) Ryan Akamine writes in response to plaintiff's pictures he received the previous day, "...Your live in aide is supposed to be living in your unit solely to provide you necessary support services. The injuries that you shared are either an unusual result where **no live in aide is necessary** or typical of what can result when **you don't have a proper live in aide...**"

(Plaintiff provided the pictures to Ryan Akamine, which were taken in Oregon before the plaintiff moved to Hawaii and when the plaintiff did not have a live in aide, only to prove what happened/happens if defendant does not have a live in aide.)

HUD confirms in [Federal Register 98-10374](#) that Ryan Akamine ~~is not a gatekeeper to verify if "...no live in aide is necessary..." or plaintiff doesn't have "...a proper live in aide..."~~

~~Page 23850, "...has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently..." "...may not inquire into the nature or extent of disability..."~~

~~And that Ryan Akamine is only required to obtain "...written verification from a doctor..." (Page 23851).~~

(j) On April 13, 2022 (4:03pm) after the inspection, Lyle Matsuura called the plaintiff and left a voicemail message in which Lyle said, **"...the unit passed inspection and you can move in today..."**.

(The rent began the day the unit passed inspection, on April 13, 2022. This is confirmed in the HAP contract signed on May 9, 2022.)

(k) On April 13, 2022, the plaintiff moved into her new home, based on the RFTA and Lease submitted on March 21, 2022 for the contract rent in the amount of \$4,000.

(l) After the inspection, after the plaintiff moved into the rental, defendants refused to communicate with the owner and the plaintiff for **16 days**. Defendants never returned phone calls or responded to emails by the owner or the plaintiff. The owner needed to sign the HAP contract so he could start receiving payment for his rental. Our phone calls and emails went unanswered for 16 days (from April 13 to April 29). It was on April 29 that communications resumed, only because the owner and plaintiff submitted a revised lease for \$3,273 in order to initiate payment to the owner for the rental that the plaintiff was already living in. This was agreed upon between the owner and landlord, contingent on plaintiff appealing the low comparable of \$1,621 that caused the contract rent to reduced from \$4,000 to \$3,273.

(m) During this period of time (April 13 to April 29), defendants were not communicating with the owner to sign the HAP contract, because Ryan Akamine was in full force maliciously harassing and intimidating the plaintiff's reasonable accommodation to have a live in aide, in an effort to intentionally interfere with plaintiff's housing by reducing plaintiff's 2-bedroom voucher to a 1-bedroom voucher. The goal was to interfere with plaintiff remaining in the rental before the HAP contract was signed with the owner.

(n) On April **25**, 2022, Ryan Akamine writes to the plaintiff, "...As I previously indicated to you, attached please find my letter and attachment **certification** sent via facsimile transmission to Dr. Bradham regarding **certifying information for your Live-in-Aide...**"

Ryan Akamine writes to the doctor (after having already receiving the doctors letter on April 12, 2022), "...This request seeks your professional opinions regarding the **necessity for a live in aide for your patient, the time and schedule requirements of a live in aide** for your patient, and your **knowledge** about your patient's **proposed** live in aide...".

(The live in aide was not "proposed" in 2022. He was "approved" in 2017.)

(Plaintiff chooses her own live in aide. The doctor do not choose or approve. Neither do the defendants or Ryan Akamine.)

(o) Ryan Akamine refused to accept any documentation the plaintiff provided:

The SSDI award letter did not satisfy Ryan Akamine. The federal rules outlined in this complaint prove the SSDI award letter is sufficient to confirm the plaintiff is disabled. The SSDI award letter specifically has the word “indefinite” on it, proving the plaintiff is indefinitely disabled.

The four (4) letters from four (4) different doctors did not satisfy Ryan Akamine. The letters from plaintiff’s doctors was sufficient for Ryan Akamine to “certify” plaintiff is disabled and is required to have a live in aide.

Nothing would satisfy Ryan Akamine.

(p) On April 26, 2022, plaintiff writes to Ryan Akamine, “...as determined by SSDI, my disability is permanent...”, and provides Ryan Akamine another copy of her SSDI award letter, another copy of the 120% reasonable accommodation approved in 2017, and another copy of the four (4) letters from four (4) different doctors to prove plaintiff is disabled and is required to have a live in aide.

Nothing would satisfy Ryan Akamine.

(q) On April 27, 2022, Ryan Akamine responds to plaintiff by writing, “...Thank you for your email and for *agreeing* that you will assist us in **gathering information regarding your live in aide...**” and “...During the process of your search for a new housing unit, **you informed Hawaii Public Housing Authority staff and others** that your approved live in aide (Ryan Thorson) comes over to see you only when you have a seizure or episode, and that your son travels a lot for his job. In your Friday, April 8, 2022 10:51pm email to Executive Director Ouansafi, you said “In the past, on numerous occasions, Ryan has moved in permanently to give me round the clock care when I am experiencing seizures on a daily basis. In your email Tuesday, April 12, 2022 3:35pm email to me, you said: “Ryan Thorson works varying hours as a project manager” and “Ryan Thorson has a job with varying hours”

and “Ryan Thorson is employed with PTC Construction”. Additionally, Dr. Bradham’s April 12, 2022 letter in support of a live in aide says, “Ryan Thorson is permitted to live in Laurie Thorson’s home to provide monitoring and care as needed.”...

(Ryan Akamine is lying. Plaintiff never spoke to “staff and others” about her live in aide. This proves Ryan Akamine’s position that the live in aide is required to solely reside in plaintiff’s unit, is not permitted to have a separate residence, and is not permitted to have a job.)

Ryan Akamine also writes, “...The photos of your injuries in your Tuesday, April 12, 202 (3:49pm) email to me are very concerning, as your live in aide is supposed to be living in your unit **solely** to provide you necessary support services. The injuries that you shared are either an unusual result where **no live in aide is necessary** or typical of what can result when **you don’t have a proper live in aide**. In light of the above, the Hawaii Public Housing Authority is seeking clarifying and necessary information from Dr. Bradham....”

Ryan Akamine also writes, “...HPHA does not question that you have a disability; the HPHA is diligently and conscientiously trying to fulfill our fiduciary duty by asking relevant questions **to determine if you only need assistance “to provide monitoring and care as needed” or someone else who “shall be living in the unit solely to provide supportive services” to you...**”

(According to Federal Register 98-10374, pages 23850 (on page 51), HUD writes that it is not Ryan Akamine’s responsibility to determine if no live in aide is necessary or I don’t have a proper live in aide.)

(In 2017, it was caseworker Mrs. Villasteros who processed plaintiff’s reasonable accommodation for a live in aide. Mrs. Villasteros informed the plaintiff that the live in aide was required to have his own bedroom when he stayed with her overnight when providing disability-related overnight care as needed. Therefore plaintiff was issued a 2-bedroom

voucher to accommodate her live in aide. Never did Mrs. Villasteros inform the plaintiff that the live in aide was to reside in her home when not providing support services, and the live in aide could not have his own residence, and the live in aide could not have a job.)

(Ryan Akamine received plaintiff's photos on April 12, 2022, which he knew were taken before plaintiff had a live in aide, when plaintiff lived alone in Oregon alone. Plaintiff provided the photos to Ryan Akamine only to prove what happened/happens if plaintiff is without a live in aide. But at this point, plaintiff knew Ryan Akamine was rejecting anything and everything plaintiff provided, i.e., doctors letters, medical records, pictures, etc., but why?)

Nothing was acceptable to Ryan Akamine.

(r) On April 28, 2022, plaintiff responds to Ryan Akamine, and writes: "...Please allow me to officially clear the air on a few things so we can all be on the same page moving forward. You claim that I verbally stated that my son visits me only when I have a seizure or an episode. **This is false. I never said this...**" "...You claim that I verbally stated that my son travels a lot for his job. **This is false. I never said this.** My son does not travel for his job. My son works from home quite often due to the nature of his work..." "...the photos of my injuries in my email sent on Tuesday, April 12, 2022 were taken when I lived alone in Oregon without a live in aide, before I moved to Hawaii. My sending you these pictures was for the sole purpose of proving what happens to me when I don't have a live in aide..."

Plaintiff never heard from Ryan Akamine again.

(s) On April 29, 2022, after it was apparent to the plaintiff that defendants were making absolutely no attempt to return her phone calls or to contact the owner to sign the HAP contract, and realizing the owner needed to get paid for the rental she was **already living in for 16 days**, the plaintiff and owner took it upon themselves to provoke defendants into signing the HAP contract by submitting a revised Lease for \$3,273. The purpose was to provoke the defendants into signing the

HAP contract so the owner could get paid something for his rental which the plaintiff was already living in since April 13, 2022.

(The contract rent never should have been reduced from \$4,000 to \$3,273, because defendants performed the inspection on April 13, 2022 based on the RFTA and Lease for \$4,000, dated March 21, 2022.)

(t) On May 9, 2022, defendants and the owner signed the HAP contract for \$3,273 (**49 days after** the original RFTA and Lease for \$4,000 was submitted on March 21, 2022, and **28 days after** the unit was inspected on April 13, 2022, and **28 days after** the plaintiff moved into the unit on April 13, 2022).

(u) Before the HAP contract was signed (on May 9, 2022), Ryan Akamine was in full force maliciously harassing and intimidating the plaintiff and her live in aide (for the purpose of interfering with the plaintiff securing the rental in Hawaii Kai) After the HAP contract was signed, Ryan Akamine never contacted the plaintiff again.

(v) The facts of this case proves defendants intentionally interfered with plaintiff's live in aide and housing in retaliation for plaintiff disputing the defendants illegal policies to use low comparables against the contract rent, which illegal policies only increased the amount of federal funds the defendants could steal from the Section 8 Housing Choice Voucher Program.

D. CLAIMS AGAINST RYAN AKAMINE, HPHA CHIEF COMPLIANCE OFFICER

1. Ryan Akamine was hired by HPHA in January 2022 as the Chief Compliance Officer. The first sentence of the job description for the Chief Compliance Officer reads as follows:

“..This position oversees and manages the agency’s Housing Compliance Office to ensure all public housing programs comply with State and Federal Housing Laws..”

([http://www.hpha.hawaii.gov/jobs/Announcement_Various%20Exempt%20Positions%20%20\(admin\)%206.26.17.htm](http://www.hpha.hawaii.gov/jobs/Announcement_Various%20Exempt%20Positions%20%20(admin)%206.26.17.htm))

2. Plaintiff claims Ryan Akamine had a fiduciary duty to ensure that the federal rules and HUD guidelines that govern the Section 8 Housing Choice Voucher Program were being correctly implemented.

3. On April 6, 2022, HPHA’s Executive Director, Hakim Ouansafi, instructed Ryan Akamine to follow up on the plaintiff’s complaints that low comparables were being used in rent reasonableness determinations, which ultimately caused the plaintiff’s contract rent and payment standard to be drastically reduced, and caused plaintiff’s 120% reasonable accommodation to be nullified.

4. Plaintiff claims that instead of Ryan Akamine investigating the plaintiff’s complaint regarding the low comparables being used in the rent reasonableness determinations, Ryan Akamine immediately began attacking the plaintiff’s live in aide.

5. Plaintiff claims that Ryan Akamine acted outside the scope of his duties by acting as the gatekeeper to determine whether or not the plaintiff requires or does not require a live in aide. It’s not because Ryan Akamine was truly concerned about the plaintiff, but rather his purpose was to intentionally interfere with the plaintiff’s housing by causing her 2-bedroom voucher to be reduced to a 1-bedroom, or terminate her voucher altogether (which would cause the plaintiff to be homeless).

6. HUD confirms in this Federal Register, that Ryan Akamine is not plaintiff’s gatekeeper:

Federal Register 98-10374, pages 23850:

“...HA does not assess the nature and character of the occupant’s disability in order to match the occupant with requirements for

occupancy...or to assure that the occupant will benefit from appropriate supportive services...”,

“...An elderly or disabled Section 8 participant chooses whether [where] to live in a group home or in other housing that satisfies the HUD housing quality standards. The HA may not bar access to group housing because the HA believes that the participant can live independently, and does not need supportive services. Conversely, the HA may not bar access to group housing because the HA believes that the participant needs supportive services that are not available at the housing...”,

“...the HA has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently...”, **“...The HA may not inquire into the nature or extent of disability...”**

7. Plaintiff claims that Ryan Akamine’s only “fiduciary duty” as the Chief Compliance Officer was to approve the live in aide based on the four (4) letters he had from four (4) different doctors, and to approve the live in aide in compliance with the applicable rules.

8. Plaintiff claims that Ryan Akamine acted outside the scope of his duties by demanding that the plaintiff, the plaintiff’s live in aide, and the plaintiff’s doctor answer numerous interrogating invasive questions about plaintiff’s disability and live in aide.

9. Plaintiff claims Ryan Akamine acted outside the scope of his duties by purposefully and intentionally not complying with the federal rules and HUD guidelines that dictate how the Section 8 Housing Choice Voucher Program is to be implemented.

10. Plaintiff claims Ryan Akamine acted outside the scope of his duties by purposefully and intentionally:

- (a) creating illegal policy to use one low comparable in all rent reasonableness policy
- (b) creating illegal policy to use one low comparable for the purpose of accumulating “surplus grant funds”
- (c) causing plaintiff’s contract rent to be reduced
- (d) causing plaintiff’s approved “exception payment standard” to be reduced,
- (e) causing plaintiff’s voucher to be reduced from a 2-bedroom voucher to a 0-bedroom voucher
- (f) interfering with plaintiff’s housing
- (g) interfering with plaintiff’s choice of where to live (steering)
- (h) interfering with plaintiff’s “approved payment standard”
- (i) nullifying plaintiff’s 120% reasonableness accommodation
- (j) interfering with plaintiff’s live in aide reasonable accommodation
- (k) illegally investigating the plaintiff and her live in aide for fraud
- (l) defaming the plaintiff and the live in aide by telling members of the public (outside of the agency) that the plaintiff and the live in aide were going to prison for fraud.
- (m) creating policy that plaintiff’s live in aide is required to reside in plaintiff’s home only, even when not providing support services
- (n) creating policy that plaintiff’s live in aide is not permitted to have a separate residence
- (o) creating policy that plaintiff’s live in aide is not permitted to have a job
- (p) creating policy that plaintiff’s live in aide is not permitted to provide “disability-related overnight care” as needed
- (q) denying plaintiff’s request that the live in aide provide “disability-related overnight care” as needed
- (r) causing the live in aide to quit as his mother’s live in aide
- (s) causing the plaintiff to live alone without her live in aide

11. **Plaintiff requested an exception for defendants to permit “...disability-related overnight care...” as needed, and Ryan Akamine refused plaintiff’s request.**

The rules quoted below, 24 CFR 982.316 and HUD Notice PIH 2009-22, prove Ryan Akamine had a fiduciary duty to accommodate the plaintiff’s disability by approving “disability-related overnight care” as needed:

24 CFR §982.316

Live in Aide

(a) A family that consists of one or more elder [‘elder’ is 62 years old or older – plaintiff is 64], near-elderly, **or** disabled persons [plaintiff is disabled] may request that the PHA approve a live in aide in the unit and provide necessary supportive services for a family member who is a person with disabilities. The **PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.**

HUD Notice PIH 2009- 22 (HA)

(https://www.hud.gov/sites/documents/DOC_8989.PDF)

"...The definition of a live-in aide is recorded in 24 CFR Section 5.403 which states that a live-in aide is a person who resides with one or more elderly persons [over 60], near-elderly persons or persons with disabilities and who is: (1) determined to be essential to the care and well-being of the persons; (2) is not obligated for the support of the persons; and (3) **would not be living in the unit except to provide the necessary supportive services...**"

"...**Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as**

live-in aides. Therefore, an additional bedroom should not be approved for a live-in aide under these circumstances..."

"...A family may always request a reasonable accommodation to permit program participation by individuals with disabilities. A family's composition or circumstances may warrant the provision of an additional bedroom **to permit disability-related overnight care** [Plaintiff made this request and defendants denied her request.] and allow the family equal use and enjoyment of the unit. Such limited exceptions to the established subsidy standards are permitted under 24 CFR Section 982.402(b)(8). The PHA must consider requests for an exception to the established subsidy standards on a case-by-case basis and **provide an exception, where necessary, as a reasonable accommodation.** The PHA shall document the justification for all granted exceptions..."

12. Ryan Akamine, as the Chief Compliance Officer, had a fiduciary duty to comply with the federal rules that govern how the Section 8 Housing Choice Voucher Program is implemented.
13. Ryan Akamine had in his possession plaintiff's SSDI award letter which confirmed plaintiff is permanently disabled and is unable to work, in compliance with 42 USC 423 §223.
14. Ryan Akamine had in his possession four (4) letters from four (4) different doctors over the span of the previous 8 years, which all stated that the plaintiff is disabled and is required to have a live in aide, in accordance with 24 CFR 982.316, 24 CFR 8.6, & 24 CFR 5.403.

(The doctors letters are sufficient "verification" to prove that plaintiff is disabled and is required to have a live in aide. But Ryan Akamine ignored the letters he had from the medical providers and was determined to interfere with the plaintiff's housing, purposefully and intentionally acting as the **gatekeeper to have precedence over the doctors** letters.)

15. Ryan Akamine had in his possession the approved reasonable accommodation for a live in aide, and the approved 120% reasonable accommodation, both approved in 2017, and every year thereafter for five years, as part of plaintiff's annual recertification application.
16. Ryan Akamine confirms in emails that his sole purpose for "investigating" and/or "certifying" plaintiff's live in aide was [not out of concern that plaintiff is cared for, but] to change the size of plaintiff's voucher, from a 2-bedroom voucher to a 1-bedroom voucher (for the purpose of interfering and disqualifying the plaintiff in securing the 2-bedroom rental in Hawaii Kai.
17. After the HAP contract was signed on May 9, 2022, Ryan Akamine dropped his investigation into the plaintiff's live in aide, and plaintiff never heard from Ryan Akamine again.

...only to find out on June 12, 2023 from Stephanie Rabiner, FHEO Branch Chief, that Ryan Akamine resumed his "on-going" investigation" from the previous year into plaintiff's live in aide.

Ms. Rabiner writes:

"...Please be advised that HPHA has informed FHEO that HPHA has continued its investigation into your son's residency between 2017 and April 2022. HPHA's ongoing investigation is a continuation of its April 2022 inquiry into your need for a live-in aide and your son's place of residence as your designated live-in aide..."

18. On June 12, 2023, the plaintiff is informed by the FHEO Branch Chief, Stephanie K. Rabiner, that the defendants reopened their investigation into plaintiff's live in aide (from a year ago), and that the defendants indeed were in communications with the former neighbor and landlord, who are the ones who told the plaintiff and the live in aide that the defendants said they are going to prison for fraud:

Ms. Rabiner writes:

“...Ms. Thorson, FHEO is not investigating you for fraud – fraud is outside of our jurisdiction. HUD’s Office of Inspector General is responsible for investigating fraud within the Department’s programs, and we are unaware of any complaint made to that office about you or your live-in aide...”

“...FHEO is only investigating whether there is reasonable cause to believe that HPHA violated the Fair Housing Act, Section 504 and/or the ADA. Your complaint alleges that, in retaliation for asserting that HPHA was using the rent reasonableness test to circumvent your exception payment standard accommodation, HPHA improperly began looking into the status of your live-in aide. You further alleged that HPHA said that it would not conduct an HQS inspection of the new unit until you answered several questions about your need for a live-in aide. As the emails you attached show, HPHA also asked questions about where your son, who has been your designated live-in aide since 2017, had been living and where he would be living once you moved...”

“...HPHA pointed to Chapter 14 to explain that, once it came across information indicating that your son did **not** live with you full time, it was required to ask questions about your need for a live-in aide and your son’s residence...”

“...Generally speaking, a housing provider should not inquire as to whether an individual still requires an approved reasonable accommodation except in limited circumstances. **One such circumstance is when the housing provider has information indicating that the individual no longer requires the reasonable accommodation.** FHEO, in investigating your complaint, must thus assess whether HPHA had information on April 6, 2022 and in the days thereafter **to warrant further inquiry and investigation into whether your son had resided**

with you since 2017 and whether you still required an extra bedroom and a live-in aide as a reasonable accommodation...”

(What information did the defendants have that would support plaintiff no longer required a live in aide? They made it up.)

(only the plaintiff’s doctors determine if the plaintiff is required to have a live in aide, not the defendants)

“...Please be advised that HPHA has informed FHEO that HPHA has continued its investigation into your son’s residency between 2017 and April 2022. HPHA’s ongoing investigation is a continuation of its April 2022 inquiry into your need for a live-in aide and your **son’s place of residence** as your designated live-in aide. FHEO is thus also assessing whether HPHA’s **ongoing investigation is a potential violation of the Fair Housing Act, Section 504 and/or the ADA**. Mr. Wong is thus not asking questions of your son to harass him or scare him away, but rather, he is asking questions for the purpose of helping FHEO determine whether HPHA’s choice to continue its investigation is a violation of your fair housing rights...”

“...Do note that **HPHA has given FHEO the evidence it has collected during its investigation, including information that HPHA staff obtained from your former neighbor and former landlord**. Mr. Wong has not spoken to your neighbor, nor has he spoken to anyone who was not already aware that you receive housing assistance. I assure you that he is not spreading rumors and that investigators are trained to explain to witnesses that they are a neutral party, the investigation is ongoing, and that the Department has not made any determination about whether there has been any wrongdoing on the part of any individual. Unfortunately, some witnesses fail to heed this disclaimer and jump to their own conclusions...”

“...I also want to assure you that FHEO did not send or otherwise direct anyone to send the text messages your son received. We are unaware of who sent them and I personally conducted a public records search to try and identify the owner of the phone number, but was unable to do so. It’s a text-only number and uses a service often used by spammers. The Department does not condone or otherwise endorse the content of the messages...”

19. The following is Ms. Rabiner’s email dated 06.13.23, confirming to the plaintiff that there is no rule about a live in aides primary residence:

“...Ms. Thorson, I have looked in our Housing Choice Voucher handbooks (old and new), out regulations, and the PIH notices that refer to live in aides. **I cannot find anything that refers to live in aide’s primary residence or HUD’s definition of a live in aide’s primary residence...**”

(It is illegal for Ryan Akamine to create policy that plaintiff’s live in aide must only reside in her home, and could not have his own residence.)

20. Defamation claim against defendants:

(a) FHEO Branch Chief Stephanie Rabiner confirmed in her email that the defendants communicated with the former neighbor and landlord, under the guise of an ongoing investigation. It was the former neighbor and former landlord who informed the plaintiff and live in aide that, according to the defendants, they are going to prison for fraud.

The defendants also confirmed that it was the defendants who provided them with plaintiff’s personal and confidential information: (i.e., disability, medical conditions, housing information, FHEO complaint, claims of discrimination, live in aide information, etc.).

Defendants actions to defame the plaintiff and the live in aide can be construed as retaliation for the plaintiff filing her FHEO complaint.

(b) Defamation occurs where a false and defamatory statement is communicated to a third party outside of the agency. An allegation of fraud, in and of itself, is serious, and capable of defamatory meaning.

(c) A claim for defamation is the fact that statements were made by defendants and were communicated to third parties, members of the public who are outside of the agency.

(d) Defamatory statements are defined as subjecting another to hatred, contempt or ridicule or tend to diminish the esteem, respect, goodwill or confidence in which the other is held in the community or to excite adverse, derogatory or unpleasant feelings or opinions against the other.

(e) The plaintiff was informed on **June 12, 2023** by FHEO, Stephanie Rabiner (Enforcement Branch Chief), that the defendants reopened their investigation from April 2022 as part of an on-going “investigation” into the plaintiff’s live in aide. Ms. Rabiner confirmed that the defendants submitted the results of their investigation to FHEO, which confirmed that the defendants did contact plaintiff’s former neighbor and landlord.

Ms. Rabiner writes,

“...Do note that HPHA has given FHEO the evidence it has collected during its investigation, including information that HPHA staff obtained from your former neighbor and former landlord...”

(f) Ryan Akamine should be terminated for purposefully and intentionally providing plaintiff’s personal information to a member of the public outside of the agency, for making defamatory statements that the plaintiff and live in aide are guilty of fraud, for intentionally interfering with plaintiff’s live in aide (who quit because of Ryan

Akamine's threats, and interfering with plaintiff's housing by causing her 2-bedroom voucher to be reduced to a 0-bedroom voucher, and nullifying the plaintiff's reasonable accommodations.

21. Ryan Akamine continued to "investigate" the plaintiff's disability and live in aide, acting as the gatekeeper for the purpose of intentionally harassing and interfering with plaintiff's housing under the guise that he had a "fiduciary duty" to investigate, certify, assess, determine, and evaluate the plaintiff's disability and if plaintiff if required or not required to have support services. HUD makes it clear that **Ryan Akamine is not the gatekeeper, per Federal Register 98-10374, pages 23850 (quoted several times in this complaint).**

22. Ryan Akamine knew the plaintiff received SSDI benefits as a permanently disabled person. This is sufficient evidence to prove plaintiff is disabled, in accordance with 42 USC §223.
This did not satisfy Ryan Akamine.

23. Ryan Akamine continued to "investigate" the plaintiff's disability and live in aid, even though he had in his possession four (4) letters from four (4) different doctors over the span of the previous 8 years confirming that the plaintiff is disabled and is required to have a live in aide. By law, no additional information is required to "certify" plaintiff's disability or "certify" plaintiff's live in aide. The doctor's letters are sufficient evidence in accordance with HPHA's own Administrative Plan, Rules 2-II.D. and 7.11.F., which reads, "...PHA will not inquire about the nature or extent of any disability...".
Nothing satisfied Ryan Akamine to certify the plaintiff's live in aide.

24. Plaintiff claims that Ryan Akamine's fiduciary duty is/was to "oversees and manages the agency's Housing Compliance Office to ensure all public housing programs comply with State and Federal Housing Laws...". However, this case proves that he did not perform his duties as required, but acted outside the scope of his duties.

25. Plaintiff claims that Ryan Akamine is following orders by the Executive Director Hakim Ouansafi, to enforce the illegal policy to use one low comparable in all rent reasonableness determinations, to enforce the illegal policies regarding plaintiff's live in aide, and to interfere with plaintiff's housing. Hakim Ouansafi used Ryan Akamine and other employees to cause me harm. Hakim Ouansafi used Ryan Akamine and other employees to implement his fraud scheme to steal millions in federal funds from the Section 8 Housing Choice Voucher Program.

**E. CLAIMS AGAINST LYLE MATSUURA,
HPHA SUPERVISOR IV**

1. Plaintiff claims Lyle Matsuura acted outside the scope of his duties by intentionally interfering with plaintiff's housing, by interfering with plaintiff's choice of where to live (steering), by interfering with plaintiff's payment standard and contract rent by purposefully and intentionally using illegitimate low comparables as policy in the rent reasonableness determinations, by interfering with plaintiff's reasonable accommodation to have a live in aide, by intentionally nullifying plaintiff's 120% reasonable accommodation, and by lying to Ryan Akamine.

2. Plaintiff claims that Lyle Matsuura approved approximately 15 comparables in 5 rent reasonableness determinations, but for the purpose of interfering with plaintiff securing the rental in Hawaii Kai.

3. Plaintiff claims that Lyle Matsuura approved the "low" comparable in the amount of \$1,621 in order to interfere with the plaintiff securing the rental in Hawaii Kai, zip code 96821.

4. Plaintiff claims that Lyle Matsuura lied (aka: defamatory statements) to Ryan Akamine, which resulted in plaintiff and her live in aide being investigated by Ryan Akamine for fraud.

5. On March 29, 2022, Lyle Matsuura wrote to the plaintiff that a rent reasonableness test was performed on the Hawaii Kai rental, and that two comparables were used (submitted by the plaintiff's son) in the amounts of \$4,321 and \$4,500; and that defendants added their own "low" comparable in the amount of \$1,621. The contract rent was \$4,000, and plaintiff's approved payment standard was \$4,031. The "low" comparable caused the plaintiff's rent to be reduced from \$4,000 to \$3,273, a drastic decrease in the contract rent by \$727, which also nullified the plaintiff's 120% reasonable accommodation.

6. Plaintiff claims that Lyle Matsuura communicated to a Senator's assistant and said to this person, "who does she [plaintiff] think she is, doesn't she know Section 8 don't get an ocean view".

7. Plaintiff claims that Lyle Matsuura is part of defendants plan to accumulate as much "surplus grant funds" as possible, since he is the gatekeeper to enforce low comparables used against the contract rent. Lyle Matsuura has final authority to approve low comparables to lower the rent below the contract rent, all the for purpose of assisting his employer in accumulating as much "surplus grant funds" as possible. Lyle Matsuura knows that his employer collects \$728 each month in "surplus grant funds" from the plaintiff's voucher.

8. The following is a list of actions and/or inactions by Lyle Matsuura, HPHA supervisor, that caused harm to the plaintiff:

- Lyle retaliated against the plaintiff because she required he use the correct payment standard and utility allowance charts.
- Lyle had the authority to approve and disapprove the comparables.
- Lyle permitted the low comparable in the amount of \$1,621 to be included in the rent reasonableness determination, and to have precedence over the plaintiff's reasonable accommodations.

- Lyle used 15 comparables in 5 rent reasonableness tests in order to interfere with the plaintiff's housing.
- Lyle caused the plaintiff's contract rent to be drastically reduced.
- Lyle caused the plaintiff's payment standard to be reduced.
- Lyle caused the plaintiff's 120% reasonable accommodation to be nullified.
- Lyle delayed the inspection from taking place after receiving the RFTA and Lease.
- Lyle delayed the HAP contract from being signed.
- Lyle had an ulterior motive, acting outside the scope of his duties, to interfere with the plaintiff securing the rental in Hawaii Kai.
- Lyle fabricated lies to Ryan Akamine that plaintiff said things about her live in aide that are not true.
- Lyle has continued to play a part in harassing the plaintiff. The last was when he mailed a letter to plaintiff instructing her to complete forms 'to add a member of her household', and that if she did not return the forms by the deadline, her housing assistance would be terminated. Plaintiff never requested to add a member to her household.
- Lyle has processed all the paperwork and has implemented the illegal policies made by his superiors, which have resulted in me losing all my live in aide, all my reasonable accommodations to accommodate my disabilities, and reducing my 2-bedroom voucher to a 0-bedroom voucher so that I am no longer able to receive disability-related overnight care when needed.

F. CLAIMS AGAINST HAKIM OUANSAFI, HPHA EXECUTIVE DIRECTOR

1. Hakim Ouansafi is the Executive Director of the Hawaii Public Housing Authority. Mr. Ouansafi is solely responsible for ensuring that the agency implements the Section 8 Housing Choice Voucher Program in compliance with the federal rules and HUD guidelines. Mr. Ouansafi is responsible for the actions of his employees, especially if he has full knowledge that his employees are acting outside the scope of their duties. Mr. Ouansafi is solely responsible for supervising the Chief Compliance Officer, Ryan Akamine, who reports directly to Mr. Ouansafi.
2. Hakim Ouansafi received all of plaintiff emails, proving he was always informed of the actions of his employees Ryan Akamine and Lyle Matsuura, and how they were treating the plaintiff. Mr. Ouansafi's silence proves that he supported his employees harassing the plaintiff.
3. On April 5, 2022, Hakim Ouansafi responded in an email and confirmed to the plaintiff that Ryan Akamine was now handling the plaintiff's complaints. Instead of making sure the plaintiff's complaints were addressed, Mr. Ouansafi instructed Ryan Aksamine to "audit" the plaintiff, which actually meant to go on the attack against the plaintiff. And that's exactly what Ryan Akamine did, at the direction of the Executive Director Hakim Ouansafi.
4. Plaintiff notified Hakim Ouansafi that Ryan Akamine was interfering with her housing, was interfering with her live in aide, was interfering with reasonable accommodations, etc. **Hakim Ouansafi did absolutely nothing.**
5. Plaintiff notified Hakim Ouansafi that Ryan Akamine was retaliating against her by investigating her live in aide a year **after** the plaintiff filed her FHEO complaint. Plaintiff also informed Mr. Ouansafi that Ryan Akamine was telling members of the public, outside of the agency, that the plaintiff and live in aide are going to prison for fraud. **Hakim Ouansafi did absolutely nothing.**

6. Plaintiff claims that Executive Director Hakim Ouansafi is solely responsible for adopting the illegal policy to use one low comparable in all rent reasonableness determinations against the contract rent. Plaintiff claims that Mr. Ouanafi knew at all times that “surplus grant funds” were being accumulated, as a result of the illegal policies. Mr. Ouansafi must be held accountable by providing an accounting of the approximately **\$103,579,320** ~~\$32M per year that that has just disappeared from all accounting records~~ since 2015. ~~he was employed with the Hawaii Public Housing Authority.~~ Plaintiff claims that Mr. Ouansafi’ illegal policies do not benefit the tenant or the landlord, but only benefits the defendants. Plaintiff claims that the illegal policies were not in effect prior to the employment of Mr. Hakim Ouansafi.

~~7. Plaintiff claims that the illegal policies were in effect prior to the employment of Mr. Hakim Ouansafi, who was hired on January 3, 2012. Besides being the Executive Manager of the Hawaii Public Housing Authority, Mr. Ouansafi is also the current registered owner/manager of First Commercial Consulting Services llc, located at 679 Kaumakani Street, Honolulu, Hawaii, 96825. This could be a conflict of interest.~~

7. Plaintiff claims that since 2015, evidence proves that Hakim Ouansafi has been stealing federal funds each month from the Section 8 program, and has directed his staff to assist him in his fraud scheme. The reward for their cooperation is that Hakim Ouansafi now has authority to bypass the HPHA Board of Directors to hire his own staff and to pay a salary “...that exceeds the salary of the Governor...”. Refer to SB 3120.

SB 3120 confirms Hakim Ouansafi has sole authority to hire and pay wages that exceeds the Governor’s salary (bypassing the HPHA Board of Directors and bypassing the Hawaii Revised Statutes that specifically states that no salary can exceed the Governor’s salary). The beneficiaries of SB 3120 is documented as being, amongst others, the Chief Compliance Officer (Ryan Akamine), and the Chief Financial Officer (Bennet Liu).

**G. CLAIMS AGAINST BENNETT LIU,
HPHA CHIEF FINANCIAL OFFICER**

1. Bennett Liu, Chief Financial Officer, was hired in April 2022.
2. After being employed with the HPHA for only 2 years, Hakim Ouansafi made sure to include Mr. Liu as a beneficiary to SB 3120, ensuring Mr. Liu receives a salary "...which exceeds the Governor's salary...".
3. Bennett Liu fabricated and altered financial records, provided false information to state auditors, falsified actual subsidy used, falsified actual issued, and withheld 'surplus grant funds' from all accounting records.
4. Bennett Liu and Hakim Ouansafi are the only two HPHA employees who are authorized to sign checks, so it should be expected that Mr. Liu knows exactly where the stolen federal funds are and how they were diverted, a nice word for "stolen".

H. RENT REASONABLENESS DETERMINATIONS and COMPARABLES

(HPHA RULES v. FEDERAL RULES)

1. The defendant is required to comply with the federal laws and HUD guidelines that dictate how low comparables are used in rent reasonableness determinations.

24 CFR §982.54

“...The administrative plan must be in accordance with HUD regulations and requirements...”

2. There is no federal rule to support defendants using one **low** comparable as policy in all rent reasonableness determinations.

In fact, according to HUD, it’s the opposite:

HUD/PIH Housing Choice Voucher Program Guidebook, Chapter 3, Rent Reasonableness (refer to page 8, section 3.1.2.)

“...PHAs should take a common-sense approach to valuing a unit based on these factors...”

3.1.2 PHAs need to be careful not to limit their rent reasonableness analysis to only mid-range units or only units in certain more affordable neighborhoods. **Voucher families may choose to rent units above the payment standard.** As a rule of thumb, the **PHA should collect data on units with gross rents at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...**”

(“approved exception payment standard” is the plaintiff’s 120% reasonable accommodation approved in 2017)

https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Rent_Reasonableness.pdf

3 There is no Administrative Rule to support defendants can use one low comparable in rent reasonableness determinations. However, the defendants do confirm it on their website and in board meetings.

(a) The following is a link to the defendants website, which proves defendants adopted the illegal policy to use one **low** comparable.

<http://www.hpha.hawaii.gov/faqs/s8hcvli.html>

05.15.23, HPHA's website

HPHA's website, as of 05.15.23, confirms that HPHA's illegal policy is to use "...one lower rent..." as a comparable in rent reasonableness tests:

* **HPHA's website reads:**

"...What is rent reasonableness?

The State is required to ensure that the unit rent is reasonable according to prevailing market conditions. HPHA must determine if the rent is reasonable or too high according to market conditions for units of similar size, features, and amenities in the same area. **HPHA will choose two higher rents and one lower rent** based on proximity to the subject property to compare rents..."

(b) The following is a link to the defendants website, which proves defendants adopted the illegal policy to use one low comparable.

http://www.hpha.hawaii.gov/boardinfo/board_mtgs_completed/2023/4.20.23%20Board%20Packet.pdf

04.20.23, HPHA's Board of Directors Meeting

This document is from the Board of Directors Meeting Agenda dated 10.20.22 (see page 22), which reads:

B. Rent Reasonableness

3. At least three comparable units are used for each rent determination and of which **at least two must have a gross rent that exceeds the subject gross contract rent and one must have a gross rent that is lower than the subject contract rent.**

This is very important to note. The defendants say "...lower than the subject **contract rent**...". But that is not what the HUD guidelines say.

The HUD guidelines confirm:

"...PHA should collect data on units with gross rents **at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...**"

(Defendants are clearly not in compliance with the HUD guidelines as it pertains to using comparables in rent reasonableness determinations.)

(c) The following is a link to the defendant's website, which proves defendants allow tenants to submit their own comparables, but we know that's not true. Plaintiff submitted 4, and they were thrown out. The plaintiff's son submitted 4, and the defendants kept 2 and then introduced their own low comparable.

Executive Director Hakim Ouansafi confirmed in a board meeting that tenants are allowed to submit their own comparables. If that truly is the case, **what tenant in their right mind would submit low comparables?** Landlords are also allowed to submit their own comparables, but again, **what landlord in their right mind would submit low comparables?**

This is the link to the board meeting where Hakim Ouansafi said tenants are allowed to bring in their own rent comps. Pay attention to the dialogue, everyone at the board meeting wants to talk about the comps, and Hakim Ouansafii shuts them down.

http://www.hpha.hawaii.gov/boardinfo/board_mtgs_completed/2023_Public/06.28.23%20Public%20Packet.pdf

06.28.23 HPHA's Board of Directors Meeting

Refer to page 21 to read what Hakim Ouansafi said about comparables:

“...Executive Director Ouansafi clarified that the rent comparable is required by law and the payment standards are set. [Note: He does not say “low” comparables.] He stated that City & County leases are different because the City & County is able to use existing leases, while the HPHA cannot because of tenant confidentiality. He added that the HPHA can always improve and wants what is fair to everyone, including landlords. He stated that he has reached out to Ms. Iwamoto with possible meeting dates to discuss the issue and find possible solutions. [Note: Iwamoto is a landlord whose rents were reduced because of defendants using low comparables.] ...”

“...Executive Director Ouansafi stated the HPHA has more information and cannot discuss it at this time as it is not on the agenda for this meeting. Designee Campos added that for rent comps, quality needs to be considered in pricing as well. Director Pulmano asked if the rent comps are based on publicly available data. Executive Director Ouansafi stated that is correct, rent comps are based on publicly available data. He acknowledged that rent prices can change within a few months based on the prices of other available units at that time. Executive Director Ouansafi explained that most of the time, the outcomes of the rent comparable software are what they should be, and sometimes they do not come out correctly and **that is why people are allowed to bring in their own rent comps...**”

“...He reported that he needs to stop the conversation as it is not an agenda item and does not want to be in violation. Director Pulmano asked if this matter can be added as an agenda item. Chairperson Hall stated he is not sure how that can be added to the agenda...”

4. The following federal rules prove the defendants policy to use one low comparables is fabricated. Remember, the defendants are the only PHA in the country that uses one low comparable as policy in their rent reasonableness determinations.

(a) 42 USC §1437f

SEC. 512.

(1) Comparable properties. ...'comparable properties' means properties in the same market areas...that- (A) are similar to...neighborhood (including risk of crime), type of location, access, street appeal, age, property size, apartment mix, physical configuration, property and unit amenities, utilities, and other relevant characteristics.

<https://uscode.house.gov/view.xhtml?hl=false&edition=2021&req=granuleid%3AUSC-prelim-title42-section1437f&num=0#amendment-note>

(b) 24 CFR §982.503 refers to 507

(c) 24 CFR §982.507

(b) Comparability.

The PHA must determine whether the rent to owner is a reasonable rent in comparison to rent for other **comparable** unassisted units.

(d) 24 CFR 983.303, Reasonable Rent

Nowhere in this CFR does it say that a low comparable is to be used. The defendants are wrong in adopting policy contrary to the federal rules. There is no federal rule to support the defendants using one low comparables in conjunction with two high comparables.

<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part983/subpart-G/section-983.303>

I. LIVE IN AIDE

(CFR's, FEDERAL REGISTER, HUD GUIDELINES, HUD NOTICES, HPHA ADMIN RULES)

1. The following federal rules and HUD guidelines proves that the defendants adopted or fabricated policies, as it pertains to plaintiff's live in aide, that are not in compliance with the federal rules and HUD guidelines, which are quoted verbatim below:

(a) 24 CFR §5.403

Live in aide means a person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well being of the person
- (2) Is not obligated for the support of the person; and
- (3) **Would not be living in the unit except to provide the necessary supportive services.**

(b) 24 CFR §982.316

Live in Aide

(a) A family that consists of one or more elder [over 62 years of age, plaintiff is 62 years of age], near-elderly, or disabled persons may request that the PHA approve a live in aide in the unit and provide necessary supportive services for a family member who is a person with disabilities. The PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

(b) At any time, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, **if:**

- (1) The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

(2) The person commits drug-related criminal activity or violent criminal activity; or

(3) The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

(c) Refer to HUD Notice PIH 2009-22 (HA) (short version)

(https://www.hud.gov/sites/documents/DOC_8989.PDF)

Page 1, para. 3, "...live-in aide is a person who resides with..." and **"...would not be living in the unit except to provide the necessary supportive services..."**

Page 2, para. 2, "...A family's composition or circumstances may warrant the provision of an additional bedroom to permit disabilityrelated overnight care and allow the family equal use and enjoyment of the unit..."

(The live in aide is permitted to stay overnight only if providing "disability-related overnight care". This does not say that the live in aide is required to solely reside in the unit and is not permitted to have a secondary residence, as HPHA falsely claims.)

(d) Refer to HUD Notice PIH 2009- 22 (HA) (extended version)

(https://www.hud.gov/sites/documents/DOC_8989.PDF)

"...The definition of a live-in aide is recorded in 24 CFR Section 5.403 which states that a live-in aide is a person who resides with one or more elderly persons [over 60], near-elderly persons or persons with disabilities and who is: (1) determined to be essential to the care and well-being of the persons; (2) is not obligated for the support of the persons; and (3) **would not be living in the unit except to provide the necessary supportive services..."**

"...Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Therefore, an additional bedroom should not be approved for a live-in aide under these circumstances..."

"...**A family may always request a reasonable accommodation to permit program participation by individuals with disabilities. A family's composition or circumstances may warrant the provision of an additional bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit.** Such limited exceptions to the established subsidy standards are permitted under 24 CFR Section 982.402(b)(8). The PHA must consider requests for an exception to the established subsidy standards **on a case-by-case basis and provide an exception, where necessary**, as a reasonable accommodation. The PHA shall document the justification for all granted exceptions..."

(e) HUD document: 4350.3 REV-1

(<https://www.hud.gov/sites/documents/43503c3HSGH.PDF>)

Page 3-9

3-6(E.)(3.)(a.) Live-in aide.

(1) A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who:

(a) Is determined to be essential to the care and well being of the person(s);

(b) Is not obligated for the support of the person(s); and

(c) **Would not be living in the unit except to provide the necessary supportive services.**

(2) To qualify as a live-in aide:

(a) The owner [PHA] must verify the need for the live-in aide.

Verification that the live-in aide is needed to provide the necessary supportive services essential to the care and well-being of the person must be obtained from the person's physician, psychiatrist or other medical practitioner or health care provider. The owner must approve a live-in aide if needed as reasonable accommodation in accordance with 24 CFR Part 8 [which includes epilepsy] to make the

program accessible to and usable by the family member with a disability. The owner may verify whether the live-in aide is necessary **only to the extent necessary to document that applicants or tenants who have requested a live-in aide have a disability-related need for the requested accommodation. This may include verification from the person's physician...or health care provider.** The owner may **not** require applicants or tenants to provide access to confidential medical records or to submit to a physical examination.

(re (2)(a) above, "verification" must be "obtained from the person's physician", not from HPHA's employee Ryan Akamine. The actions of Ryan Akamine to act as the gatekeeper proves he is acting outside the scope of his duties.)

(f) Federal Register 98-10374, pages 23850, HUD writes:

"...HA does not assess the nature and character of the occupant's disability in order to match the occupant with requirements for occupancy...or to assure that the occupant will benefit from appropriate supportive services..."

"...An elderly or disabled Section 8 participant chooses whether [where] to live in a group home or in other housing that satisfies the HUD housing quality standards. The HA may not bar access to group housing **because the HA believes that the participant can live independently, and does not need supportive services.** Conversely, the HA may not bar access to group housing **because the HA believes that the participant needs supportive services** that are not available at the housing..."

"...the HA has no responsibility or authority to act as a gatekeeper who determines whether the assisted family has or lacks the capacity to live independently..."

"...The HA may not inquire into the nature or extent of disability...")

(to clarify: Ryan Akamine did not have the authority to “assess the nature and character of the occupant’s disability” and “may not inquire into the nature or extent of [plaintiff’s] disability”. Ryan Akamine has “..no responsibility or authority to act as [plaintiff’s] gatekeeper...”) “...(c) [Live in aide] qualifies for occupancy only as long as the individual needing supportive services requires the aide’s services and remains a tenant...”

(to clarify, the above sentence says: as long as the “individual” remains a tenant, not as long as the “live in aide” remains a tenant.)

“...(f) (4) An adult child is eligible to move into a Section 202/8 project after initial occupancy **only if they are essential to the care or wellbeing of the elderly parent(s)**. The adult child may be considered a livein aide if all of the requirements in 1, above, apply and **there is a verified need for a live-in aide** in accordance with 2(a), above...”

(verification must be provided by a physician, not the defendants)

(g) 24 CFR §5.403

Live in aide means a person who resides with one or more elderly persons, or near elderly persons, or persons with disabilities, and who:

- (1) Is determined to be essential to the care and well being of the person
- (2) Is not obligated for the support of the person; and
- (3) **Would not be living in the unit except to provide the necessary supportive services.** (emphasis added)

(h) 24 CFR §982.316

Live in Aide

(a) A family that consists of one or more elder [over 62 years of age, plaintiff is 62 years of age], near-elderly, or disabled persons may request that the PHA approve a live in aide in the unit and provide necessary supportive services for a family member who is a person with disabilities. **The PHA must approve a live in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.**

(b) At any time, the PHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval, **if:**

- (1) The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- (2) The person commits drug-related criminal activity or violent criminal activity; or
- (3) The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

(i) HPHA Admin Rule 3-I.M.

PHA Policy

A family's request for a live-in aide must be made in writing. **Written verification will be required from a reliable, knowledgeable professional, such as a doctor**, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, nearelderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) **would not be living in the unit except to provide the necessary supportive services.**

(j) § 966.53

The following CFR confirms that a live in aide is not considered a tenant of the disabled person's home:

(<https://www.ecfr.gov/current/title-24/subtitle-B/chapter-IX/part-966/subpart-B/section-966.53>)

§ 966.53 Definitions.

For the purpose of this subpart, the following definitions are applicable:

Tenant shall mean the adult person (or persons) (other than a live-in aide):

(1) **Who [tenant] resides in the unit, and who [tenant] executed the lease** with the PHA as lessee of the dwelling unit.

2. The following email is from FHEO Branch Chief, Stephanie Rabiner. The email is dated 06.13.23.

(a) FHEO Branch Chief Stephanie Rabiner confirms in her email (quoted verbatim) that in June 2022 Ryan Akamine reopened his investigation into plaintiff's live in aide (from April 2022).

Ms. Rabiner writes in her dated 06.18.23:

“...Please be advised that HPHA has informed FHEO that HPHA has continued its investigation into your son's residency between 2017 and April 2022. HPHA's ongoing investigation is a continuation of its April 2022 inquiry into your need for a live-in aide and your son's place of residence as your designated live-in aide...”

(b) Ryan Akamine claims that it is policy that plaintiff's live in aide is not permitted to have his own separate residence, and must reside solely and exclusively in the plaintiff's home (even if not providing support services), and is not permitted to have a job.

But there's no law to support Ryan Akamine's position. He's just making up stuff in order to interfere with plaintiff's housing and reasonable accommodation to have a live in aide.

Ms. Rabiner writes in her email dated 06.13.23:

“...Ms. Thorson, I have looked in our Housing Choice Voucher handbooks (old and new), out regulations, and the PIH notices that refer to live in aides. **I cannot find anything that refers to live in aide's primary residence or HUD's definition of a live in aide's primary residence...**”

J. FRAUD

18 USC. §666...Subsection (ϕ1)(1)(A)...prohibits the embezzlement, stealing, obtaining by fraud or otherwise unauthorized conversion...to ensure the integrity of Federal program funds..."

"...being an agent of an organization whoever embezzles, steals, obtains by fraud, or knowingly converts to the use of any person misapplies, property that is valued at \$5,000 or more, and is owned by, or under control of the government, or corruptly solicits for the benefit of anyone, anything of value, intending to be influenced or rewarded any business, transaction, shall be..."

Section 666(d)(1) reads: "...The term "agent" means a person authorized to act on behalf of another person or a government and, in the case of an organization or government, includes a servant or employee, and a partner, director, office manager, and representative..."

CRM 1002. Theft and Bribery in Federally Funded Programs

To protect the integrity of the vast sums of money distributed through Federal programs, Congress enacted 18 USC. §666...Subsection (a)(1)(A) of Section 666 prohibits the embezzlement, stealing, obtaining by fraud or otherwise unauthorized conversion to the use of any person other than the rightful owner or the intentional misapplication of property having a value of \$5,000 or more by an agent, typically an employee, of an organization or of a state assistance. The maximum penalty is imprisonment for 10 years and a fine of the greater of \$100,000 or twice the amount obtained in violation of this section... Consequently, Congress created 18 USC. §666 to ensure the integrity of Federal program funds administered through private organizations and state, local, or Indian tribal government agencies and to fill an apparent gap in the law that neither 18 USC. §641 nor §665 could reach.

K. CONCLUSION

1. Plaintiff claims that the defendants refuse to comply with the federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented.
2. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use of low comparables in rent reasonableness determinations.
3. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use comparables against the contract rent (instead of the payment standard).
4. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use low comparables in rent reasonableness determinations against the contract rent for the purpose of lowering the contract rent.
5. Plaintiff claims that the federal rules and HUD guidelines do not support defendants' illegal policy to use low comparables in rent reasonableness determinations against the contract rent, but is applied to all vouchers for the purpose of lowering the contract rent so the defendants can accumulate as much "surplus grant funds" as they can, only to steal it.
6. Plaintiff claims there is evidence to prove that defendant is the only PHA in the country that uses a **low** comparable as policy in all their rent reasonableness determinations.
7. Plaintiff claims that landlords and tenants do not benefit from defendant using one low comparable as policy, but rather it is only the defendants who benefit because defendants keep the "surplus grant funds", which is the difference between the FMR/payment standard *and*

the contract rent. The contract rent is always lowered as a result of defendants using one low comparable. The lower the defendants can lower contract rent, the more “surplus grant funds” defendants can keep.

8. Plaintiff claims that the federal rules and HUD guidelines do not support defendants illegal policy as it pertains to live in aides being required: (1) to reside in plaintiff’s home only, even when not providing support services, (2) is not permitted to have a separate residence, (3) is not permitted to provide “disability-related overnight care” as needed, and (3) is not permitted to have a job.

9. Plaintiff claims that the federal rules and HUD guidelines do not support defendants policy regarding live in aides, but rather plaintiff has provided authorities in this complaint to prove that live in aides (1) may reside in plaintiff’s home only when providing support services which includes disability-related overnight care as needed, (2) may not reside in plaintiff’s home when not providing support services, (3) is required to have a separate residence, and (4) must have a job to provide for his own living expenses (especially considering that plaintiff only receives SSDI and is unable to pay for or care for a live in aide).

10. Plaintiff claims that all defendants were obligated to comply with the following basic HUD requirements as a PHA, and failed:

(a) Defendant is required to not discriminate against disabled recipients.

HPHA failed this obligation.

(b) Defendant is required to ensure decent safe housing units are accessible to **all** recipients.

HPHA failed this obligation.

- (c) Defendant is required to make reasonable accommodations to its own policies, practices, and procedures, to exercise discretion and flexibility to avoid displacement of tenants, and to prevent actions that have a negative impact on the disabled recipient.
HPHA failed this obligation.
- (d) Defendant is required to train their employees to be aware of civil rights obligations and their own obligations under the Fair Housing Act to further fair housing for all the disabled recipients.
HPHA failed this obligation.
- (e) Defendant is required to use appropriate utility allowance charts. Defendants failure to use the appropriate utility allowance chart caused the plaintiff financial harm, since it is the responsibility of the plaintiff to pay the electric bill, which averages \$500 per month. This is a hardship on the plaintiff because of her limited monthly income, in which 60% of her income is currently going towards the electric bill.
HPHA failed this obligation.
- (f) Defendant is required to use appropriate payment standard charts. Defendants failure to use appropriate payment standard charts caused the plaintiff harm, since it determines the amount of the payment standard on the voucher, which assists the tenant to search for a rental.
HPHA failed this obligation.
- (g) Defendant is required to comply with the HUD guidelines as it pertains to comparables used in rent reasonableness determinations. Defendants used the low comparable in the amount of \$1,621 for the purpose of causing harm to the plaintiff, by interfering with plaintiff's housing, interfering with plaintiff's payment standard and contract rent (which nullified plaintiff's 120% reasonable accommodation). It is not reasonable for the defendants (or any PHA) to allow low comparables to have

precedence over plaintiff's 120% reasonable accommodation (aka: "approved exception payment standard").

The \$1,621 "low" comparable located in zip code 96816 was \$2,379 less than the contract rent of \$4,000 rental located in zip code 96821. This caused plaintiff's contract rent to be reduced from \$4,000 to \$3,273, a 20% decrease in the contract rent, which nullified plaintiff's 120% reasonable accommodation.

HPHA failed this obligation.

- (h) Defendant is required to comply with HUD/PIH guidelines when using comparables, which HUD states: "...the PHA should collect data on [comparable] units with gross rents **at least 20-25 percent above the** greater of the payment standard or the FMR, including any HUD approved exception payment standards...".
HPHA failed this obligation.

- (i) Defendant is required to comply with HUD/PIH guidelines "...to use a common sense approach..." in rent reasonableness determinations, and "...may justify a higher rent under the rent reasonableness provisions in 24 CFR § 982.507(b)(1)...", and "...must permit a higher rent that may be necessary as a reasonable accommodation for persons with disabilities in accordance with Federal civil rights laws..."
(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook)
HPHA failed this obligation.

- (j) Defendants are required "... to be careful not to limit their rent reasonableness analysis to only mid-range units or only units in certain more affordable neighborhoods. Voucher families may choose to rent units above the payment standard. As a rule of thumb, **the PHA should collect data on units with gross rents**

at least 20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...

[120% reasonable accommodation is plaintiff's "approved exception payment standard"]

(https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook)

HPHA failed this obligation.

- (k) Defendants are required to be in compliance with 24 CFR §100.400, and Hawaii's Fair Housing Act under HRS Ch.515 (42 USC §3617), which **prohibits acts of retaliation** against a person who is exercising her rights under the Fair Housing Act. Defendants purposefully and intentionally threatened, harassed, and intentionally interfered with plaintiff's housing under the pretext of a sudden "investigation" and/or "certifying" the plaintiff's live in aide. Defendants took all of plaintiff's reasonable accommodations away from her, which were approved in 2017, including her live in aide by communicating to the public that the live in aide was going to prison for fraud, causing the live in aide to quit.

HPHA failed this obligation.

- (l) Defendants are required to not defame the plaintiff and her live in aide, and are required to not intentionally cause them harm.

HPHA failed this obligation.

- (m) Defendants are required to protect plaintiff's personal and confidential information and not provide it to third parties outside of the agency. Defendants are required to not discuss or disclose the plaintiff's disability or medical condition, or her housing assistance, or any other personal and confidential information.

- (n) Defendants are required to not communicate to third parties outside of the agency that the plaintiff and the live in aide are going to prison for fraud. If defendants believed that the plaintiff and live in aide were not in compliance with any administrative rule, then the defendants had a fiduciary duty to notify the plaintiff and live in aide, and allow them to comply.
- (o) Defendants threat caused the live in aide to quit as his mother's live in aide and permanently moved out of his mother's home. This is the first time in over six years that the mother is now without a live in aide. As a result of the live in aide moving out, the plaintiff's 2-bedroom voucher has been reduced to a 0-bedroom voucher. Defendants had a fiduciary duty to protect and assist the plaintiff in her housing, not destroy her.
HPHA failed this obligation.
- (p) Defendants were determined to terminate the plaintiff's reasonable accommodation for a live in aide, which defendants knew would cause the plaintiff's 2-bedroom voucher to be reduced to a 0-bedroom voucher, or possibly terminate the plaintiff's voucher altogether, which would ultimately cause the plaintiff to be homeless. The responsibility of defendants is to be a safety net so the disabled elderly are not homeless.
HPHA failed this obligation.
- (q) Defendants had a legal obligation to not interfere with the plaintiff's live in aide, not to interfere with plaintiff's reasonable accommodation to have a live in aide (approved in 2017), not interfere with plaintiff's voucher, and not interfere with plaintiff's housing. Defendants continually harassed the plaintiff under the guise of "certifying" the plaintiff's disability and "certifying" the live in aide.
HPHA failed this obligation.

- (r) Defendants continued to harass the plaintiff under the guise of “certifying” live in aide, by requiring the plaintiff, the plaintiff’s live in aide, and the plaintiff’s doctor answer numerous interrogating questions regarding plaintiff’s disability and live in aide. Defendants had an obligation to not act as the gatekeeper, but rather should have assisted the plaintiff and made every effort to not cause her harm.

HPHA failed this obligation>

- (s) Defendants already had in their possession a total of four (4) letters from four (4) different doctors over the span of the previous eight (8) years, which all the doctors confirmed the plaintiff is disabled and is required to have a live in aide. But these letters did not satisfy Ryan Akamine in order to “certify” the plaintiff’s live in aide. Even after plaintiff provided Ryan Akamine with a voluminous amount of documents and medical records to prove her disability, and what happened/happens if she is without a live in aide, Ryan Akamine was never satisfied. This proves that defendants had ulterior motives to interfere with plaintiff’s housing, to interfere with plaintiff’s live in aide, and to interfere with plaintiff’s reasonable accommodations.

HPHA failed this obligation..

- (t) Defendants purposefully and intentionally harassed and intimidated the plaintiff, for the purpose of discriminating and interfering with plaintiff’s housing, by interfering with plaintiff’s reasonable accommodations previously approved by defendants in 2017. Plaintiff expected defendants to assist in her housing, not find fault with the plaintiff for following the rules and making sure correct charts and comparables were used. Now we know low comparables are always used so the defendants can accumulate as much “surplus grants funds” as they can. It is only the defendants who benefit from using low comparables. The tenant and landlord

do not benefit from defendants using low comparables as policy in all their rent reasonableness determinations.

HPHA failed this obligation..

11. Plaintiff claims that the evidence will prove that the defendants are stealing federal funds from the Section 8 Housing Choice Voucher Program, which is considered a crime according to 18 U.S.C. 666. The evidence proves that the defendants fabricated and altered their financial statements and provided false information to state auditors, but for the sole purpose of hiding the millions of dollars the defendants are stealing. The evidence will prove that HUD records prove the HPHA 's figures are fabricated.

L. PRAYER

1. Plaintiff prays the court **declares** that the defendant's actions, policies, and practices, as alleged herein, violate the federal rules outlined in this complaint.

2. Plaintiff prays the court orders the defendants to **comply** with all the federal rules that govern how the Section 8 Housing Choice Voucher Program is to be implemented.

3. Plaintiff prays the court orders the defendants to **revise** their Administrative Plan to reflect the federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is implemented. Plaintiff prays the court will order defendants to revise their Administrative Plan to be in accordance with HUD regulations and requirements, in compliance with **24 CFR §982.54, which reads:**

24 CFR §982.54

"...The administrative plan must be in accordance with HUD regulations and requirements..."

4. Plaintiff prays the court orders the defendants to revise their Administrative Plan to reflect the written methodology in using appropriate comparables in rent reasonableness determinations in compliance with HUD guidelines.

5.

6. Plaintiff prays the court orders the defendants be restrained from using **low** comparables in their rent reasonableness determinations, in compliance with the **HUD/PIH Housing Choice Voucher Program Guidebook, which reads as follows:**

Chapter 3 Rent Reasonableness

3.1.2 “...the PHA should collect data [comparables] on units with gross rents at least **20-25 percent above the greater of the payment standard or the FMR, including any HUD approved exception payment standards...**”

(Note: “approved exception payment standard” included plaintiff’s 120% reasonable accommodation, approved in 2017)

7. Plaintiff prays the court orders the defendants to take all necessary and appropriate affirmative steps to correct the effects of their unlawful conduct in using low comparables by revising all the existing vouchers to ensure that the correct comparables were used in rent reasonable determinations, and recalculate all the contract rents to reflect the correct payment standard, and correct the rent portions recipients pay and landlord receive (retroactively). Defendants should be ordered to go back at least ten (10) years to review and correct all the files, and reimburse all recipients and landlords accordingly.

8. Plaintiff prays the court orders the defendants to create a database to reflect accurate comparables by zip code. HUD requires this of all PHAs. Executive Director Halim Ouansafi confirms in the 06/23 board

meeting that the database is not accurate, and this is why he permits tenants to submit their own comparables.

9. Plaintiff prays the court orders the defendants be restrained from **steering** recipients away from living in certain neighborhoods, and into high-crime poverty-stricken neighborhoods.

10. Plaintiff prays the court orders the defendants act in the best interest of all tenants and all landlords without prejudice and without harassment, not be bullied by defendants into lowering their contract rent below the payment standards established by HUD.

11. Plaintiff prays the court orders the defendants to no longer use low comparables as policy in all rent reasonableness determinations for the purpose of accumulating “surplus grant funds”.

12. Plaintiff prays the court orders the defendants to provide an accounting of where the \$29M/year of “surplus grants funds” are.

13. Plaintiff prays the court orders **restraining orders** against the defendant’s employees to protect the plaintiff and live in aide. Restraining orders are necessary to protect the plaintiff and the live in aide from future retaliation, harassment, and defamation.

14. Plaintiff prays the court orders defendants be subject to a full audit of ‘surplus grant funds’ accumulated as a result of defendants low comparable policy in their rent reasonableness determinations. This is a huge task, but we’re talking about approximately \$2.4M monthly and \$29M annually in “surplus grant funds” that are being accumulated by the defendants as a result of defendants low comparable policy.

15. I pray that HPHA and its employees are subject to Fair Housing **training** programs. The facts of this case are not merely allegations, but rather factual findings against HPHA’s inability to follow federal rules.

16. Based on my research of the past and present leadership of Hawaii Public Housing Authority, it is well documented that there is a pattern of abuse and lack of leadership. To date, there have been multiple lawsuits against the Hawaii Public Housing Authority.

(a) The link below proves that HPHA **has a history of not complying with federal rules**. This is a Compliance Agreement, which HUD required HPHA sign. The link below is a HUD/FHEO Section 504 Voluntary Compliance Agreement between Hawaii Disability Rights Center and Hawaii Public Housing Authority, was signed by HPHA's executive director Hakim Ouansafi on July 6, 2018.

https://www.hud.gov/sites/dfiles/FHEO/documents/18VCA_HDRC.pdf

(b) The link below proves that HPHA **has failed to adequately train their employees to comply with the federal rules that dictate fair housing**. This would be a great time to order HPHA leadership to provide on the job training to HPHA employees as it pertains to fair housing.

“...This study proves that only **18.4% of HPHA employees have received on the job training for fair housing...**”

https://dbedt.hawaii.gov/hhfdc/files/2020/04/FINAL_AI.pdf

16. Plaintiff prays the defendants are criminally charged with Fraud, and are held accountable to repay all the federal funds they have and are continuing to steal from the Section 8 Housing Choice Voucher Program, which as of today equals approximately \$103,579,320. According to CRM 1002, “...maximum penalty is imprisonment for 10 years and a fine of the greater of \$100,000 or twice the amount obtained in violation of the section...”

M. CLAIMS FOR RELIEF

1. As it pertains to the plaintiff's contract rent, that the court order the defendants reinstate the correct contract rent in the amount of \$4,000, which is the contract rent confirmed in the RFTA and Lease dated March 21, 2022, which was signed by the plaintiff and the owner; noting that the inspection performed on April 13, 2022 was based on the RFTA and Lease dated March 21, 2022 for the contract rent of \$4,000.
2. As it pertains to the plaintiff's contract rent, that the court order the defendants reinstate the correct contract rent in the amount of \$4,000, effective retroactively from the date the unit passed inspection on April 13, 2022, which is also the effective date of the HAP contract.
3. As it pertains to plaintiff's 120% reasonable accommodation, that the court order defendants restore the plaintiff's 120% reasonable accommodation in calculating the plaintiff's contract rent (which was nullified effective April 13, 2022 when HPHA used the low comparable).
4. As it pertains to the inappropriate payment standard and utility allowance charts initially provided to the plaintiff in 2022, that the court order defendants use appropriate charts in determining the plaintiff's rent portion; applied retroactively effective April 13, 2022.
5. As it pertains to plaintiff's medical records, pictures, and any other documents that pertain to plaintiff's disability, plaintiff prays the court order the defendants purge all their computer and hard files of all records that pertain to plaintiff's disability. In compliance with HIPAA laws, plaintiff requests that all medical information remain confidential and private and order the defendnats not to provide plaintiff's medical information or disability to the members of the public, outside of the agency. Plaintiff requests that such an order is in compliance with the following rules:

HPHA Admin rule 7-II.F.

“...PHA will **not** place this information in the tenant file. Under **no** circumstances will the PHA request a participant’s **medical record(s)**...”

HPHA Admin rule 2.II-D.

“...The PHA will **not** inquire about the nature or extent of any disability...**Medical records** will **not** be accepted or retained in the participant file...”

6. As it pertains to discrimination, defamation, harassment, retaliation, manipulation, coercion, and intentional interference, plaintiff prays that the court grant the plaintiff a restraining order against the defendants from future discrimination, defamation, harassment, retaliation, manipulation, coercion, and intentional interference.

7. As it pertains to the defendants, that they are ordered to comply with the federal rules and HUD guidelines that govern how comparables are to be collected and used in rent reasonableness determinations.

8. As it pertains to the defendants using low comparables, that the court order defendants to:

- (a) not use low comparables as policy in any rent reasonableness determinations.
- (b) not use low comparables as policy in any rent reasonableness determinations for the purpose of reducing the contract rent.
- (c) not use low comparables as policy in any rent reasonableness determinations for the purpose of accumulating “surplus grant funds”.
- (d) provide an accounting of how the “surplus grant funds” have been ~~allocated~~ **diverted, misappropriated, stolen**, for **at least** the last ten (10) years.

N. CLAIMS FOR MONETARY DAMAGES

1. GENERAL DAMAGES

Plaintiff prays that the court enters an order for monetary damages in the amount of \$350,000.

(a) As outlined in this complaint, the actions of defendants caused the plaintiff harm, which includes but is not limited to: causing plaintiff's 2-bedroom voucher to be reduced to a 1-bedroom voucher, causing plaintiff's payment standard and contract rent to be reduced (as a result of using low comparables as policy), causing plaintiff to lose her 120% reasonable accommodation, and causing plaintiff to lose her live in aide.

(b) As outlined in this complaint, the actions of the defendants caused the plaintiff harm, by causing the plaintiff to lose her live in aide. The defendants knew the plaintiff was required to have a live in aide, but persisted relentlessly to harass and intimidate the plaintiff and the live in aide, having no mercy, but for the sole purpose of interfering with the plaintiff's housing and interfering with the plaintiff's reasonable accommodations. Defendants refused to approve disability-related overnight care despite the fact that the defendants had in their possession a voluminous amount of documents and medical records, and four (4) letters from four (4) different doctors over the span of eight (8) years, to prove plaintiff is disabled and is required to have a live in aide to provide care and disability-related overnight care as needed. But the defendants refused to approve the live in aide for "disability-related overnight care", and even went so far as to stipulate that the live in aide must reside in the plaintiff's home permanently and exclusively, and was not permitted to have his own residence, and was not permitted to have a job. Defendants required that plaintiff find another live in aide who could live in her home permanently and exclusively, but there is no way the plaintiff could pay for and care for a live in aide on her SSDI benefits. The very reason the plaintiff moved to Hawaii was so her son could provide her care as needed for free. Because of the actions of the defendants, the disabled plaintiff now lives alone without a live in aide.

(c) An award for \$350,000 is justified for the purpose of making the plaintiff whole for the damages inflicted upon her by the defendants acting outside the scope of their duties. As a result, defendants' actions were purposeful and intentional to cause the plaintiff harm. Defendants discriminated and retaliated against the plaintiff, interfered with plaintiff's housing, interfered with plaintiff's reasonable accommodations (approved in 2017), interfered with plaintiff's voucher size, interfered with plaintiff's live in aide, and ultimately interfered with plaintiff's health. It is impossible to expect that the plaintiff is to pay for and care for a live in aide on her SSDI, and still care for herself. Plaintiff lost her live in aide and her 2-bedroom voucher because of the actions of the defendants.

(d) An award for \$350,000 is justified for the damages that include, but are not limited to: retaliation, intentional interference, defamation of character, coercion, intimidation, harassment, intentional infliction of emotional distress, mental anguish, pain and suffering, and discrimination, which were inflicted upon plaintiff by the defendants.

(e) An award for \$350,000 is justified for the purpose of making the plaintiff whole. Defendants failed to administer the Section 8 Housing Choice Voucher Program in accordance with the federal rules and HUD guidelines, also in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other Federal, State, and local laws outlined in this Complaint, which prohibits discrimination and promotes fair equal housing opportunities for all disabled persons.

(f) The following federal rules prove that the conduct of the defendants is unlawful, and warrants an award for damages to the plaintiff:

24 CFR 100.400

Prohibited interference, coercion, or intimidation.

(a) This subpart provides the Department's interpretation of the conduct that is **unlawful** under section 818 of the Fair Housing Act.

(b) It shall be **unlawful** to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of...any right granted or protected by this part.

(c) **Conduct made unlawful under this section includes, but is not limited to the following:**

(1) Coercing a person, either orally, in writing, or by other means, to deny or limit the benefits provided that person in connection with the...rental of a dwelling...because of race, color, religion, sex, handicap, familial status, or national origin.

(2) Threatening, intimidating or interfering with persons in their enjoyment of a dwelling because of the race, color, religion, sex, handicap, familial status, or national origin of such persons, or of visitors or associates of such persons.

(5) Retaliating against any person because that person has made a complaint, testified, assisted, or participated in any manner in a proceeding under the Fair Housing Act.

(6) Retaliating against any person because that person reported a discriminatory housing practice to a housing provider or other authority.

24 CFR §100.600

Quid pro quo and hostile environment harassment.

(a) General. Quid pro quo and hostile environment harassment because of race, color, religion, sex, familial status, national origin or handicap may violate sections 804, 805, 806 or 818 of the Act, depending on the conduct. The same conduct may violate one or more of these provisions.

(1) Quid pro quo harassment.

(2) Hostile environment harassment.

(b) Type of conduct. Harassment can be written, verbal, or other conduct, and does not require physical contact.

(c) Number of incidents. **A single incident of harassment** because of race, color, religion...or handicap may constitute a discriminatory housing practice, where the incident is sufficiently severe to create a hostile environment, or evidences of a quid pro quo.

2. PUNITIVE DAMAGES

Plaintiff prays that the court enters an order for punitive damages in the amount of \$5,000,000

(a) An award for \$5,000,000 in punitive damages is less than two months of what the defendants accumulate in “surplus grant funds” from the landlords and the recipients of the Section 8 Housing Choice Voucher Program by illegally using one low comparable in all rent reasonableness determinations.

(b) An award for \$5,000,000 in punitive damages is justified to vindicate the plaintiff, and to punish the defendants for failing to implement the Section 8 Housing Choice Voucher Program in conformity with the federal rules and HUD guidelines, in addition to, defendants own administrative plan, local laws, title VI of the Civil Rights Act of 1964, the Fair Housing Act which prohibits discrimination and promotes equal opportunity and fair housing for all disabled Section 8 recipients.

(c) An award for \$5,000,000 in punitive damages is justified because plaintiff claims that the defendants should be punished for:

- (1) violating federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented,
- (2) adopting policies that are not in compliance with the federal rules and HUD guidelines that govern how the Section 8 Housing Choice Voucher Program is to be implemented.
- (3) refusing to document in defendants Administrative Plan as it pertains to using low comparables, and using comparables against the contract rent and not the payment, which proves defendants refused to comply with 24 CFR §982.54, “...The

administrative plan must be in accordance with HUD regulations and requirements...”

- (4) implementing their own undocumented illegal policy as it pertains to using low comparables as policy in rent reasonableness determinations,
 - (5) implementing their own undocumented illegal policy as it pertains to using low comparables as policy in rent reasonableness determinations for the purpose of reducing the contract rent in order to accumulate “surplus grant funds”
 - (6) implementing their own illegal policy as it pertains to live in aides, which are not in compliance with the federal rules and HUD guidelines, and refusing to document their illegal policies in their Administrative Plan.
 - (7) implementing illegal policies that caused harm to the plaintiff.
 - (8) implementing illegal policies that caused harm to all Section 8 recipients
 - (9) implementing illegal policies that caused harm to all landlords/owners.
- (d) An award for \$5,000,000 in punitive damages is justified to set a precedence that all PHAs must follow federal rules and HUD guidelines when implementing the Section 8 Housing Choice Voucher Program.
- (e) An award for \$5,000,000 in punitive damages is justified because an award for punitive damages will discourage and deter the defendants and its employees from future acts of acting outside the scope of their duties, acts construed as egregious, malicious, grossly negligent, oppressive, and intentional. The end result has to be that the punishment is severe enough to deter defendants from future acts of

discrimination, interference, harassment, etc., and to deter defendants from adopting illegal policies in the future that are not in the best interest of the Section 8 recipient and/or the landlord/owner.

(f) Plaintiff prays the court awards a civil penalty against the defendants in an amount authorized by 42 USC 3614(d)(1)(C).

(g) Plaintiff prays the court award any additional relief and penalties against defendants the court determines is in the best interest of justice.

In closing, plaintiff reserves the right to retain counsel at any time during the proceedings of this case, and that an award for attorney fees be granted (if necessary). If the court deems it necessary to appoint a court-appointed attorney to represent the plaintiff, plaintiff requests the U.S. Attorney General Clare Connors. It is assumed that the U.S. Attorney General would be the appropriate attorney to represent the plaintiff, acting in the best interest of the plaintiff and all of Hawaii's disabled recipients of the Section 8 Housing Choice Voucher Program.

Date: _____ Plaintiff: _____

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ATTACHMENT:

CHART TITLED 'FRAUD CLAIM'

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FRAUD

THIS DOCUMENT PROVES THAT SINCE 2015, \$103,579,320 HAS BEEN STOLEN FROM THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM. THIS IS FRAUD, A FEDERAL CRIME ACCORDING TO 42 U.S.C. 666/CRM 1002.

HPHA RECEIVED THE FULL SUBSIDY FOR ALL THE SECTION 8 VOUCHER (120% OF PAYMENT STANDARD FOR YEARS 2022, 2023, 2024)
 HPHA RECEIVED ALL THE SECTION 8 VOUCHERS EQUAL TO THE FULL SUBSIDY

HPHA FINANCIAL STATEMENTS CONFIRM 100% OF THE SUBSIDY RECEIVED, AND USED
 HPHA FINANCIAL STATEMENTS CONFIRM 100% OF THE SUBSIDY USED IS NOT WHAT HPHA REPORTED TO HUD

HPHA FINANCIAL STATEMENTS CONFIRM HAP PAYMENTS WERE FRAUDULENTLY INCREASED TO EQUAL 100% OF THE SUBSIDY
 HPHA FINANCIAL STATEMENTS CONFIRM HAP PAYMENTS IS NOT WHAT HPHA REPORTED TO HUD

HUD CONFIRMS TOTAL HAP PAYMENTS MADE BY HPHA
 (PROVING HPHA INCREASED THE HAP FIGURES IN THEIR FINANCIAL STATEMENTS TO EQUAL 100% OF THE SUBSIDY)
 HUD CONFIRMS TOTAL VOUCHERS ISSUED and TOTAL VOUCHERS ACTUALLY USED
 HUD CONFIRMS THE HPHA DID NOT USE 100% OF THE VOUCHERS, BUT USED 100% OF THE SUBSIDY

HUD FIGURES.....				HPHA (per financial stmts/audits & board mtgs)			
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
07.31.24	4,397	3,414				\$5,162,951	
06.30.24						\$5,661,703	
06.30.24 YTD			\$57,039,499			\$61,741,016	
05.31.24	4,319	3,442	79.69%	\$4,772,962	\$4,890,762	\$4,865,733	20.31% =
			102.47% of budget used for 79.69% of vouchers issued				(\$969,388)
04.30.24	4,319	3,457	80.04%	\$4,772,962	\$4,480,646	\$5,171,175	19.96% =
			101.42% of budget used for 80.04% of vouchers issued				(\$952,683)

= \$1,922,071
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HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
03.31.24	4,319	3,468	80.30%	\$4,782,859	\$4,903,077	\$4,453,486 / 3,476	19.70% = (\$942,223)
			102.51% of budget used for 80.30% of vouchers issued				
02.29.24	4,319	3,470	80.34%	\$4,782,859	\$4,625,657		19.66% = (\$940,310)
			96.71% of budget used for 80.34% of vouchers issued				
01.31.24	4,319	3,499	81.01%	\$4,792,046	\$4,973,538	\$4,987,708 / 3,518	18.99% = (\$910,009)
			103.79% of budget used for 81.01% of vouchers issued				
12.31.23	4,321	3,521	81.49%	\$4,779,483	\$4,654,048	\$4,851,747 / 3,521	18.51% = (\$884,682)
			97.38% of budget used for 81.49% of vouchers issued				
11.30.23	4,321	3,527	81.62%	\$4,779,483	\$4,700,666	\$4,775,679 / 3,515	18.38% = (\$878,468)
			98.35% of budget used for 81.62% of vouchers issued				
10.31.23	4,311	3,522	81.70%	\$4,770,195	\$4,799,029	\$4,708,330 / 3,523	18.30% = (\$872,945)
			100.60% of budget used for 81.70% of vouchers issued				
09.30.23	4,268	3,514	82.33%	\$4,750,418	\$4,758,458	\$4,843,974 / 3,526	17.67% = (\$839,398)
			100.17% of budget used for 82.33% of vouchers issued				
08.31.23	4,248	3,515	82.74%	\$4,724,816	\$4,754,983	\$4,765,532 / 3,528	17.26% = (\$815.503)
			100.64% of budget used for 82.74% of vouchers issued				
07.31.23	4,248	3,515	82.74%	\$4,742,816	\$4,771,388	\$4,403,154 / 3,529	17.26% = (\$818,610)
			100.99% of budget used for 83.00% of vouchers issued				

HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
06.30.23	4,248	3,526	83.00%	\$4,724,816	\$4,602,981	\$4,617,309 / 3,527	17.00% =
			97.42% of budget used for 83.00% of vouchers issued				(\$803,218)
06.30.23	YTD		\$64,969,302		\$57,109,283		
05.31.23	4,248	3,521	82.89%	\$4,724,816	\$4,581,858	\$4,536,719 / 3,528	17.11% =
			96.97% of budget used for 82.89% of vouchers issued				(\$808,416)
04.30.23	4,248	3,501	82.42%	\$4,724,816	\$4,517,780	\$4,403,682 / 3,514	17.58% =
			95.62% of budget used for 82.42% of vouchers issued				(\$830,622)
03.31.23	4,240	3,497	82.48%	\$4,714,919	\$4,505,074	\$4,659,581 / 3,525	17.52% =
			95.55% of budget used for 82.48% of vouchers issued				(\$826,053)
02.28.23	4,240	3,498	82.50%	\$4,714,919	\$4,507,374	\$4,946,694 / 4,093	17.50% =
			95.60% of budget used for 82.50% of vouchers issued				(\$825,110)
01.31.23	4,230	3,493	82.58%	\$4,705,732	\$4,514,040	\$4,273,230 / 3,468	17.42% =
			95.93% of budget used for 82.58% of vouchers issued				(\$819,738)
12.31.22	4,229	3,529	83.45%	\$4,516,282	\$6,024,659	\$3,630,811 / 3,542	16.55% =
			133.40% of budget used for 83.45% of vouchers issued				(\$747,444)
11.30.22	4,229	3,524	83.33%	\$4,330,802	\$4,540,804	\$4,545,621 / 3,537	16.67% =
			104.85% of budget used for 83.33% of vouchers issued				(\$721,944)

= \$6,382,545
total of this page only

HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
10.31.22	4,229	3,520	83.23%	\$4,330,802	\$4,255,915		16.77% = (\$726,275)
			98.27% of budget used for 83.23% of vouchers issued				
09.30.22	4,201	3,520	83.79%	\$4,295,534	\$4,565,794	\$4,575,609 / 3,534	16.21% = (\$696,306)
			106.29% of budget used for 83.79% of vouchers issued				
08.31.22	4,201	3,517	83.72%	\$4,295,534	\$4,171,866	\$4,187,409 / 3,509	16.28% = (\$699,312)
			97.12% of budget used for 83.72% of vouchers issued				
07.31.22	4,201	3,519	83.77%	\$4,296,829	\$4,058,262		16.23% = (\$697,375)
			94.45% of budget used for 83.77% of vouchers issued				
06.30.22	4,201	3,516	83.69%	\$4,296,829	\$4,191,632	\$4,232,510 / 3,524	16.31% = (\$700,812)
			97.55% of budget used for 83.69% of vouchers issued				
05.31.22	4,201	3,517	83.72%	\$4,296,829	\$4,028,864	\$3,754,794 / 3,505	16.28% = (\$699,523)
			93.76% of budget used for 83.72% of vouchers issued				
04.30.22	4,201	3,518	83.74%	\$4,405,258	\$4,033,839	\$4,160,279 / 3,515	16.26% = (\$716,294)
			91.57% of budget used for 83.74% of budget				
03.31.22	4,201	3,515	83.67%	\$4,298,123	\$4,050,772	\$4,662,930 / 3,525	16.33% = (\$701,883)
			94.25% of budget used for 83.67% of vouchers issued				
02.28.22	4,201	3,501	83.34%	\$4,298,123	\$4,074,367	\$3,922,375 / 3,512	16.66% = (\$716,067)
			94.79% of budget used for 83.34% of vouchers issued				

HUD FIGURES						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
01.31.22	4,201	3,508	83.50%	\$4,299,418	\$4,099,244	\$3,824,688 / 3,433	16.50% = (\$709,403)
			95.34% of budget used for 83.50% of vouchers issued				
12.31.21	3,854	3,212	83.34%	\$7,927,909	\$3,725,851		16.66% = (\$1,320,789)
			47.00% of budget used for 83.34% of vouchers issued				
11.30.21	3,854	3,219	83.52%	\$3,143,499	\$3,743,025	\$3,751,257 / 3,233	16.48% = (\$518,048)
			119.07% of budget used for 83.52% of vouchers issued				
10.31.21	3,854	3,223	83.63%	\$3,144,722	\$3,748,537	\$3,761,876 / 3,231	16.37% = (\$514,790)
			119.20% of budget used for 83.63% of vouchers issued				
09.30.21	3,854	3,232	83.86%	\$3,223,754	\$3,701,784	\$3,705,292 / 3,252	16.14% = (\$520,313)
			114.83% of budget used for 83.86% of vouchers issued				
08.31.21	3,854	3,229	83.78%	\$3,144,722	\$3,850,409	\$3,873,204 / 3,257	16.22% = (\$510,073)
			122.44% of budget used for 83.78% of vouchers issued				
07.31.21	3,853	3,233	83.91%	\$3,143,427	\$3,785,797		16.08% = (\$505,463)
			120.44% of budget used for 83.91% of vouchers issued				
06.30.21	3,853	3,245	84.22%	\$3,143,427	\$3,687,684	\$3,790,144 / 3,229	15.78% = (\$496,032)
			117.31% of budget used for 84.22% of vouchers issued				
06.30.21	YTD			\$42,926,572		\$41,019,011	

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HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
05.31.21	3,853	3,235	83.96%	\$3,143,427	\$3,691,644	\$3,660,955 / 3,243	16.04% = (\$504,205)
			117.44% of budget used for 83.96% of vouchers issued				
04.30.21	3,852	3,231	83.88%	\$3,143,356	\$3,688,093	\$3,596,595 / 3,251	16.18% = (\$508,595)
			117.33% of budget used for 83.88% of vouchers issued				
03.31.21	3,852	3,227	83.77%	\$3,143,356	\$3,735,667	\$3,855,644 / 3,203	16.23% = (\$510,166)
			118.84% of budget used for 83.77% of vouchers issued				
02.28.21	3,852	3,205	83.20%	\$3,144,470	\$3,727,141	\$3,155,584 / 2,513	16.80% = (\$528,270)
			118.53% of budget used for 83.20% of vouchers issued				
01.31.21	3,851	3,044	79.04%	\$3,166,772	\$3,657,151	\$2,874,910 / 2,414	20.96% = (\$663,755)
			115.49% of budget used for 79.04% of vouchers issued				
12.31.20	3,851	2,416	62.74%	\$2,961,739	\$2,937,086	\$2,937,086 / 2,414	37.26% = (\$1,103,543)
			99.17% of budget used for 62.74% of vouchers issued				
11.30.20	3,851	2,417	62.76%	\$3,992.348	\$3,016,979	\$3,020,103 / 2,415	37.24% = (\$1,486,750)
			75.57% of budget used for 62.76% of vouchers issued				
10.31.20	3,850	2,414	62.70%	\$2,960,516	\$3,039,654		37.30% = (\$1,104,272)
			102.67% of budget used for 62.70% of vouchers issued				
09.30.20	3,850	2,414	62.70%	\$4,960,516	\$3,068,734	\$3,068,626 / 2,420	37.30% = (\$1,850,272)
			61.86% of budget used for 62.70% of vouchers issued				

HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
08.31.20	3,850	2,408	62.55%	\$2,960,516	\$3,067,238	\$2,998,438 / 2,424	37.45% = (\$1,108,713)
			103.60% of budget used for 62.55% of vouchers issued				
07.31.20	3,850	2,409	62.57%	\$2,960,516	\$3,036,446	\$3,035,244 / 2,344	37.43% = (\$1,108,121)
			102.56% of budget used for 62.57% of vouchers issued				
06.30.20	3,850	2,428	63.06%	\$2,960,516	\$3,103,575	\$3,109,426 / 2,370	36.94% = (\$1,093,614)
			104.83% of budget used for 63.06% of vouchers issued				
06.30.20	YTD		\$38,358,008			\$35,894,505	
05.31.20	3,850	2,410	62.60%	\$2,961,222	\$3,084,678	\$3,090,242 / 2,354	37.40% = (\$1,107,497)
			104.17% of budget used for 62.60% of vouchers issued				
04.30.20	3,849	2,411	62.64%	\$2,959,293	\$3,033,422	\$3,030,733 / 2,358	37.36% = (\$1,105,591)
			102.50% of budget used for 62.64% of vouchers issued				
03.31.20	3,849	2,403	62.43%	\$2,959,293	\$2,896,156		37.57% = (\$1,111,806)
			97.87% of budget used for 62.43% of vouchers issued				
02.29.20	3,848	2,393	62.19%	\$2,958,179	\$2,937,364	\$2,938,087 / 2,360	37.81% = (\$1,118,487)
			99.30% of budget used for 62.19% of vouchers issued				
01.31.20	3,820	2,404	62.93%	\$2,967,625	\$2,902,836	\$2,909,063 / 2,366	37.08% = (\$1,100,395)
			97.82% of budget used for 62.93% of vouchers issued				

= \$8,854,224
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HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
12.31.19	3,820	2,408	63.04%	\$2,682,012	\$2,913,761	\$2,941,842 / 2,383	36.96% = (\$991,271)
			108.64% of budget used for 63.04% of vouchers issued				
11.30.19	3,820	2,413	63.17%	\$2,682,012	\$2,940,218	\$2,984,679 / 2,479	36.83% = (\$987,785)
			109.63% of budget used for 63.17% of vouchers issued				
10.31.19	3,820	2,390	62.57%	\$2,682,012	\$2,945,298	\$2,952,630 / 2,394	37.43% = (\$1,003,877)
			109.82% of budget used for 62.57% of vouchers issued				
09.30.19	3,820	2,379	62.28%	\$2,682,012	\$2,894,388	\$2,884,188 / 2,376	37.72% = (\$1,011,654)
			107.92% of budget used for 62.28% of vouchers issued				
08.31.19	3,820	2,381	62.33%	\$2,682,012	\$2,837,151	\$2,872,504 / 2,370	37.67% = (\$1,010,313)
			105.78% of budget used for 62.33% of vouchers issued				
07.31.19	3,820	2,389	62.54%	\$2,682,012	\$2,969,266	\$2,966,034 / 2,415	37.46% = (\$1,004,681)
			110.71% of budget used for 62.54% of vouchers issued				
06.30.19	3,820	2,405	62.96%	\$2,682,012	\$2,792,960	\$2,896,385 / 2,421	37.04% = (\$993,417)
			104.14% of budget used for 62.96% of vouchers issued				
06.30.19	YTD			\$35,152,564		\$33,396,488	
05.31.19	3,820	2,397	62.75%	\$2,682,012	\$2,857,890	\$2,938,981 / 2,452	37.25% = (\$999,049)
			106.56% of budget used for 62.75% of vouchers issued				

= \$8,002,047
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HUD FIGURES						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
04.30.19	3,820	2,392	62.62%	\$2,682,012	\$2,829,560	\$2,848,385 / 2,434	37.38% = (\$1,002,536)
			105.50% of budget used for 62.62% of vouchers issued				
03.31.19	3,820	2,375	62.17%	\$2,682,012	\$2,799,906	\$2,851,477 / 2,422	37.83% = (\$1,014,605)
			104.40% of budget used for 62.17% of vouchers issued				
02.28.19	3,820	2,363	61.86%	\$2,682,012	\$2,778,792	\$2,784,325 / 2,326	38.14% = (\$1,022,919)
			103.61% of budget used for 61.86% of vouchers issued				
01.31.19	3,785	2,351	62.11%	\$2,648,969	\$2,912,769	\$2,782,260 / 2,357	37.89% = (\$1,003,694)
			109.96% of budget used for 62.11% of vouchers issued				
12.31.18	3,785	2,355	62.22%	\$2,805,755	\$2,647,647	\$2,747,112 / 2,292	37.78% = (\$1,060,014)
			94.36% of budget used for 62.22% of vouchers issued				
11.30.18	3,785	2,375	62.75%	\$2,805,755	\$2,665,572		37.25% = (\$1,045,143)
			95.00% of budget used for 62.75% of vouchers issued				
10.31.18	3,785	2,335	61.69%	\$2,805,755	\$2,667,340		38.31% = (\$1,074,884)
			95.07% of budget used for 61.69% of vouchers issued				
09.30.18	3,785	2,274	60.08%	\$2,805,755	\$2,559,297		39.92% = (\$1,120,057)
			91.22% of budget used for 60.08% of vouchers issued				
						= \$8,343,852	
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HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
08.31.18	3,785	2,286	60.40%	\$2,805,755	\$2,587,505	39.60% =	
			92.22% of budget used for 60.40% of vouchers issued				(\$1,111,078)
07.31.18	3,785	2,298	60.17%	\$2,805,755	\$2,705,959	39.83% =	
			96.44% of budget used for 60.17% of vouchers issued				(\$1,117,532)
06.30.18	3,785	2,315	61.16%	\$2,830,174	\$2,471,266	38.84% =	
			87.32% of budget used for 61.16% of vouchers issued				(\$1,099,239)
05.31.18	3,785	2,323	61.37%	\$2,805,755	\$2,570,811	38.63% =	
			91.63% of budget used for 61.37% of vouchers				(\$1,083,863)
04.30.18	3,785	2,319	61.27%	\$2,805,755	\$2,575,525	38.73% =	
			91.79% of budget used for 61.27% of vouchers				(\$1,086,668)
03.31.18	3,785	2,335	61.69%	\$2,805,755	\$2,594,409	38.31% =	
			92.47% of budget used for 61.69% of vouchers				(\$1,074,884)
02.28.18	3,785	2,347	62.01%	\$2,805,755	\$2,599,270	37.99% =	
			92.64% of budget used for 62.01% of vouchers				(\$1,065,906)
01.31.18	3,785	2,348	62.03%	\$2,821,513	\$2,623,618	37.97% =	
			92.99% of budget used for 62.03% of vouchers				(\$1,071,328)
12.31.17	3,785	2,341	61.85%	\$2,365,569	\$2,616,547	38.15% =	
			110.61% of budget used for 61.85% of vouchers				(\$902,464)

HUD FIGURES						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
11.30.17	3,785	2,343	61.90%	\$2,365,569	\$2,623,593	38.10% =	
			110.91% of budget used for 61.90% of vouchers				(\$901,281)
10.31.17	3,785	2,356	62.25%	\$2,454,813	\$2,622,478	37.75% =	
			106.83% of budget used for 62.26% of vouchers				(\$926,691)
09.30.17	3,785	2,363	62.43%	\$2,365,569	\$2,624,012	37.57% =	
			110.93% of budget used for 62.43% of vouchers				(\$888,744)
08.31.17	3,785	2,339	61.80%	\$2,410,485	\$2,599,039	38.20% =	
			107.82% of budget used for 61.80% of vouchers				(\$920,805)
07.31.17	3,785	2,294	60.61%	\$2,410,485	\$2,661,951	39.39% =	
			110.43% of budget used for 60.61% of vouchers				(\$949,490)
06.30.17	3,785	2,294	60.61%	\$2,410,485	\$2,457,568	39.39% =	
			101.95% of budget used for 60.61% of vouchers				(\$949,490)
05.31.17	3,785	2,309	61.00%	\$2,410,485	\$2,495,352	39.00% =	
			103.52% of budget used for 61.00% of vouchers				(\$940,089)
06.30.17	3,785	2,294	60.61%	\$2,410,485	\$2,457,568	39.39% =	
			101.95% of budget used for 60.61% of vouchers				(\$949,490)

HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
06.30.17	YTD		\$32,070,826			\$29,658,116	
05.31.17	3,785	2,309	61.00%	\$2,410,485	\$2,495,352	39.00% =	
			103.52% of budget used for 61.00% of vouchers				(\$940,089)
04.30.17	3,785	2,313	61.11%	\$2,410,485	\$2,518,316	38.89% =	
			104.47% of budget used for 61.11% of vouchers				(\$937,437)
03.31.17	3,785	2,298	60.71%	\$2,410,485	\$2,522,717	39.29% =	
			104.66% of budget used for 60.61% of vouchers				(\$947,079)
02.28.17	3,785	2,287	60.42%	\$2,410,485	\$2,491,800	39.58% =	
			103.37% of budget used for 60.42% of vouchers				(\$954,069)
01.31.17	3,765	2,256	59.92%	\$2,394,727	\$2,442,589	40.08% =	
			102.00% of budget used for 59.92% of vouchers				(\$959,806)
12.31.16	3,765	2,269	60.27%	\$2,216,742	\$2,367,201	39.73% =	
			106.79% of budget used for 60.27% of vouchers				(\$880,711)
11.30.16	3,765	2,299	61.06%	\$2,216,742	\$2,414,761	38.96% =	
			108.93% of budget used for 61.06% of vouchers				(\$863,642)

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HUD FIGURES						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
10.31.16	3,765	2,261	60.05%	\$2,216,742	\$2,389,011	39.95% =	
			107.77% of budget used for 60.05% of vouchers				(\$885,588)
09.30.16	3,765	2,252	59.81%	\$2,216,742	\$2,393,815	40.19% =	
			107.99% of budget used for 59.81% of vouchers				(\$890,908)
08.31.16	3,708	2,250	60.68%	\$2,171,826	\$2,371,478	39.32% =	
			109.19% of budget used for 60.68% of vouchers				(\$853,961)
07.31.16	3,708	2,244	60.52%	\$2,194,712	\$2,386,543	39.48% =	
			108.74% of budget used for 60.52% of vouchers				(\$866,472)
06.30.16	3,708	2,229	60.11%	\$2,194,712	\$2,351,782	39.89% =	
			107.16% of budget used for 60.11% of vouchers				(\$875,470)
06.30.16	YTD			\$29,964,655			\$27,701,265
05.31.16	3,708	2,219	59.84%	\$2,194,712	\$2,342,657	40.16% =	
			106.74% of budget used for 59.84% of vouchers				(\$881,396)
04.30.16	3,708	2,215	59.74%	\$2,194,712	\$2,326,072	40.26% =	
			105.99% of budget used for 59.74% of vouchers				(\$883,591)
03.31.16	3,708	2,213	59.68%	\$2,194,712	\$2,288,099	40.32% =	
			104.26% of budget used for 59.68% of vouchers				(\$884,907)

HUD FIGURES.....						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY
02.29.16	3,708	2,219	59.84%	\$2,194,712	\$2,303,614	40.16% =	
			104.96% of budget used for 59.84% of vouchers				(\$881,396)
01.31.16	3,708	2,217	59.79%	\$2,194,712	\$2,335,150	40.21% =	
			106.40% of budget used for 59.79% of vouchers				(\$882,493)
12.31.15	3,708	2,159	58.23%	\$2,079,015	\$2,230,371	41.77% =	
			107.28% of budget used for 58.23% of vouchers				(\$868,406)
11.30.15	3,708	2,167	58.44%	\$2,071,432	\$2,168,116	41.56% =	
			104.78% of budget used for 58.44% of vouchers				(\$860,887)
10.31.15	3,708	2,160	58.25%	\$2,071,432	\$2,327,518	41.75% =	
			112.36% of budget used for 58.25% of vouchers				(\$864,822)
09.30.15	3,708	2,156	58.14%	\$2,127,255	\$2,179,043	41.86% =	
			102.43% of budget used for 58.14% of vouchers				(\$890,468)
08.31.15	3,708	2,119	57.15%	\$2,141,945	\$2,244,584	42.85% =	
			104.79% of budget used for 57.15% of vouchers				(\$917,823)
07.31.15	3,678	2,116	57.53%	\$2,143,521	\$2,200,578	42.47% =	
			102.66% of budget used for 57.53% of vouchers				(\$910,353)
06.30.15	3,678	2,098	57.04%	\$2,119,590	\$2,143,496	42.96% =	
			101.15% of budget used for 57.04% of vouchers				(\$910,575)

= \$7,987,221
total of this page only

HUD FIGURES						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY

06.30.15	YTD			\$25,486,975		\$24,598,735	
05.31.15	3,678	2,073	56.36%	\$2,119,059	\$2,157,804		43.64% = (\$924,757)
			101.83% of budget used for 56.36% of vouchers				
04.30.15	3,678	2,027	55.11%	\$2,119,059	\$2,089,317		44.89% = (\$951,245)
			98.60% of budget used for 55.11% of vouchers				
03.31.15	3,678	1,956	53.18%	\$2,119,059	\$2,002,958		46.82% = (\$992,143)
			94.52% of budget used for 5318 of vouchers				
02.28.15	3,678	1,940	52.75%	\$2,119,059	\$1,974,470		47.25% = (\$1,001,255)
			93.18% of budget used for 52.75% of vouchers				
01.31.15	3,678	1,933	52.56%	\$2,119,059	\$2,006,408		47.44% = (\$1,005,281)
			94.68% of budget used for 52.56% of vouchers				
							= \$4,874,681 total of this page only
							= \$103,579,320 GRAND TOTAL OF ALL PAGES

Attachment C

Laurie Thorson, pro se
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· WORDS IN RED ARE TO BE ADDED
· RED-LINED WORDS ARE TO BE DELETED

IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF HAWAII

LAURIE THORSON)
pro se plaintiff	) CV-23-00412-MWJS-WRP
v.	) PROPOSED
	) AMENDED COMPLAINT
HAWAII PUBLIC HOUSING AUTHORITY)
aka: HPHA)
and)
Hakim Ouansafi, HPHA Executive Director)
Ryan Akamine, HPHA Compliance Chief)
Lyle Matsuura, HPHA Supervisor IV	) JURY TRIAL
Bennett Liu, HPHA Chief Financial Officer)
_____)

Defendants:

Hawaii Public Housing Authority (aka: HPHA)

1002 North School Street
Honolulu, Hawaii 96817
hphas8office@hawaii.gov
(808) 832-6040

Hakim Ouansafi, Executive Director

Hawaii Public Housing Authority
1002 North School Street
Honolulu, Hawaii 96817
hakim.ouansafi@hawaii.gov
(808) 832-4694 and (808) 832-4696

(more defendants continued on next page)

(to navigate through this complaint, refer to the Table of Contents at the end)

HUD FIGURES						HPHA (per financial stmts/audits & board mtgs)	
Total Vouchers HPHA received	Total S8 Vouchers HPHA used	% of S8 Vouchers HPHA used	Total Subsidy Annual 100% Subsidy to HPHA	Total Subsidy for 100% of all Vouchers (HAP budget)	Total Subsidy used, per HPHA to HUD, used ±100% of subsidy	HPHA admits using all the subsidy, but for avg 80-82% of vouchers received	% of unused vouchers deducted from total subsidy = STOLEN SUBSIDY

06.30.15	YTD		\$25,486,975			\$24,598,735		
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03.31.15	3,678	1,956	53.18%	\$2,119,059	\$2,002,958		46.82% = (\$992,143)	
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			94.68% of budget used for 52.56% of vouchers					
							= \$4,874,681 total of this page only	
							= \$103,579,320 GRAND TOTAL OF ALL PAGES	

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Attorneys for Defendants
HAWAII PUBLIC HOUSING AUTHORITY,
HAKIM OUANSAFI, RYAN AKAMINE,
and LYLE MATSUURA

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

LAURIE THORSON,

Pro Se Plaintiff,

vs.

HAWAII PUBLIC HOUSING
AUTHORITY aka HPHA, HAKIM
OUANSAFI, HPHA EXECUTIVE
DIRECTOR; RYAN AKAMINE,
HPHA CHIEF COMPLIANCE OFR,
and LYLE MATSUURA, HPHA
SUPERVISOR IV

Case No. 23-00412 MWJS-WRP

DEFENDANTS HAWAII PUBLIC
HOUSING AUTHORITY aka
HPHA, HAKIM OUANSAFI, RYAN
AKAMINE, AND LYLE
MATSUURA’S MEMORANDUM
IN OPPOSITION TO PLAINTIFF
LAURIE THORSON’S “MOTION
FOR LEAVE TO FILE AMENDED
COMPLAINT” FILED AUGUST 23,
2024 (ECF No. 76); APPENDIX “A”;
AND CERTIFICATE OF SERVICE

Defendants.

Magistrate Judge: Honorable Wes R.
Porter

Trial Date: July 21, 2025

Judge: Honorable Micah W.J. Smith

DEFENDANTS HAWAII PUBLIC HOUSING AUTHORITY
aka HPHA, HAKIM OUANSAFI, RYAN AKAMINE, AND LYLE
MATSUURA’S MEMORANDUM IN OPPOSITION TO PLAINTIFF
LAURIE THORSON’S “MOTION FOR LEAVE TO FILE AMENDED
COMPLAINT” FILED AUGUST 23, 2024 (ECF No. 76)

Defendants Hawaii Public Housing Authority; Hakim Ouansafi, HPHA Executive Director; Ryan Akamine, HPHA Chief Compliance Officer; and Lyle Matsuura, HPHA Supervisor IV (collectively, “Defendants”), by and through their undersigned attorneys, hereby submit this Memorandum in Opposition to Plaintiff Laurie Thorson’s “Motion for Leave to File Amended Complaint” (“Motion to Amend”) filed on August 23, 2024 (ECF No. 76), pursuant to this Court’s Order, filed on August 27, 2024 (ECF No. 77).

I. INTRODUCTION

Plaintiff has filed a Motion to Amend, accompanied by a proposed 93-page amended complaint. ECF Nos. 76 & 76-1. She requests that this Court grant her leave to file this amended complaint, which adds a fraud claim under 18 U.S.C. § 666 and HPHA Chief Financial Officer Bennett Liu as a defendant to the proceeding.¹ Despite this Court’s clear directive to Plaintiff that “any future

¹ A review of the proposed amended complaint confirms that Plaintiff is attempting to insert the following amendments that are not mentioned in the Motion to Amend: (1) converting the non-jury trial set forth in the Rule 16 Scheduling Order, ECF No. 63 at PageID.2288, to a jury trial, ECF No. 76-1 at PageID.2472; (2) inserting a quote from the Federal Register 98-10374 to support the basis for her discrimination and retaliation claims, ECF No. 76-1 at PageID.2494; and (3) inserting an allegation that relates to not only the proposed

motion to file an amended complaint shall include . . . an analysis of the applicable legal standard[.]” ECF No. 75, she chose to file a one-page Motion devoid of any application, or even mention, of the applicable legal standard.

While Plaintiff’s violation of this Court’s August 20, 2024 Order is alone a sufficient basis to deny this Motion, the Motion to Amend should also be denied on the following bases: Plaintiff’s amendments would be futile because she does not have a private right of action to assert a claim under 18 U.S.C. § 666 – a federal criminal statute; and Plaintiff’s failure to plead her fraud claim with specificity under Rule 9(b) of the Federal Rules of Civil Procedure is prejudicial to Defendants’ and proposed defendant Liu’s reputation.

II. BACKGROUND

On August 9, 2024, Plaintiff filed her first motion for leave to file an amended complaint. ECF No. 71. This Court denied the motion because it was “unable to evaluate Plaintiff’s Motion because Plaintiff has not provided a proposed amended complaint in redline format as required by Local Rule 10.4.” ECF No. 75. In so ruling, this Court also cautioned Plaintiff that “any future motion to file an amended complaint shall include a proposed amended complaint

fraud claim, but to Plaintiff’s discrimination and retaliation claims as well. Denial of leave as to these proposed amendments, along with others not mentioned in the Motion to Amend, is proper. *See Scott v. U.S. Bank Nat’l Ass’n*, 16 F.4th 1204, 1209 (5th Cir. 2021) (noting failure to “give the court at least some notice of what [their] amendments would be” is a proper basis for denial of leave to amend).

in redline format pursuant to Local Rule 10.4 as well as an analysis of the applicable legal standard.” ECF No. 75.

Plaintiff filed her Motion to Amend on August 23, 2024. ECF No. 76. She, however, appears to have disregarded this Court’s warning. The one-page Motion to Amend does not include a proposed amended complaint in redline format pursuant to Local Rule 10.4, *see generally* ECF No. 76-1, and an analysis of the applicable legal standard, *see* ECF. No. 76.

This Court, on September 4, 2024, issued an order establishing the briefing schedule for this Motion. ECF No. 77.

III. STANDARD OF REVIEW

“The court should freely give leave when justice so requires.” Fed. R. Civ. P. 15(a)(2). This policy is “applied with extreme liberality.” *Eminence Cap., LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1051 (9th Cir. 2003) (quoting *Owens v. Kaiser Found. Health Plan, Inc.*, 244 F.3d 708, 712 (9th Cir. 2001)). The liberality in granting leave to amend is restrained by this Court’s consideration of the following factors: “(1) bad faith; (2) undue delay; (3) prejudice to the opposing party; (4) futility of amendment; and (5) whether the plaintiff has previously amended [their] complaint.” *See Nunes v. Ashcroft*, 375 F.3d 805, 808 (9th Cir. 2004) (citing *Bonin v. Calderon*, 59 F.3d 815, 945 (9th Cir. 1995)).

These factors, however, are not weighed equally. *Eminence Cap., LLC*, 316 F.3d at 1052. “[I]t is the consideration of prejudice to the opposing party that carries the greatest weight.” *Id.* That said, “[f]utility of amendment can, by itself, justify the denial of a motion for leave to amend.” *United States ex rel. Lee v. SmithKline Beecham, Inc.*, 245 F.3d 1048, 1052 (9th Cir. 2001) (citation omitted).

IV. **ARGUMENT**

Plaintiff’s Motion to Amend fails for three reasons: **(1)** Plaintiff failed to comply with this Court’s EO dated August 20, 2024 (ECF No. 75); **(2)** Plaintiff’s proposed amendment to add a fraud claim under 18 U.S.C. § 666 and HPHA Chief Financial Officer Bennett Liu as a defendant would be futile; and **(3)** Plaintiff’s failure to plead her fraud claim with specificity under Fed. R. Civ. P. Rule 9(b) will be prejudicial to Defendants’ and proposed defendant Liu’s reputation.

1. **Plaintiff’s Motion to Amend fails to comply with this Court’s EO dated August 20, 2024**

In its EO dated August 20, 2024, this Court cautioned Plaintiff that “any future motion to file an amended complaint shall include . . . an analysis of the applicable legal standard.”² ECF No. 75. Plaintiff’s one-page Motion to Amend, however, is devoid of any “analysis of the applicable legal standard.” In fact,

² Plaintiff has not strictly complied with the redline format set forth in Local Rule 10.4, as required by this Court in its August 20, 2024 EO. Defendants request that this be an additional basis upon which this Court relies in denying Plaintiff’s Motion to Amend.

Plaintiff does not even mention the legal standard applicable to this Court's determination of whether to grant leave to amend in this case. Defendants are therefore required to both construct Plaintiff's argument and oppose it. This briefing format is unduly prejudicial to Defendants in that they must guess at Plaintiff's arguments before she is permitted to have the final word in her Reply.

2. Plaintiff's proposed amendments to the Complaint would be futile

Plaintiff seeks to add: (1) a claim of fraud under 18 U.S.C. § 666; and (2) HPHA Chief Financial Officer Bennet Liu as a defendant because of his role in the alleged fraud. ECF No. 76. Plaintiff claims that Defendants and proposed defendant Liu are stealing federal funds from the Section 8 Housing Choice Voucher Program, in violation of 18 U.S.C. § 666. ECF No. 76-1 at PageID.2537, 2540, 2550.

18 U.S.C. § 666 is a federal criminal statute. A civil complaint cannot be used to state a claim for the violation of a criminal statute. *See Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980). The violation of a federal criminal statute does not provide for a private cause of action or a basis for civil liability.

DeAlcantara v. Shigemura, Civ. No. 16-00586 JMS-KSC, 2016 WL 6518618, at *2 (D. Haw. 2016) (citations omitted), attached hereto as Appendix "A." As such, Plaintiff is unable to bring a criminal case as "federal criminal law [can] only be enforced by a federal prosecutor, not by any private party." *Id.* (citation omitted).

Because 18 U.S.C. § 666 does not provide either an express or implied private right of action and cannot form the basis for civil liability, the addition of Plaintiff's proposed fraud claim and Mr. Liu as a defendant would be futile. *See Aldabe*, 616 F.2d at 1092, 1094 (dismissing the claims in the complaint based upon criminal statutes because there was no basis for civil liability).

3. The addition of Plaintiff's fraud claim is prejudicial to Defendants' and proposed defendant Liu's reputation

Fed. R. Civ. Pro. Rule 9(b) requires that “[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake.” “The plaintiff must, in her pleading, include the time, place, and nature of the alleged fraud, and ‘mere conclusory allegations of fraud are insufficient’ to satisfy this requirement.” *United States ex rel. McCarthy v. Straub Clinic & Hosp., Inc.*, 140 F.Supp.2d 1062, 1066 (D. Haw. 2001) (citation omitted). The purpose of requiring that fraud be pleaded with particularity is to give defendants notice of the claims against them, to protect against the reputational injury that can result from being accused of fraud, and to reduce the number of suits brought solely to extract a settlement. *See United States v. United Healthcare Ins. Co.*, 848 F.3d 1161, 1180 (9th Cir. 2016); Steven S. Gensler, 1 *Federal Rules of Civil Procedure, Rules and Commentary Rule 9* (Westlaw, 2024).

Plaintiff, through her 93-page proposed amended complaint, offers only broad allegations lacking particularized supporting details. For example, Plaintiff

alleges that Defendants “have and are continuing to steal from the Section 8 Housing Choice Voucher Program, which as of today equals approximately \$103,579,320.” ECF No. 76-1 at PageID.2540. She maintains that Defendants are “lowering the contract rent for each voucher (by using low comparables) . . . to increase the amount of ‘surplus grant funds’ the defendants accumulate, which allows the defendants to steal a greater amount of federal funds from the Section 8 Housing Choice Voucher Program.” ECF No. 76-1 at PageID.2478. Plaintiff claims her newly-added, self-created 15-page chart definitively proves that “[D]efendants are guilty of FRAUD.” ECF No. 76-1 at PageID.2474; *see also* ECF No. 76-1 at PageID.2550.

These conclusory allegations, which are based upon information and belief, are insufficient to show the allegations against Defendants and proposed defendant Liu have any “factual basis.” *See United Healthcare Ins. Co.*, 848 F.3d at 1182 (“By requiring some factual basis for the claims, the rule protects against false or unsubstantiated charges.” (citing *Bly-Magee v. California*, 236 F.3d 1014, 1018 (9th Cir. 2001))). And while the allegations describe some details of a generalized scheme, Plaintiff provides no details linking any of the specific Defendants and proposed defendant Liu to the scheme. To safeguard Defendants’ and proposed defendant Liu’s “reputation and goodwill from improvident charges of

wrongdoing[,]” *Bly-Magee*, 236 F.3d at 1018, Plaintiff’s Motion to Amend must be denied.

V. CONCLUSION

Based on the foregoing, this Court should deny Plaintiff’s “Motion for Leave to File Amended Complaint” filed on August 23, 2024 (ECF No. 76).

DATED: Honolulu, Hawai‘i, September 13, 2024.

STATE OF HAWAII

ANNE E. LOPEZ
Attorney General of Hawaii

/s/ Chase S.L. Suzumoto
CHASE S.L. SUZUMOTO
KLEMEN URBANC
CRAIG Y. IHA
Deputy Attorneys General

Attorneys for Defendants
HAWAII PUBLIC HOUSING
AUTHORITY, HAKIM OUANSAFI,
RYAN AKAMINE, and LYLE
MATSUURA

APPENDIX “A”

2016 WL 6518618

Only the Westlaw citation is currently available.
United States District Court, D. Hawai‘i.

Natalie DEALCANTARA on behalf
of minors A.L., S.S., and E.S., Plaintiff,

v.

Reid SHIGEMURA, Defendant.

Civ. No. 16-00586 JMS-KSC

|

Signed 11/01/2016

|

Filed 11/02/2016

Attorneys and Law Firms

Natalie Dealcantara, Honolulu, HI, pro se.

ORDER: (1) GRANTING APPLICATION TO PROCEED
IN DISTRICT COURT WITHOUT PREPAYING
FEES OR COSTS; (2) DISMISSING COMPLAINT
WITH LEAVE TO AMEND; AND (3) DENYING
MOTION FOR TEMPORARY RESTRAINING ORDER

J. Michael Seabright, Chief United States District Judge

**ORDER: (1) GRANTING APPLICATION
TO PROCEED IN DISTRICT COURT
WITHOUT PREPAYING FEES OR COSTS;
(2) DISMISSING COMPLAINT WITH LEAVE
TO AMEND; AND (3) DENYING MOTION
FOR TEMPORARY RESTRAINING ORDER**

I. INTRODUCTION

*1 On October 31, 2016, pro se Plaintiff Natalie DeAlcantara on behalf of minors A.L., S.S., and E.S. (“Plaintiff”) filed a Complaint against Defendant Reid Shigemura (“Defendant”), ECF No. 1; a request to proceed in forma pauperis (“IFP Application”), ECF No. 2; and a Motion for Temporary Restraining Order (“TRO”), ECF No. 3.

For the reasons discussed below, the court (1) GRANTS Plaintiff’s IFP Application; (2) DISMISSES the Complaint for lack of subject matter jurisdiction, with leave to amend; and (3) DENIES Plaintiff’s Motion for TRO.

II. BACKGROUND

A. Plaintiff’s IFP Application Is Granted

Plaintiff’s IFP Application indicates that in the past year she received \$753 in social security benefits per month, and currently has no other income, savings or assets aside from a vehicle worth about \$2,000. IFP Appl. at 1-2. It further states that Plaintiff has a negative balance in a checking or savings account. *Id.* at 2. Because Plaintiff has made the required showing under 28 U.S.C. § 1915 to proceed in forma pauperis (*i.e.*, without prepayment of fees), the court GRANTS Plaintiff’s IFP Application.

B. Plaintiff’s Complaint

Without setting forth all of the details alleged in the Complaint, Plaintiff essentially alleges that Defendant has committed sexual assaults and/or sexual abuse against the minor children named in the Complaint, and has violated a protective order or orders. Although the allegations are not clear, it appears Defendant has been awarded custody or periods of custody of the minors by a Hawaii Family Court in conjunction with Child Protective Services. Compl. at 5-6; Mot. for TRO at 2. The Complaint seeks the return of the minors to Plaintiff, and ceasing of Defendant’s custody of the minors. Compl. at 6. The Motion for TRO requests that “the minors listed be returned to the safety of [Plaintiff’s] care and home immediately so [Plaintiff] can [guarantee] safety, physical medical care if necessary and psychological care by a professional[.]” Motion for TRO at 3. It further seeks “[n]o contact, physical abuse, emotional abuse or threats of such by [Defendant] to the three minor children listed.” *Id.*

Plaintiff alleges that Defendant has violated the following federal criminal statutes: 10 U.S.C. § 920 (“Rape and sexual assault generally” under the Uniform Code of Military Justice); 18 U.S.C. § 2241 (“Aggravated sexual abuse”); 18 U.S.C. § 2242 (“Sexual abuse”); *id.* § 2243 (“Sexual abuse of a minor or ward”); *id.* § 2261 (“Interstate domestic violence”); and *id.* § 2262 (“Interstate violation of protection order”). Compl. at 4; Motion for TRO at 1. She asserts violations of these statutes as the basis of federal jurisdiction under 28 U.S.C. § 1331. She does not allege diversity of citizenship under 28 U.S.C. § 1332.

C. Standards of Review

The court must subject each civil action commenced pursuant to 28 U.S.C. § 1915(a), governing IFP proceedings, to mandatory screening. The court must order the dismissal of any claims it finds “(i) is frivolous or malicious, (ii) fails to state a claim upon which relief may be granted, or (iii) seeks monetary relief against a defendant who is immune from such relief.” *Id.* § 1915(e)(2)(B); *see, e.g., Calhoun v. Stahl*, 254 F.3d 845, 845 (9th Cir. 2001) (per curiam) (holding that “the provisions of 28 U.S.C. § 1915(e)(2)(B) are not limited to prisoners”); *Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000) (en banc) (stating that 28 U.S.C. § 1915(e) “not only permits but requires” the court to sua sponte dismiss an IFP complaint that fails to state a claim). Claims may also be dismissed sua sponte where the Court does not have federal subject matter jurisdiction. *See, e.g., Franklin v. Murphy*, 745 F.2d 1221, 1227 n.6 (9th Cir. 1984); *see also Fed. R. Civ. P. 12(h)(3)*.

*2 Plaintiff is appearing pro se; consequently, the court liberally construes the Complaint. *See Erickson v. Pardus*, 551 U.S. 89, 94 (2007); *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987). The court also recognizes that “[u]nless it is absolutely clear that no amendment can cure the defect ... a pro se litigant is entitled to notice of the complaint’s deficiencies and an opportunity to amend prior to dismissal of the action.” *Lucas v. Dep’t of Corr.*, 66 F.3d 245, 248 (9th Cir. 1995); *see also Crowley v. Bannister*, 734 F.3d 967, 977-78 (9th Cir. 2013).

III. DISCUSSION

A. The Complaint Fails to State a Claim and the Court Lacks Subject Matter Jurisdiction

Plaintiff alleges only violations of federal criminal statutes. But “a federal criminal law [can] be enforced only by a federal prosecutor, not by any private party.” *Sulla v. Horowitz*, 2012 WL 4758163, at *3 (D. Haw. Oct. 4, 2012). “Nor do criminal statutes generally provide a private cause of action or a basis for civil liability.” *Shaw v. Louie*, 2013 WL 6624153, at *3 (D. Haw. Dec. 17, 2013). *See, e.g., Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980) (stating, for example, that 18 U.S.C. §§ 241 & 242 provide no private right of action and cannot form the basis for a civil suit); *United States v. Oguaju*, 76 Fed.Appx. 579, 581 (6th Cir. 2003) (holding that the violation of a federal criminal statute does not provide for a private cause of action). As reiterated in *Tomel v. Ross*, 2009 WL 3824742 (D. Haw. Nov. 16, 2009), “the violation of a federal criminal statute rarely provides for a private cause

of action. To imply a private right of action, there must be a statutory basis for inferring that a civil cause of action of some sort lay in favor of someone.” *Id.* at *3 (citing *Chrysler Corp. v. Brown*, 441 U.S. 281, 316 (1979)) (internal quotation marks and other citation omitted). There has been no showing of such an implied cause of action. More specifically, “[t]here is no indication that Congress intended to create a private cause of action under 18 U.S.C. § 2262(a)(1).” *Hopson v. Commonwealth Attorney’s Office*, 2013 WL 1411234, at *4 (W.D. Ky. Apr. 8, 2013).

In short, the Complaint—based solely on federal question jurisdiction under 28 U.S.C. § 1331—plainly lacks a basis for federal subject matter jurisdiction. *See, e.g., Williams v. United Airlines, Inc.*, 500 F.3d 1019, 1022 (9th Cir. 2007) (“[28 U.S.C. § 1331] is applicable only when the plaintiff sues under a federal statute that creates a right of action in federal court.” (citations omitted)). Accordingly, the Complaint is DISMISSED. The claims pleaded in the Complaint, which are all based on violations of federal criminal statutes, are DISMISSED with prejudice. Nevertheless, as explained below, Plaintiff is given leave to file an Amended Complaint to attempt to state a valid federal cause of action.

Because the Complaint lacks subject matter jurisdiction, Plaintiff’s Motion for TRO is also DENIED. Plaintiff necessarily cannot make the required showing of a likelihood of success on the merits. *See, e.g., Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008) (explaining that, among other factors, a plaintiff seeking a preliminary injunction must establish that she is likely to succeed on the merits); *Hawaii v. Gannett Pac. Corp.*, 99 F. Supp. 2d 1241, 1247 (D. Haw. 1999) (“The standards for granting a temporary restraining order and a preliminary injunction are identical.”).

B. Leave to Amend

*3 Plaintiff may file an Amended Complaint on or before November 22, 2016 that cures the deficiencies explained in this Order. *See Lucas*, 66 F.3d at 248 (“Unless it is absolutely clear that no amendment can cure the defect ... a pro se litigant is entitled to notice of the complaint’s deficiencies and an opportunity to amend prior to dismissal of the action.”). Plaintiff must comply with the Federal Rules of Civil Procedure and the Local Rules for the District of Hawaii if she amends her pleading.

An amended complaint generally supersedes the original complaint. *See Ramirez v. Cty. of San Bernardino*, 806 F.3d 1002, 1008 (9th Cir. 2015). Local Rule 10.3 requires that an

amended complaint be complete in itself without reference to any prior pleading. Because Plaintiff's claims for violations of criminal statutes (10 U.S.C. § 920 and 18 U.S.C. §§ 2241-43 & 2261-62) have been dismissed with prejudice, the dismissal is preserved for any future appeal, and these claims should not be reasserted in an Amended Complaint. See *Lacey v. Maricopa Cty.*, 693 F.3d 896, 928 (9th Cir. 2012) (“[C]laims dismissed with prejudice [need not] ... be repled in a[n] amended complaint to preserve them for appeal.”). Plaintiff may attempt, however, to raise other claims if appropriate. And if an Amended Complaint is not filed by November 22, 2016, the action will be closed.

IV. CONCLUSION

(1) Plaintiff's IFP Application is GRANTED.

(2) Pursuant to 28 U.S.C. § 1915(e)(2), the Complaint is DISMISSED for lack of subject matter jurisdiction.

(3) Plaintiff's Motion for Temporary Restraining Order is DENIED.

(4) Plaintiff is GRANTED leave to file an Amended Complaint that states a valid federal cause of action and basis for federal jurisdiction. An Amended Complaint must be filed by November 22, 2016. If an Amended Complaint is not timely filed, the court will instruct the Clerk to close the action.

IT IS SO ORDERED.

All Citations

Not Reported in Fed. Supp., 2016 WL 6518618

End of Document

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAI‘I

LAURIE THORSON,

Pro Se Plaintiff,

vs.

HAWAII PUBLIC HOUSING
AUTHORITY aka HPHA, HAKIM
OUANSAFI, HPHA EXECUTIVE
DIRECTOR; RYAN AKAMINE,
HPHA CHIEF COMPLIANCE OFR,
and LYLE MATSUURA, HPHA
SUPERVISOR IV

Defendants.

Case No. 23-00412 MWJS-WRP

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on the date indicated below, a true and correct copy of the foregoing document was duly served electronically upon the following party at their last known email address via CM/ECF:

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DATED: Honolulu, Hawai'i, September 13, 2024.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

LAURIE THORSON,)	CIVIL NO. 23-00412 MWJS-WRP
)	
Plaintiff,	)	ORDER DENYING PLAINTIFF'S
	)	MOTION FOR LEAVE TO FILE
vs.	)	AMENDED COMPLAINT
)	
HAWAI'I PUBLIC HOUSING)	
AUTHORITY, HAKIM)	
OUANSAFI, RYAN AKAMINE,)	
and LYLE MATSUURA,)	
)	
Defendants.)	
)	

**ORDER DENYING PLAINTIFF'S MOTION
FOR LEAVE TO FILE AMENDED COMPLAINT**

Before the Court is Plaintiff's Motion for Leave to File Amended Complaint, filed on August 23, 2024 (Motion), ECF No. 76. With her Motion, Plaintiff submitted a proposed First Amended Complaint (Proposed FAC), ECF No. 76-1. Defendants Hawaii Public Housing Authority (HPHA); Hakim Ouansafi, HPHA Executive Director; Ryan Akamine, HPHA Chief Compliance Officer; and Lyle Matsuura, HPHA Supervisor IV, filed their Opposition to the Motion on September 13, 2024, ECF No. 81. Plaintiff filed her Reply on September 16, 2024, ECF No. 82. The Court finds the Motion suitable for disposition without a hearing pursuant to Rule 7.1(c) of the Local Rules of Practice of the United States District Court for the District of Hawaii. After careful

consideration of the record in this action and the relevant legal authority, the Court DENIES the Motion.

DISCUSSION

In this civil action, Plaintiff contends that Defendants have deprived her of federal housing assistance out of discriminatory and retaliatory motives in violation of the Fair Housing Act. See Compl., ECF No. 1. In the present Motion, Plaintiff seeks to add a new claim for fraud in violation of 18 U.S.C. § 666 and to add Bennett Liu, HPHA Chief Financial Officer as a defendant. See Mot., ECF No. 76, at 1. Defendants contend in their Opposition that leave to amend should be denied because Plaintiff's proposed amendments are futile and Plaintiff's failure to plead her fraud claim with particularity is prejudicial to Defendants. See Opp., ECF No. 81.

DISCUSSION

Under Rule 15(a)(2) "a party may amend its pleading only with the opposing party's written consent or the court's leave." Fed. R. Civ. P. 15(a)(2). Rule 15(a)(2) states that leave to amend should be freely given when justice so requires. See id. "This policy is to be applied with extreme liberality." Eminence Capital, LLC v. Aspeon, 316 F.3d 1048, 1051 (9th Cir. 2003). Where, as here, the plaintiff is proceeding pro se, the court has an obligation "to construe the pleadings liberally and to afford the [plaintiff] the benefit of any doubt." Akhtar v. Mesa,

698 F.3d 1202, 1212 (9th Cir. 2012). Whether to grant leave to amend is within the court’s discretion. See Foman v. Davis, 371 U.S. 178, 182 (1962). In determining whether to grant leave to amend, courts consider several factors including undue delay, whether the opposing party will be prejudiced, futility of the amendment, and bad faith by the movant. See id. An amendment is futile if “no set of facts can be proved under the amendment to the pleadings that would constitute a valid and sufficient claim or defense.” See Miller v. Rykoff-Sexton, Inc., 845 F.2d 209, 214 (9th Cir. 1988) (citations omitted).

1. Plaintiff’s Request for Leave to Amend to Include a Jury

Demand is DENIED.

Plaintiff’s Proposed FAC includes the statement “Jury Trial” on the caption of the first page. See Proposed FAC, ECF No. 76-1, at 1. No party has previously demanded a jury trial in this case and a non-jury trial was set at the Rule 16 Scheduling Conference on April 22, 2024. See Rule 16 Scheduling Order, ECF No. 63. Defendants noted Plaintiff’s jury trial designation in their Opposition, but Plaintiff did not address the issue in her Reply. See Opp., ECF No. 81, at 3; Reply, ECF No. 82.

To the extent Plaintiff is attempting to make a demand for a jury trial in her Proposed FAC, Plaintiff’s demand is untimely. Under Rule 38, a party may demand a jury trial “no later than 14 days after the last pleading directed to the

issue is served.” Fed. R. Civ. P. 38(b)(1). The failure to comply with these requirements waives the right to a jury trial. See Fed. R. Civ. P. 38(d). Defendants filed their Answer to the Complaint on January 21, 2024. See Answer, ECF No. 24. Accordingly, Plaintiff was required to serve a jury demand no later than February 5, 2024. Because Plaintiff failed to comply with Rule 38(b), she has waived her right to a jury trial. See Fed. R. Civ. P. 38(d); Zivkovic v. S. Cal. Edison Co., 302 F.3d 1080, 1087 (9th Cir. 2002) (holding that the pro se plaintiff’s “good faith mistake as to the deadline for demanding a jury trial establishes no more than inadvertence, which is not a sufficient basis to grant relief from an untimely jury demand.”); see also Hudson v. CompUSA, Inc., No. CIV. 01-00674 HG-LEK, 2002 WL 32851636, at *2 (D. Haw. June 20, 2002) (holding that an amended pleading does not “revive the right to demand a jury trial either as to factual issues already framed in the original pleadings, or as to new legal theories based on facts previously pleaded.”). Because Plaintiff has waived her right to a jury trial, Plaintiff’s request for leave to amend to include a jury demand is DENIED.

2. Plaintiff’ Request for Leave to Amend to Add a Fraud Claim is DENIED.

In the Proposed FAC, Plaintiff seeks leave to add the following allegations related to her new claim for fraud:

Plaintiff claims defendants are guilty of FRAUD. Plaintiff claims evidence proves that since 2015 (to current date), defendants have stolen approximately \$103,579,320 from the Section 8 Housing Choice Voucher Program (see attached chart of HUD figures that prove Fraud).

* * *

14. The purpose of defendants lowering the contract rent for each voucher (by using low comparables) is to increase the amount of 'surplus grant funds' the defendants accumulate, which allows the defendants to steal a greater amount of federal funds from the Section 8 Housing Choice Voucher Program.

It's important to note the fraud scheme here (see attached chart):

- Defendants receive from HUD the maximum subsidy for each voucher (which as of today is 120% of the payment standard per voucher)
- The defendants then lower the contract rent as low as they can get it (by using low comparable against the contract rent in all rent reasonableness determinations for each voucher).
- The defendants are issued the total vouchers that equal the total subsidy received.
- The defendants use approximately 80% of the vouchers they received from HUD, but use 100% of the subsidy they received from HUD.
- There is no financial accounting for the 20% of subsidy that was not used. It just disappears from all accounting records.
- The attached chart proves the HUD figures, the total subsidy the defendants received, the total vouchers issued, the total vouchers used, and confirmation that $\pm 100\%$ of the subsidy was used for only $\pm 80\%$ of the vouchers the defendants received.
- This is fraud, and is considered a crime according to 18 U.S.C. §666 and CRM 1002 (Department of Justice,

Criminal Rules Manual)

* * *

36. Plaintiff claims that the defendants altered financial statements and provided state auditors false information in order to hide the federal funds that the defendants were stealing.

37. Plaintiff claims defendants used 100% of the subsidy to issue only approximately 80% of the vouchers, and the balance of the subsidy was stolen (see attached charts). Evidence proves the HPHA received 120% subsidy for each Section 8 voucher, then used the illegal policy to use low comparables against the contract rent in order to consistently reduce amount actually paid for each voucher, which allowed for a greater portion of federal funds to be stolen.

* * *

(v) The facts of this case proves defendants intentionally interfered with plaintiff's live in aide and housing in retaliation for plaintiff disputing the defendants illegal policies to use low comparables against the contract rent, which illegal policies only increased the amount of federal funds the defendants could steal from the Section 8 Housing Choice Voucher Program.

* * *

Plaintiff claims that since 2015, evidence proves that Hakim Ouansafi has been stealing federal funds each month from the Section 8 program, and has directed his staff to assist him in his fraud scheme. The reward for their cooperation is that Hakim Ouansafi now has authority to bypass the HPHA Board of Directors to hire his own staff and to pay a salary "...that exceeds the salary of the Governor...". Refer to SB 3120.

SB 3120 confirms Hakim Ouansafi has sole authority to hire and pay wages that exceeds the Governor's salary (bypassing the HPHA Board of Directors and bypassing the Hawaii Revised Statutes that specifically states that no salary can exceed the Governor's salary). The beneficiaries of SB 3120 is documented as being, amongst others, the Chief Compliance Officer (Ryan Akamine), and the Chief Financial Officer (Bennet Liu).

* * *

Plaintiff claims that the evidence will prove that the defendants are stealing federal funds from the Section 8 Housing Choice Voucher Program, which is considered a crime according to 18 U.S.C. 666. The evidence proves that the defendants fabricated and altered their financial statements and provided false information to state auditors, but for the sole purpose of hiding the millions of dollars the defendants are stealing. The evidence will prove that HUD records prove the HPHA's figures are fabricated.

* * *

Plaintiff prays the defendants are criminally charged with Fraud, and are held accountable to repay all the federal funds they have and are continuing to steal from the Section 8 Housing Choice Voucher Program, which as of today equals approximately \$103,579,320. According to CRM 1002, "...maximum penalty is imprisonment for 10 years and a fine of the greater of \$100,000 or twice the amount obtained in violation of the section..."

See Proposed FAC, ECF No. 76-1, at 3, 7-8, 17, 28, 45, 66, 69.

Additionally, the Proposed FAC contains a new a section entitled "Fraud," which is comprised of a lengthy quote from 18 U.S.C. § 666 and from the Department of Justice, Criminal Rules Manual, "CRM 1002. Theft and Bribery in

Federally Funded Programs.” Id. at 58. Attached to the Proposed FAC is a fifteen-page chart titled “FRAUD,” which states “THIS DOCUMENT PROVES THAT SINCE 2015, \$103,579,320 HAS BEEN STOLEN FROM THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM. THIS IS FRAUD, A FEDERAL CRIME ACCORDING TO 42 U.S.C. 666/CRM 1002.” Id. at 79-93

A civil complaint cannot state a claim for violation of a criminal statute. See Aldabe v. Aldabe, 616 F.2d 1089, 1092 (9th Cir. 1980). Further, “federal criminal law [can] be enforced only by a federal prosecutor, not by any private party.” DeAlcantara v. Shigemura, Civ. No. 16-00586 JMS-KSC, 2016 WL 6518618, at *2 (D. Haw. Nov. 2, 2016) (citation omitted). Plaintiff lacks standing to bring claims for violation of federal criminal law. See id.; see also Linda R.S. v. Richard D., 410 U.S. 614, 619 (1973) (“[A] private citizen lacks a judicially cognizable interest in the prosecution or nonprosecution of another.”).

Plaintiff seems to acknowledge this limitation in her Reply and argues that she intended to assert a civil claim for fraud. See Reply, ECF No. 82, at 7-8. Despite Plaintiff’s statements in her Reply, Plaintiff’s Motion and the proposed FAC repeatedly reference the criminal statute for fraud involving federal programs. See Mot., ECF No. 76, at 1; Proposed FAC, ECF No. 76-1, at 8, 58, 66, 79. As noted above, the Proposed FAC expressly states that “the evidence will prove that the defendants are stealing federal funds from the Section 8 Housing Choice

Voucher Program, which is considered a crime according to 18 U.S.C. 666” and asks “that the defendants are criminally charged with Fraud, and are held accountable to repay all the federal funds that have and are continuing to steal from the Section 8 Housing Choice Voucher Program.” See id. at 66, 69. The fraud alleged in the proposed FAC was perpetrated against HUD, not against Plaintiff. See id. Even construing the Proposed FAC liberally, the Proposed FAC does not allege a civil claim for fraud but instead alleges a criminal claim for fraud involving federal program funds. Because Plaintiff cannot assert a claim for violation of federal criminal statutes, including 18 U.S.C. § 666, her request for leave to amend to add a claim for fraud is DENIED.

3. Plaintiff’ Request for Leave to Amend to Add Bennett Liu as a Defendant is DENIED.

In the Proposed FAC, Plaintiff requests leave to add Bennett Liu, HPHA Chief Financial Officer, as a defendant. See Mot., ECF No. 76, at 1; Proposed FAC, ECF No. 76-1, at 1-2, 44-45. Specifically, Plaintiff seeks to add the allegations that Bennett Liu “fabricated and altered financial records, provided false information to state auditors, falsified actual subsidy used, falsified actual issued, and withheld ‘surplus grant funds’ from all accounting records.” See id. at 45. Additionally, the Proposed FAC states that “Bennett Liu and Hakim Ouansafi are the only two HPHA employees who are authorized to sign checks, so it should

be expected that Mr. Liu knows exactly where the stolen federal funds are and how they were diverted, a nice word for ‘stolen’.” Id. Based on the Court’s review of the Proposed FAC, the only claim asserted against Bennett Liu is the claim for fraud. Because the Court has determined that the fraud claim is futile, the Court likewise finds that the proposed amendment to add Bennet Liu as a defendant is futile. Accordingly, Plaintiff’s request for leave to amend to add Bennett Liu as a defendant is DENIED.

CONCLUSION

Plaintiff’s Motion for Leave to File Amended Complaint, ECF No. 76, is DENIED as detailed above.

IT IS SO ORDERED.

DATED AT HONOLULU, HAWAII, OCTOBER 2, 2024.



A handwritten signature in black ink, appearing to read "Wes Reber Porter".

Wes Reber Porter
United States Magistrate Judge

THORSON v. HAWAI'I PUBLIC HOUSING AUTHORITY, ET AL.; CIVIL NO. 23-00412 MWJS-WRP; ORDER DENYING PLAINTIFF'S MOTION FOR LEAVE TO FILE AMENDED COMPLAINT